



# Pakistan Water And Power Development Authority

Telephone: 99201105  
99202211/2660  
Fax: 99202404 (Ask for tone)

Accounts (Consolidation) General  
Manager Finance (Power),  
WAPDA, 609-Wapda House,  
Lahore.

No. GMF(P)/DCP/CONSOLD/ 701-03

Dated 06/08/2021

Director General,  
Public Procurement Regulatory Authority,  
1<sup>st</sup> Floor FBC Building Near State Bank,  
Sector G-5/2, Islamabad.


Subject: **ANNOUNCEMENT OF EVALUATION REPORT (PPRA RULE-35) FOR  
APPOINTMENT OF COMMERCIAL AUDITORS FOR EXTERNAL AUDIT  
OF WAPDA HYDROELECTRIC FOR THE F.Y. ENDED ON JUNE 30, 2021.**

Ref: PPRA Rule – 35

Subsequent upon approval from competent authority, kindly find attached the duly filled and signed Evaluation Report along with Bid Evaluation Criteria (Annex-1) pertaining to the procurement of subject services in view of above referred PPRA Rule-35 for uploading on PPRA website at the earliest, please.

It is confirmed that funds are available for the publication of this notice, please.

DA/ As above

  
(Syed Irfan Hussain Rizvi)  
Dy. General Manager Finance (Power)

C.C to:

1. APS to G.M. Finance (Power), 713-WAPDA, Wapda House Lahore.
2. Dy. Director (IT), Public Procurement Regulatory Authority, 1<sup>st</sup> Floor FBC Building Near State Bank Sector G-5/2, Islamabad Pakistan.



**EVALUATION REPORT**  
(As Per Rule 35 of PP Rules, 2004)

<u>1</u>	Name of Procuring Agency	Pakistan Water & Power Development Authority (WAPDA)
<u>2</u>	Method of Procurement	National Competitive Bidding under least cost method (Single Stage Two Envelope Procedure)
<u>3</u>	Title of Procurement	Appointment of Commercial Auditors for External Audit of WAPDA Hydroelectric for the F.Y. Ended on June 30, 2021
<u>4</u>	Tender Inquiry No.	PRD(L)/WAPDA/016(2021-22)
<u>5</u>	PPRA Ref. No. (TSE)	TS455972E
<u>6</u>	Date & Time of Bid Closing	05-08-2021 at 11:30 Hours Local Time
<u>7</u>	Date & Time of Bid Opening	05-08-2021 at 12:00 Hours Local Time
<u>8</u>	No. of Bids Received	Seven (7) Proposal were received
<u>9</u>	Criteria for Bid Evaluation	Criteria of Bid Evaluation attached at Annexure 1
<u>10</u>	Details of Bid(s) Evaluation	As below

<u>Name of Bidder</u>	<u>Technical Marks (if applicable)</u>	<u>Financial Marks (if applicable)</u>	<u>Evaluated Cost</u>	<u>Rule/Regulation/ SBD* /Policy/ Basic of Rejection/ Acceptance as per Rule 35 of PP Rules, 2004</u>
<u>BDO Ebrahim &amp; Co.</u>	Responsive			Accepted as per Rules
<u>Crowe Hussain Chaudary &amp; Co.</u>	Responsive			Accepted as per Rules
<u>RSM Avas Hyder Liaqat</u>	Responsive			Accepted as per Rules
<u>Grant Thornton Anjum Ra hman</u>	Responsive			Accepted as per Rules
<u>Muniff Ziauddin &amp; Co.</u>	Non-Responsive			Failed to fulfil the criteria
<u>Rehman Sarfraz Rahim Iqbal Rafiq</u>	Responsive			Accepted as per Rules
<u>Naveed Zafar Ashfaq Jaffery &amp; Co.</u>	Non-Responsive			Failed to fulfil the criteria

\*Standard Bidding Documents (SBD)

Signature: \_\_\_\_\_

Official Stamp

  
**Syed Irfan Hussain Rizvi**  
Dy.G.M.F. (Power)  
315-Wapda House Lahore.

**PAKISTAN  
WATER AND POWER DEVELOPMENT AUTHORITY**



**REQUEST FOR PROPOSAL**

**FOR**

**APPOINTMENT OF COMMERCIAL AUDITORS FOR THE  
EXTERNAL AUDIT OF WAPDA HYDROELECTRIC FOR  
THE YEAR ENDED ON JUNE 30, 2021 ON GENERAL  
PURPOSE FRAMEWORK**

**GENERAL MANAGER FINANCE (POWER)  
713-WAPDA HOUSE, LAHORE**

**July 2021**

## **TABLE OF CONTENTS**

SECTION 1. LETTER OF INVITATION .....	3
SECTION 2. INFORMATION TO AUDIT FIRMS .....	6
SECTION 3. TECHNICAL PROPOSAL – STANDARD FORMS .....	21
SECTION 4. FINANCIAL PROPOSAL - STANDARD FORMS .....	31
SECTION 5. TERMS OF REFERENCE .....	33
EXTERNAL AUDIT SERVICES AGREEMENT .....	36

## **SECTION -1**

### **LETTER OF INVITATION**



## PAKISTAN WATER AND POWER DEVELOPMENT AUTHORITY

**Tel** : 99202522, 99202211/2713  
**Fax** : 99202105

General Manager Finance (Power)  
713-WAPDA House, Lahore.

**No.** GMF(P)/M(A&F) CP/Conld./RFP- CAud-2021/

**Dated:**

**Subject:** **REQUEST FOR PROPOSAL (RFP) FOR APPOINTMENT OF  
COMMERCIAL AUDITORS FOR THE EXTERNAL AUDIT OF WAPDA  
HYDROELECTRIC FOR THE FY ENDED ON JUNE 30,2021 ON  
GENERAL PURPOSE FRAMEWORK.**

Dear Mr. /Ms:

Pakistan Water and Power Development Authority (WAPDA) is a body fully owned by the Government of Pakistan (GoP) through Ministry of Water and Power, created by virtue of the Pakistan Water and Power Development Authority Act, 1958 (West Pakistan Act No. XXXI of 1958) commonly known as WAPDA ACT, as amended from time to time. The External mandate of WAPDA is to develop and utilize the water and power resources of Pakistan on a unified and multipurpose basis.

1. The Authority invites proposals from the Commercial Audit Firms to provide External Audit Services for the Financial Year ended on June 30,2021 on general purpose reporting framework, in compliance with the International Accounting and Financial Reporting Standards (IFRS) applicable in Pakistan. The Audit Firm shall be a Chartered Accountant firm i.e. comprising of Chartered Accountants within the meaning of the Chartered Accountants Ordinance, 1961.
2. Details of services required are mentioned in the Terms of Reference (TOR). This Request for Proposal (RFP) is being simultaneously addressed to Audit firms interested in submitting the proposals
3. A firm will be selected for the services under Least Cost Method with single stage two envelope procedure as per qualification procedure/criteria described in the RFP.

This RFP document consists of the following sections:

**Section 1** - Letter of Invitation (LOI)

**Section 2** - Instructions to the Audit Firms – Data Sheet

**Section 3** - Format for Technical Proposal

**Section 4** - Format for Financial Proposal

**Section 5** - Terms of Reference (TOR)

**Section 6** – Draft Contract Agreement

4. You are invited to submit a comprehensive Technical Proposal in English quadruplicate (one original + three copies) and two Financial Proposal (one original + one copy) in separate sealed envelopes, for the services required under the Terms of Reference (TOR) as provided in **Section 5**, on or before 1130 hours on 03-08-2021.
5. In the event you desire any explanation to RFP documentation and to view/consulted the existing data/reports pertaining to the assignment you may contact the office of General Manager Finance (Power), WAPDA, Room No. 609-WAPDA House, Lahore Contact No 042-99201105 the last date of submission of the proposals.  
  
Copies of these documents, if required, can be obtained from the same office on payments of copying/binding charges.
6. The documents prepared by the Audit Firms will be the property of the client. Neither Audit Firms their Sub-Audit Firms and any Personnel of them shall, either during the term or after the expiration of this Contract, disclose any proprietary or confidential information relating to the Services, this Contract, or the Client's business or operations without the prior written consent of the Client.
7. WAPDA reserves the right to accept/reject any or all the proposals.

**(Naveed Asghar Chaudry)**  
General Manager Finance (Power)  
WAPDA

cc:

1. P.A. to Member (Power)
2. P.A. to Member (Finance)

## **Section 2. Information to Audit Firms**

- 1. Introduction**
- 1.1 The Client will select Audit Firms in accordance with the method of selection specified in the Data Sheet and detailed in the edition of the Guidelines indicated in the Data Sheet.
  - 1.2 The Audit Firms are invited to submit a Technical Proposal and a Financial Proposal, or a Technical Proposal only, as specified in the Data Sheet for consulting services required for the assignment named in the Data Sheet. The proposal will be the basis for contract negotiations and ultimately for a signed contract with the selected firm.
  - 1.3 The assignment shall be implemented in accordance with the phasing indicated in the Data Sheet. When the assignment includes several phases, the performance of the Audit Firm under each phase must be to the Client's satisfaction before work begins on the next phase.
  - 1.4 To obtain first-hand information on the assignment and on the local conditions, Audit Firms are encouraged to visit the Client before submitting a proposal and to attend a pre-proposal conference if one is specified in the Data Sheet. Attending the pre-proposal conference is optional. The Audit Firms' representative should contact the official(s) named in the Data Sheet to arrange for their visit or to obtain additional information on the pre-proposal conference. Audit Firms should ensure that this(ese) official(s) is(are) advised of the visit in adequate time to allow him/her(them) to make appropriate arrangements.
  - 1.5 The Client will provide the inputs specified in the Data Sheet, assist the firm in obtaining licenses and permits needed to carry out the services, and make available relevant project data and reports.
  - 1.6 Please note that (i) the costs of preparing the proposal and of negotiating the contract, including a visit to the Client, are not reimbursable as a direct cost of the assignment; and (ii) the Client is not bound to accept any of the proposals submitted.
  - 1.7 Client policy requires that Audit Firms provide professional, objective, and impartial advice and at all times hold the Client's interests paramount, without



any consideration for future work, and strictly avoid conflicts with other assignments or their own corporate interests. Audit Firms shall not be hired for any assignment that would be in conflict with their prior or current obligations to other clients, or that may place them in a position of not being able to carry out the assignment in the best interest of the Client.

1.7.1 Audit Firms may be hired for downstream work, when continuity is essential, in which case this possibility shall be indicated in the Data Sheet and the factors used for the selection of the Audit Firm should take the likelihood of continuation into account. It will be the exclusive decision of the Client whether or not to have the downstream assignment carried out, and if it is carried out, which Audit Firm will be hired for the purpose.

1.7.2 Any previous or ongoing participation in relation to the assignment by the firm, its professional staff, or its affiliates or associates under a contract with the Client may result in rejection of the proposal. Audit Firms should clarify their situation in that respect with the Client before preparing the proposal.

## **2. Clarification and Amendment of RFP Documents**

2.1 Audit Firms may request a clarification of any of the RFP documents up to the number of days indicated in the Data Sheet before the proposal submission date. Any request for clarification must be sent in writing by paper mail, cable, telex, facsimile, or electronic mail to the Client's address indicated in the Data Sheet. The Client will respond by cable, telex, facsimile, or electronic mail to such requests and will send written copies of the response (including an explanation of the query but without identifying the source of inquiry) to all invited Audit Firms who intend to submit proposals.

2.2 At any time before the submission of proposals, the Client may, for any reason, whether at its own initiative or in response to a clarification requested by an invited firm, amend the RFP. Any amendment shall be issued in writing through addenda. Addenda shall be sent by mail, cable, telex, facsimile, or electronic mail to all invited Audit Firms and will be binding on them. The Client may at its discretion extend the deadline for the submission of proposals.

## **3. Preparation**

3.1 Audit Firms are requested to submit a proposal (para.

**of Proposal**

**Technical Proposal**

- 1.2) written in the language(s) specified in the Data Sheet.
- 3.2 In preparing the Technical Proposal, Audit Firms are expected to examine the documents constituting this RFP in detail. Material deficiencies in providing the information requested may result in rejection of a proposal.
- 3.3 While preparing the Technical Proposal, Audit Firms must give particular attention to the following:
- (i) If a firm considers that it does not have all the expertise for the assignment, it may obtain a full range of expertise by associating with individual Audit Firm(s) and/or other firms or entities in a joint venture or Sub-Consultancy, as appropriate. Audit Firms may associate with the other Audit Firms invited for this assignment only with approval of the Client as indicated in the Data Sheet. The Audit Firms are encouraged to seek the participation of local Audit Firms by entering into a joint venture with, or subcontracting part of the assignment to, national Audit Firms.
  - (ii) For assignments on a staff-time basis, the estimated number of professional staff-months is given in the Data Sheet. The proposal shall, however, be based on the number of professional staff-months estimated by the firm. For fixed-budget-based assignments, the available budget is given in the Data Sheet, and the Financial Proposal shall not exceed this budget.
  - (iii) It is desirable that the majority of the key professional staff proposed be permanent employees of the firm or have an extended and stable working relationship with it.
  - (iv) Proposed professional staff must, at a minimum, have the experience indicated in the Data Sheet, preferably working under conditions similar to those prevailing in the country of the assignment.
  - (v) Alternative professional staff shall not be proposed, and only one curriculum vitae (CV) may be submitted for each position.

- (vi) Reports to be issued by the Audit Firms as part of this assignment must be in the language(s) specified in the Data Sheet. It is desirable that the firm's personnel have a working knowledge of the national language of the beneficiary country.

3.4 The Technical Proposal shall provide the following information using the attached Standard Forms (Section 3):

- (i) A brief description of the firm's organization and an outline of recent experience on assignments (Section 3B) of a similar nature. For each assignment, the outline should indicate, *inter alia*, the profiles of the staff proposed, duration of the assignment, contract amount, and firm's involvement.
- (ii) Any comments or suggestions on the Terms of Reference and on the data, a list of services, and facilities to be provided by the Client (Section 3C).
- (iii) A description of the methodology and work plan for performing the assignment (Section 3D).
- (iv) The list of the proposed staff team by specialty, the tasks that would be assigned to each staff team member, and their timing (Section 3E).
- (v) CVs recently signed by the proposed professional staff and the authorized representative submitting the proposal (Section 3F). Key information should include number of years working for the firm/entity and degree of responsibility held in various assignments during the last ten (10) years.
- (vi) Estimates of the total staff input (professional and support staff; staff time) needed to carry out the assignment, supported by bar chart diagrams showing the time proposed for each professional staff team member (Sections 3E and 3G).
- (vii) A detailed description of the proposed methodology, staffing, and monitoring of training, if the Data Sheet specifies training as a major component of the assignment.

(viii) Any additional information requested in the Data Sheet.

3.5 The Technical Proposal shall not include any financial information.

**Financial Proposal**

3.6 In preparing the Financial Proposal, Audit Firms are expected to take into account the requirements and conditions outlined in the RFP documents. The Financial Proposal should follow Standard Forms (Section 4). It lists all costs associated with the assignment, including (a) remuneration for staff (foreign and local, in the field and at headquarters), and (b) reimbursable expenses such as subsistence (per diem, housing), transportation (international and local, for mobilization and demobilization), services and equipment (vehicles, office equipment, furniture, and supplies), office rent, insurance, printing of documents, surveys, and training, if it is a major component of the assignment. If appropriate, these costs should be broken down by activity and, if appropriate, into local expenditures.

3.7 The Audit Firm may be subject to local taxes (such as: value added or sales tax, social charges or income taxes on non resident Foreign Personnel, duties, fees, levies) on amounts payable by the Client under the Contract. The Client will state in the Data Sheet if the Audit Firm is subject to payment of any local taxes. Any such tax amounts shall not be included in the Financial Proposal as they will not be evaluated, but they will be discussed at contract negotiations, and applicable amounts will be included in the Contract.

3.8 Audit Firms may express the price of their services in the currency of any Client member country or in the European Currency Unit. The Audit Firms may not use more than three foreign currencies. The Client may require Audit Firms to state the portion of their price representing local cost in the national currency if so indicated in the Data Sheet.

3.9 Commissions and gratuities, if any, paid or to be paid by Audit Firms and related to the assignment will be listed in the Financial Proposal submission form (Section 4A).

3.10 The Data Sheet indicates how long the proposals must remain valid after the submission date. During this period, the Audit Firm is expected to keep available the

professional staff proposed for the assignment. The Client will make its best effort to complete negotiations within this period. If the Client wishes to extend the validity period of the proposals, the Audit Firms who do not agree have the right not to extend the validity of their proposals.

**4. Submission,  
Receipt, and  
Opening of  
Proposals**

- 4.1 The original proposal (Technical Proposal and, if required, Financial Proposal; see para. 1.2) shall be prepared in indelible ink. It shall contain no interlineation or overwriting, except as necessary to correct errors made by the firm itself. Any such corrections must be initialed by the persons or person who sign(s) the proposals.
- 4.2 An authorized representative of the firm initials all pages of the proposal. The representative's authorization is confirmed by a written power of attorney accompanying the proposal.
- 4.3 For each proposal, the Audit Firms shall prepare the number of copies indicated in the Data Sheet. Each Technical Proposal and Financial Proposal shall be marked "ORIGINAL" or "COPY" as appropriate. If there are any discrepancies between the original and the copies of the proposal, the original governs.
- 4.4 The original and all copies of the Technical Proposal shall be placed in a sealed envelope clearly marked "Technical Proposal," and the original and all copies of the Financial Proposal in a sealed envelope clearly marked "FINANCIAL PROPOSAL" and warning: "DO NOT OPEN WITH THE TECHNICAL PROPOSAL." Both envelopes shall be placed into an outer envelope and sealed. This outer envelope shall bear the submission address and other information indicated in the Data Sheet and be clearly marked, "DO NOT OPEN, EXCEPT IN PRESENCE OF THE EVALUATION COMMITTEE."
- 4.5 The completed Technical and Financial Proposals must be delivered at the submission address on or before the time and date stated in the Data Sheet. Any proposal received after the closing time for submission of proposals shall be returned unopened.
- 4.6 After the deadline for submission of proposals, the Technical Proposal shall be opened immediately by the evaluation committee. The Financial Proposal shall remain sealed and deposited in a safe location until all submitted proposals are opened publicly.



## 5. Proposal Evaluation

- |  |     |  |
|--|-----|--|
| <b>General</b>   | 5.1 | From the time the bids are opened to the time the contract is awarded, if any Audit Firm wishes to contact the Client on any matter related to its proposal, it should do so in writing at the address indicated in the Data Sheet. Any effort by the firm to influence the Client in the Client's proposal evaluation, proposal comparison or contract award decisions may result in the rejection of the Audit Firm's proposal.  |
|  | 5.2 | Evaluators of Technical Proposals shall have no access to the Financial Proposals until the technical evaluation is concluded.   |
| <b>Evaluation of Technical Proposals</b>   | 5.3 | The evaluation committee, appointed by the Client, evaluates the proposals on the basis of their responsiveness to the Terms of Reference, applying the evaluation criteria, subcriteria (typically not more than three per criteria), and point system specified in the Data Sheet. Each responsive proposal will be given a technical score (St). A proposal shall be rejected at this stage if it does not respond to important aspects of the Terms of Reference or if it fails to achieve the minimum technical score indicated in the Data Sheet.  |
|  | 5.4 | In the case of Quality-Based Selection, Selection Based on Audit Firm's Qualifications, and Single-Source Selection, the highest ranked firm or firm selected on a single-source basis is invited to negotiate its proposal and the contract on the basis of the Technical Proposal and the Financial Proposal submitted in accordance with the instructions given in para. 1.2 and the Data Sheet.  |
| <b>Public Opening and Evaluation of Financial Proposals: Ranking (QCBS, Fixed-Budget, and Least-Cost Selection</b> | 5.5 | After the evaluation of quality is completed, the Client shall notify those Audit Firms whose proposals did not meet the minimum qualifying mark or were considered nonresponsive to the RFP and Terms of Reference, indicating that their Financial Proposals will be returned unopened after completing the selection process. The Client shall simultaneously notify the Audit Firms that have secured the minimum qualifying mark, indicating the date and time set for opening the Financial Proposals. The opening date shall not be sooner than seven days after the notification date. The notification may be sent by registered letter, cable, telex, facsimile, or electronic mail. |

**Methods  
Only)**

- 5.6 The Financial Proposals shall be opened publicly in the presence of the Audit Firms' representatives who choose to attend. The name of the Audit Firm, the quality scores, and the proposed prices shall be read aloud and recorded when the Financial Proposals are opened. The Client shall prepare minutes of the public opening.
- 5.7 The evaluation committee will determine whether the Financial Proposals are complete (i.e., whether they have costed all items of the corresponding Technical Proposals; if not, the Client will cost them and add their cost to the initial price), correct any computational errors, and convert prices in various currencies to the single currency specified in the Data Sheet. The official selling rates used, provided by the source indicated in the Data Sheet, will be those in effect on the date indicated in the Data Sheet. The evaluation shall include local taxes and charges as specified in para. 3.7.
- 5.8 In case of QCBS, the lowest Financial Proposal (Fm) will be given a financial score (Sf) of 100 points. The financial scores (Sf) of the other Financial Proposals will be computed as indicated in the Data Sheet. Proposals will be ranked according to their combined technical (St) and financial (Sf) scores using the weights (T = the weight given to the Technical Proposal; P = the weight given to the Financial Proposal;  
 $T + P = 1$ ) indicated in the Data Sheet:  
 $S = St \times T \% + Sf \times P\%$  . The firm achieving the highest combined technical and financial score will be invited for negotiations.
- 5.9. In the case of Fixed-Budget Selection, the Client will select the firm that submitted the highest ranked Technical Proposal within the budget ("evaluated" price). Proposals that exceed the indicated budget will be rejected. In the case of the Least-Cost Selection, the Client will select the lowest proposal ("evaluated" price) among those that passed the minimum technical score. In both cases the selected firm is invited for negotiations.

**6. Negotiations**

- 6.1 Negotiations will be held at the address indicated in the Data Sheet. The aim is to reach agreement on all points and sign a contract.
- 6.2 Negotiations will include a discussion of the Technical

Proposal, the proposed methodology (work plan), staffing and any suggestions made by the firm to improve the Terms of Reference. The Client and firm will then work out final Terms of Reference, staffing, and bar charts indicating activities, staff, periods in the field and in the home office, staff-months, logistics, and reporting. The agreed work plan and final Terms of Reference will then be incorporated in the “Description of Services” and form part of the contract. Special attention will be paid to getting the most the firm can offer within the available budget and to clearly defining the inputs required from the Client to ensure satisfactory implementation of the assignment.

- 63 The financial negotiations will include a clarification (if any) of the firm’s tax liability in the beneficiary’s country, and the manner in which it will be reflected in the contract; and will reflect the agreed technical modifications in the cost of the services. Unless there are exceptional reasons, the financial negotiations will involve neither the remuneration rates for staff (no breakdown of fees) nor other proposed unit rates in the cases of QCBS, Fixed-Budget Selection, and the Least-Cost Selection methods. For other methods, the firm will provide Audit Firms with the information on remuneration rates described in the Appendix to this information.
- 64 Having selected the firm on the basis of, among other things, an evaluation of proposed key professional staff, the Client expects to negotiate a contract on the basis of the experts named in the proposal. Before contract negotiations, the Client will require assurances that the experts will be actually available. The Client will not consider substitutions during contract negotiations unless both parties agree that undue delay in the selection process makes such substitution unavoidable or that such changes are critical to meet the objectives of the assignment. If this is not the case and if it is established that key staff were offered in the proposal without confirming their availability, the firm may be disqualified.
- 65 The negotiations will conclude with a review of the draft form of the contract. To complete negotiations the Client and the firm will initial the agreed contract. If negotiations fail, the Client will invite the firm whose proposal received the second highest score to negotiate a Contract.

- |                             |   |
|-----------------------------|---|
| <b>7. Award of Contract</b> | <p>7.1 The contract will be awarded following negotiations. After negotiations are completed, the Client will promptly notify other Audit Firms on the shortlist that they were unsuccessful and return the unopened Financial Proposals of those Audit Firms who did not pass the technical evaluation (para.5.3).</p> <p>7.2 The firm is expected to commence the assignment on the date and at the location specified in the Data Sheet.</p> |
| <b>8. Confidentiality</b>   | <p>8.1 Information relating to evaluation of proposals and recommendations concerning awards shall not be disclosed to the Audit Firms who submitted the proposals or to other persons not officially concerned with the process, until the winning firm has been notified that it has been awarded the contract.</p>   |
| <b>9. Applicable Law</b>    | <p>9.1 Applicable Law means the laws and any other instruments having the force of law in Islamic Republic of Pakistan.</p>   |

## INSTRUCTIONS TO THE AUDIT FIRMS DATA SHEET

Para Ref.	Amendments of, and Supplements to Clauses in the Instruction for Audit Firms
1.1	<p><b>a. Name of the Client</b> Pakistan Water and Power Development Authority, <b>WAPDA</b></p> <p><b>b. Method of Selection</b> Least Cost Selection Method on single stage two envelope procedure: Under this method of selection, the contract will be awarded to the firm with the lowest financial bid among those who passed the technical evaluation by securing atleast 70% marks.</p>
1.2	<p>Financial Proposal should be submitted together with Technical Proposal</p> <p><b>Name of the assignment is:</b> Appointment of Commercial Auditors for External Audit of WAPDA Hydroelectric for the FY ended on June 30, 2021 on general purpose framework.</p>
1.12	Proposals must remain valid for <u>90</u> days after the last date for submission of proposal.
2.1	<p>Clarifications may be requested not later than 2<sup>nd</sup> August 2021. <b>The address for requesting clarifications is:</b>  General Manager Finance (Power), WAPDA, 609-WAPDA House, Lahore. <b>Telephone:</b> (+92-42) 99201105</p>
3.1	Proposals shall be submitted in <b>English</b> .
3.3	As per evaluation criteria mentioned in Annexure 1 to Section 2
3.4	As per Annexures of Section 3
3.6	Financial Proposal as mentioned in Section 4.
3.7	<p><b>Replaced the text with the following:</b></p> <p>The Audit Firm shall be wholly and exclusively liable for meeting/paying all direct taxes (Income Tax/WHT, Turnover Tax, Super Tax etc.) arising out of the contract. Any change (increase/decrease) in the rate of Direct Taxes i.e. Income Tax/WHT, Turnover Tax, Super Tax etc. shall be the exclusive liability of the Audit Firm. There will be no adjustment in price in the Contract Price.</p> <p>All local indirect taxes i.e sales tax, levies or similar taxes levied on the Audit Firm's invoice, will be reimbursed/withheld by the Client as per law of land. Any change in the rate of local indirect taxes i.e Sales Tax, VAT, Levies shall be borne by the Client and an equitable adjustment (increase/decrease) in the Contract Price will be made accordingly.</p>



3.8	Proposal is invited in Pak Rupees and all remunerations and costs in respect of the services according to the provisions of the Contract shall be paid in PKR.															
3.10	Proposals must remain valid for 90 calendar days after the date of submission of proposal.															
4.3	Audit Firm must submit <b>ONE</b> original and <b>THREE</b> additional copies of the Technical Proposal, and <b>ONE</b> original and <b>ONE</b> additional copy of the Financial Proposal.															
4.4	<b>The Proposal submission address is:</b> General Manager Finance (Power), WAPDA, 713-WAPDA House, Lahore <b>Telephone:</b> (+92-42) 99202522 <b>Facsimile:</b> (+92-42) 99202105															
4.5	Proposals must be submitted not later than the following date and time: As per advertisement															
5.1	The address to send information to the Client is:  GMF(Power) 713 WAPDA House Lahore															
5.3	<b>Technical Criteria, sub-criteria, and point system for the evaluation of Full Technical Proposals are</b> <table border="1"><thead><tr><th></th><th></th><th>Weight</th></tr></thead><tbody><tr><td>i)</td><td>Qualification of the Proposer:</td><td>45</td></tr><tr><td>ii)</td><td>Firm and Team’s Experience</td><td>45</td></tr><tr><td>iii)</td><td>Work Program &amp; Man Months</td><td>10</td></tr><tr><td></td><td>Total (i + ii + iii)</td><td>100</td></tr></tbody></table> <p>Criteria are further elaborated in Annex-1</p>			Weight	i)	Qualification of the Proposer:	45	ii)	Firm and Team’s Experience	45	iii)	Work Program & Man Months	10		Total (i + ii + iii)	100
		Weight														
i)	Qualification of the Proposer:	45														
ii)	Firm and Team’s Experience	45														
iii)	Work Program & Man Months	10														
	Total (i + ii + iii)	100														
5.9	<b>Under Least Cost method</b> <b>Minimum passing technical score is 70%.</b>															
6.1	Expected date and address for contract negotiations: As notified after Evaluation of Proposals.															
7.2	Time completion of assignment by 15 November 2021 Expected date for commencement of consulting services															

**Annexure-1 to Section 2**

**Factor for Evaluation of Audit Firm's Technical Proposals  
(Total 100 Marks)**

**A) Initial Screening:**

The following documents/ certificates are the pre-requisite and shall be used for initial screening. The applicant audit firm shall go in the next stage if it fulfills all the requirements of initial screening, which are as under:

1. The firm must be "A" ranking as per State Bank of Pakistan.
2. The firm must have affiliation with a global audit firm of repute and minimum five number of partners within Pakistan.
3. Satisfactory QCR Rating of ICAP (*as per latest rating issued by the ICAP*).
4. Functional office in Lahore.
5. Experience of Audit of Power Sector.
6. The Audit Firm whose performance on any ongoing/past assignment, with WAPDA/Power Sector entities is/was unsatisfactory, will not be considered for selection.

**B) Technical Evaluation:**

The firms cleared from initial screening shall be further evaluated, as per following criteria:

Sr. No	Description		Max weightage	Maximum Marks	Marks Awarded
I	Qualification of Proposer (Total Marks 45)				
	a. Affiliation of firm with one of the global audit firm with global coverage across the world.	• At least 25 countries	5	10	
		• More than 25 countries	10		
	b. Satisfactory QCR rating with PICs audit engagements	• QCR based on 5 and above PICs audit engagements	10	10	
	b. Number of partners within Pakistan	• At least 5	5	10	
		• More than 5	10		
	c. Number of Managers within Pakistan	• At least 5	5	10	
		• More than 5	10		
	d. 8 or more Qualified Chartered Accountants in the firm. At least four Fellow Members and four Associate Members of ICAP.		5	5	
II	Firm & Team's Experience (Total Marks 45)				
	Firm's Experience Experience of External Audit of Public Sector Power Entities. (on Form 3B)		30	30	
	Team's Experience				
	a) Deployment of Partner/ Manager having experience of audit of Power Sector.		15	15	
III	Work Program (on Form 3F) and Man Months (on Form 3G) designed to complete the assignment by 15 November 2021			10	
	Total			100	

### Section 3. Technical Proposal – Standard Forms

Section	Description	Remarks
3A	Technical Proposal Submission Form.	-
3B	Firms' References	
3C	Comments on the Terms of Reference	
3D	Composition of the team personnel and the tasks to be assigned to each team member.	
3E	Curriculum Vitae of Engagement Partner, Manager and Assistant Manager performing the assignment .	-
3F	Work Plan/ Activity Schedule	
<b>3G</b>	<b>Man-Month Schedule</b>	

Yours sincerely,

Signature *{In full and initials}*: \_\_\_\_\_

Name and Title of Signatory: \_\_\_\_\_

Address: \_\_\_\_\_

Contact information (*phone and e-mail*): \_\_\_\_\_

**3B: FIRM'S REFERENCE**  
**RELEVANT SERVICES CARRIED OUT IN LAST TEN YEARS WITH BEST**  
**ILLUSTRATED QUALIFICATIONS/EXPERIENCE**

Using the format below, provide information on each reference assignment for which your firm, was legally contracted along with documentary evidences;

Assignment Name:		Country:	
Location Within Country:		Professional Staff provided by your firm:	
Name of Client:		No. of Staff:	
Address		No of Staff Months:	
Start Date: (Month Year)	Completion Date: (Month Year)	Approximate Value of Services (in PKR):	
Name of Associated Firm (s) if any:		No of Professional Staff provided by Associated Firm(s):	
Name of Senior Staff (Partner, Manager/Assistant Manager, Team Leader) involved in the audit performed:			
Narrative Description of Assignment/Audit & Salient Features of the components of the Assignment:			
Description of Actual Services provided by your firm			

*Audit Firm Name:*



### **3C. COMMENTS AND SUGGESTIONS ON THE TERMS OF REFERENCE**

---

Comments and suggestions on the Terms of Reference that could improve the quality/effectiveness of the assignment

**3D: COMPOSITION OF THE TEAM PERSONNEL AND THE TASKS TO BE ASSIGNED TO EACH TEAM MEMBER**

<b>1. MANAGERIAL STAFF</b>			
<b>S.No.</b>	<b>Name</b>	<b>Position</b>	<b>Task/ Assignment</b>
1		Engagement Partner	
2		Engagement Director/ Manager	
3		Assistant Manager Audit	
4.		Audit Supervisor	

### **3E: CURRICULLUM VITAE OF**

**A) Engagement Partner**

**B) Audit Manager**

**C) Assistant Manager**

### 3F: WORK PLAN/ ACTIVITY SCHEDULE

Sr. No.	Description of Work/ Activity	Designation of Personnel working on activity	Weekly Programme of Activities  (IN the form of Bar Chart)														
			1	2	3	4	-	-	-	-							11
1																	
2																	
3																	
-																	
-																	
-																	
-																	
-																	
N																	

**NOTE:**

**Mention all Work/ Activities including but not limited to the following:**

1. Consolidating the GL and Trial based upon the draft financial statements provided by the client.
2. Preparation of Working papers for audit.
3. Visit of field formations to perform audit procedures.
4. Consolidation of working papers and accounts.
5. Review of Assistant Manager of all working papers.
6. Job in charge review of working papers and accounts.
7. Partner's review of accounts.
8. Provision of Signed Auditors Report, Financial Statements and ML.

### 3G: MANNING SCHEDULE FOR AUDIT FIRM'S STAFF

**(Bar-Chart Form)**

S. No	Position	Estimated Man-Weeks									
		1	2	3	4	5	6	7	8	n	Estimated Man-Weeks
		<hr/>									
1		<hr/>									

Legend: Continous

—————

Intermittent

- - - - -



### **3H: SCHEDULE FOR SUBMISSION AND COMPLETION OF REPORTS**

<b>S.No.</b>	<b>Report(s)</b>	<b>Timeline</b>

## Section 4. Financial Proposal

### FINANCIAL PROPOSAL SUBMISSION FORM

*{Location, Date}*

**General Manager Finance (Power),**

713- Wapda House,

Lahore.

Ph: 042-99202522

Fax: 042-99202105

Dear Sir,

We, the undersigned, offer to provide the professional services to carry out the external audit of Wapda Hydroelectric for the year ended on June 30, 2021 in accordance with your Request for Proposal and my Technical Proposal.

The attached Financial Proposal is for the amount of {Indicate the corresponding to the amount(s) (Pak Rupees)} {Insert amount(s) in words and figures}. The summary of Financial Proposal is given below;

Item	Lumpsum Cost PKR.
<b>Cost of the Financial Proposal</b>	
<b>(1) Audit Fee/Remuneration ( Lumpsum)</b>	
<b>(2) Indirect Local Tax Estimates</b> {insert type of tax e.g., VAT or sales tax }	
<b>(3) Out of Pocket Expenses</b> <b>( Lumpsum)</b>	
<b><u>Total Cost of the Financial Proposal:</u></b>	

**Footnote:** All payments will be made in the Pakistani Rupees. The Audit Firm shall be wholly and exclusively liable for meeting/paying all direct taxes (Income Tax/WHT, Turnover Tax, Super Tax etc.) arising out of the contract. Any change (increase/decrease) in the rate of Direct Taxes i.e. Income Tax/WHT, Turnover Tax, Super Tax etc. shall be the exclusive liability of the Audit Firm. There will be no adjustment in price in the Contract Price. All local indirect taxes i.e sales tax, levies or similar taxes levied on the Audit Firm's invoice, will be reimbursed/withheld by the Client as per law of land. Any change in the rate of local indirect taxes i.e Sales Tax, VAT, Levies shall be borne by the Client and an equitable adjustment (increase/decrease) in the Contract Price will be made accordingly

We understand you are not bound to accept any Proposal you receive.

Yours sincerely,

Signature { In full and initials}: \_\_\_\_\_

Name and Title of Signatory: \_\_\_\_\_

In the capacity of: \_\_\_\_\_

Address: \_\_\_\_\_

E-mail: \_\_\_\_\_

## **SECTION 5.**

### **TERMS OF REFERENCE (TOR)**

#### **INTRODUCTION**

WAPDA was established under the WAPDA Act in 1958 as an autonomous body for the development and use of the water and power resources of Pakistan on a unified, multipurpose basis. As a result of structural reforms introduced by Government of Pakistan in Power Sector, the emerged WAPDA Hydroelectric is performing the activities which were not transferred to Corporatize Entities of WAPDA Power Wing under the Generation License No. **GL(HYDEL)/05/2004** granted by NEPRA for thirty years. Major Activities of WAPDA Hydroelectric include:

- ❖ Operation and maintenance of Existing Hydel Power Stations, &
- ❖ Construction/ development of new Hydel Power Projects/ Schemes.

Section-26 of WAPDA Act-1958 deals with maintenance of accounts, and require that: “The Authority shall maintain complete and accurate books of accounts in such form as may be prescribed by it: Provided that separate accounts shall be maintained for all schemes and transactions relating to Power. Moreover, as laid down under Sec-28 of WAPDA Act-1958, the accounts of WAPDA Authority shall be audited every year by Auditor General of Pakistan.”

NEPRA being the licensee of WAPDA Hydroelectric requires WAPDA to maintain Regulatory Accounts in respect of those Hydel Power Stations/ Projects which are included in the Generation License of WAPDA under NEPRA’s Uniform System of Accounts Rules, 2009 separate from other business activities of Power Wing as well as to get them audited annually by a reputed Chartered Accountant firm.

At present Generation License of WAPDA include 21 Hydel Power Stations and 3 Hydel Power Projects and get its bulk supply tariff approved from NEPRA on year to year basis under Section 31 of NEPRA Act.

## **OPERATIONAL HYDEL POWER STATIONS**

***WAPDA Hydroelectric is currently generating electricity from 21 hydropower stations, which have been described below along with their installed capacity as per the generation license:***

Power Station		Province	Installed Capacity (MW)
1	Tarbela	KPK*	3,478
2	Ghazi Barotha	Punjab	1,450
3	Tarbela 4th Extension	KPK	1,410
4	Mangla	AJK**	1,000
5	Warsak	KPK	243
6	Chashma	Punjab	184
7	Duber Khwar	KPK	130
8	Allai Khwar	KPK	121
9	Golen Gol	KPK	108
10	Jinnah Hydel	Punjab	96
11	Khan Khwar	KPK	72
12	Jabban	KPK	22
13	Rasul	Punjab	22
14	Dargai	KPK	20
15	Gomal Zam	KPK	17
16	Nandipur	Punjab	14
17	Shadiwal	Punjab	14
18	Chichoki	Punjab	13
19	Kurram Garhi	KPK	4
20	Chitral	KPK	1
21	Renala Khurd	Punjab	1

\* Khyber Pakhtunkhwa

\*\* Azad Jammu Kashmir

### ***Major under Construction Project***

- |                            |                    |
|----------------------------|--------------------|
| 1. Diamer Bhasha Dam       | Chillas GB.        |
| 2. Dasu Hydropower Project | Khyber Pakhtunkhwa |
| 3. Keyal Khwar             | Khyber Pakhtunkhwa |
| 4. Mohmand Dam             | Khyber Pakhtunkhwa |

### **Scope of Work**

The audit firm shall carryout a detailed financial audit of financial statements of WAPDA Hydroelectric, with an objective to give an audit opinion on overall financial affairs of WAPDA as to whether the financial statements, for the financial year ended June 30, 2021, gives true and fair view of the financial position, financial performance and cash flows of the WAPDA Hydroelectric in accordance with the international financial reporting standards (IFRS/IAS) as applicable in Pakistan.

### **Provision of Data/Documents**

The Client will provide following information to the Audit Firm;

- 1) Draft Financial Statements of WAPDA Hydroelectric (System Generated) and Consolidated Trial Balance
- 2) Trial Balances of individual formations
- 3) Store & spares Reports.
- 4) Payroll reports.
- 5) Actuarial Valuation Reports.
- 6) Fixed Asset Registers.

Any other information reasonably required by auditors during the course of assignment.

### **Timeline**

External Auditors are required to complete their audit by 15 November 2021.

### **Deliverables**

*Upon the completion of audit process. The Auditor shall submit:*

- A) The initialed draft audit report and initialed financial statements.
- B) Four Copies of final signed Audit Report and duly signed Financial Statements after completing audit process.
- C) Management letter which may include internal control weaknesses noted in the financial management and recommendations to resolve/eliminate the internal control weaknesses.

**PAKISTAN  
WATER AND POWER DEVELOPMENT AUTHORITY**



**EXTERNAL AUDIT SERVICES AGREEMENT**

**For  
Appointment of Commercial Auditors for the External Audit of  
WAPDA Hydroelectric for the FY Ended on June 30, 2021 on  
General Purpose Framework**

**GENERAL MANAGER FINANCE (POWER)  
713-WAPDA HOUSE, LAHORE**

## TABLE OF CONTENTS

	<u>Page No.</u>
ARTICLE 1 : THE ASSIGNMENT	39
ARTICLE 2 : SCOPE OF SERVICES	39
ARTICLE 3 : TIME SCHEDULE	39
3.1 Effective Date of Commencement	39
3.2 Time Schedule of Services	39
3.3 Extension of Time	39
ARTICLE 4 : MODE OF OPERATION	
4.1 Obligations of the Audit Firm	40
4.2 Obligations of the Client	40
ARTICLE 5 : REMUNERATION FOR SERVICES AND SCHEDULE OF PAYMENT	41
ARTICLE 6 : DELIVERABLES	41
ARTICLE 7 : ADDITIONAL SERVICES	41
ARTICLE 8 : TERMINATION	41
8.1 End of Services	41
8.2 Termination by the Client	42
8.3 Termination by the Audit Firm	42
ARTICLE 9 : FORCE MAJEURE	42
ARTICLE 10 : RESOLUTION OF DISPUTES	42
ARTICLE 11 : APPLICABLE LAWS	43
ARTICLE 12 : CONTRACT AMENDMENT	43
ARTICLE 13 : NOTICES	43



## **APPENDICES**

APPENDIX A	:	THE ASSIGNMENT & SCOPE OF SERVICES	44
APPENDIX B	:	TIME SCHEDULE	
APPENDIX C	:	REMUNERATION FOR SERVICES & SCHEDULE OF PAYMENT	48
APPENDIX D	:	SPECIAL CONDITIONS	49

## **AGREEMENT FOR CONSULTANCY SERVICES**

**THIS AGREEMENT**, together with APPENDICES A to D which constitute an integral part thereof is entered into on this ----- day of ----- (month), 2021 between Pakistan Water & Power Development Authority (WAPDA) (herein referred to as the “Client”) of the first part; and

-----  
- (herein referred to as “ Auditor”), of the second part.

The Parties hereto agree as under:-

### **1. ARTICLE 1: THE ASSIGNMENT**

External Audit of the Accounts of WAPDA Hydroelectric NEPRA regulated business for the Financial Year ended on June 30,2021 on general purpose framework.

### **2. ARTICLE 2: SCOPE OF SERVICES**

The Auditor is required is to carry out the External audit of WAPDA Hydroelectric for the Financial Year Ended on June 30, 2021 on general purpose framework as described in the attached Appendix A.

### **3. ARTICLE 3: TIME SCHEDULE**

#### **3.1 Effective Date of Commencement**

Effective Date of Commencement of Services shall be date of signing of agreement

#### **3.2 Time Schedule of Services**

The Audit Firm will complete the assignment and submit its agreed deliverable by 15<sup>th</sup> November 2021.

### **3.3 Extension of Time**

Since the assignment is time bound only one week extension can be allowed to the Audit Firm for reasons beyond control.

#### **4. ARTICLE 4: MODE OF OPERATION**

##### **4.1 Obligations of the Audit Firm**

- The Audit Firm shall conduct audit on general purpose framework in accordance with International Standards on Auditing (“ISAs”) as promulgated by the International Auditing and Assurance Standards Board (“IAASB”) as applicable in Pakistan and as per Appendix A.
- The Audit Firm named in Appendix D shall be responsible for the administration of the Agreement including performance of Services thereunder. He shall remain in contact with the representative of the Client to keep him fully informed on all matters relating to the provision of Services by the Audit Firm.
- The Audit Firm shall carry out the best Services with due diligence and efficiency and in conformity with best auditing practices.
- The Audit Firm shall act at all times so as to protect the interests of the Client and shall take all reasonable steps to keep all expenses to a minimum consistent with sound economic and auditing practices.
- The Audit Firm shall keep the Client up to date about the progress of audit at all times through the Audit Manager during the course of the assignment. Further, the Audit Firm shall provide all working papers and any other information with reference to the audit which the Client may request from time to time.
- Except with the prior written approval of the Client, the Audit Firm shall not assign or transfer the Agreement for Services or any part thereof nor engage any other independent Audit Firm or sub-contractor to perform any part of the Services.
- The Audit Firm agrees that no proprietary and confidential information received by the Audit Firm from the Client shall be disclosed to a third party unless the Audit Firm receives a written permission from the Client to do so.

##### **4.2 Obligations of the Client**

The Client shall provide to the Audit Firm:

- All necessary data/documents/reports that may be required by the Audit Firm for performing the Services as per Appendix A-3.
- The Client shall designate a person named in Appendix D to act as its representative on all matters pertaining to this Agreement and to fully cooperate with the Audit Firm.

- The Client shall take all necessary measures to make timely payments to the Audit Firm as stipulated in Article 5, hereof.

**5. ARTICLE 5: REMUNERATION FOR SERVICES AND SCHEDULE OF PAYMENT**

The remuneration for Services rendered by the Audit Firm and the mode of payment shall be as described in the attached Appendix-C.

Within a week of signing of agreement, the Auditor shall submit the Bank Guarantee equal to 10% of Audit Fee in favor of WAPDA. The bank guarantee will remain effective for six months from the date of signing of agreement.

**6. ARTICLE 6: DELIVERABLES**

*Upon the completion of audit process. The Auditor shall submit:*

- A) The initialed draft audit report and initialed financial statements.
- B) final signed Audit Report and duly signed Financial Statements after completing audit process.
- C) Management letter which may include internal control weaknesses noted in the financial management and recommendations to resolve/eliminate the internal control weaknesses.

**7. ARTICLE 7: ADDITIONAL SERVICES**

The Client may ask the Audit Firm to perform Additional Services during the currency of this Agreement. Such Additional Services shall be performed with the prior concurrence of both the Parties. The Audit Firm shall submit an estimate of the additional time (if any) and the additional remunerations for such Additional Services which shall be approved in writing by the Client before the commencement of the Additional Services.

**8. ARTICLE 8: TERMINATION**

**8.1 End of Services**

The Agreement shall terminate when, pursuant to the provisions hereof, the Services have been completed and the payment of remunerations have been made.

**8.2 Termination by the Client**

The Client may, by a written notice of thirty (30) days to the Audit Firm, terminate this Agreement. All accounts between the Client and

the Audit Firm shall be settled not later than sixty (60) days of the date of such termination.

### **8.3 Termination by the Audit Firm**

The Audit Firm may suspend the Agreement by a written notice of thirty (30) days only if the Audit Firm does not receive payments due under this Agreement within thirty (30) days of submission of its invoice. If the payment is still not made to the Audit Firm after thirty (30) days of notice of suspension, the Audit Firm may terminate this Agreement in whole or in part by giving fifteen (15) days advance notice of intent to terminate. If the Agreement is terminated by the Audit Firm under such circumstances, the Client shall pay, within a period of thirty (30) days of the date of such notice of intent to terminate referred above, all payments due to the Audit Firm.

## **9. ARTICLE 9: FORCE MAJEURE**

The term "Force Majeure" as employed herein shall mean acts of God, strikes, lock-out or other industrial disturbances, acts of public enemy, wars, blockades, insurrection, riots, epidemics, landslides, earthquakes, storms, lightning, floods, washouts, civil disturbances, explosions and any other similar events, not within the control of either Party and which by the exercise of due diligence neither Party is able to overcome.

If either Party is temporarily unable by reason of Force Majeure or the laws or regulations of Pakistan to meet any of its obligations under the Agreement, and if such Party gives to the other Party written notice, of the event within fifteen (15) days after its occurrence, such obligations of the Party, as it is unable to perform by reason of the event, shall be suspended for as long as the inability continues. Neither Party shall be liable to the other Party for loss or damage sustained by such other Party arising from any event referred to as Force Majeure or delays arising from such event. Force Majeure shall not include insufficiency of funds or failure to make any payment required under the Agreement.

## **10. ARTICLE 10: RESOLUTION OF DISPUTES**

Any dispute or difference arising out of the Agreement which cannot be amicably settled between the Parties, shall be finally settled under the provisions of the Arbitration Act, 1940 (Act No. X of 1940) and Rules made thereunder as amended from time to time. The venue of arbitration shall be in Pakistan as given in Appendix D, Special Conditions.

## **11. ARTICLE 11: APPLICABLE LAWS**

This Agreement shall, in all respects, be read and construed and shall operate in conformity with the laws of Pakistan and the courts at the location indicated in



## **APPENDIX A THE ASSIGNMENT & SCOPE OF SERVICES**

### **A-1 INTRODUCTION**

WAPDA was established under the WAPDA Act in 1958 as an autonomous body for the development and use of the water and power resources of Pakistan on a unified, multipurpose basis. As a result of structural reforms introduced by Government of Pakistan in Power Sector, the emerged WAPDA Hydroelectric is performing the activities which were not transferred to Corporatize Entities of WAPDA Power Wing under the Generation License No. **GL(HYDEL)/05/2004** granted by NEPRA for thirty years. Major Activities of WAPDA Hydroelectric include:

- ❖ Operation and maintenance of Existing Hydel Power Stations, &
- ❖ Construction/ development of new Hydel Power Projects/ Schemes.

Section-26 of WAPDA Act-1958 deals with maintenance of accounts, and require that: “The Authority shall maintain complete and accurate books of accounts in such form as may be prescribed by it: Provided that separate accounts shall be maintained for all schemes and transactions relating to Power. Moreover, as laid down under Sec-28 of WAPDA Act-1958, the accounts of WAPDA Authority shall be audited every year by Auditor General of Pakistan.”

NEPRA being the licensee of WAPDA Hydroelectric requires WAPDA to maintain Regulatory Accounts in respect of those Hydel Power Stations/ Projects which are included in the Generation License of WAPDA under NEPRA’s Uniform System of Accounts Rules, 2009 separate from other business activities of Power Wing as well as to get them audited annually by a reputed Chartered Accountant firm.

At present Generation License of WAPDA include 21 Hydel Power Stations and 3 Hydel Power Projects and get its bulk supply tariff approved from NEPRA on year to year basis under Section 31 of NEPRA Act.



## **OPERATIONAL HYDEL POWER STATIONS**

***WAPDA Hydroelectric is currently generating electricity from 21 hydropower stations, which have been described below along with their installed capacity as per the generation license:***

	<b>Power Station</b>	<b>Province</b>	<b>Installed Capacity (MW)</b>
1	Tarbela	KPK*	3,478
2	Ghazi Barotha	Punjab	1,450
3	Tarbela 4th Extension	KPK	1,410
4	Mangla	AJK**	1,000
5	Warsak	KPK	243
6	Chashma	Punjab	184
7	Duber Khwar	KPK	130
8	Allai Khwar	KPK	121
9	Golen Gol	KPK	108
10	Jinnah Hydel	Punjab	96
11	Khan Khwar	KPK	72
12	Jabban	KPK	22
13	Rasul	Punjab	22
14	Dargai	KPK	20
15	Gomal Zam	KPK	17
16	Nandipur	Punjab	14
17	Shadiwal	Punjab	14
18	Chichoki	Punjab	13
19	Kurram Garhi	KPK	4
20	Chitral	KPK	1
21	Renala Khurd	Punjab	1

\* Khyber Pakhtunkhwa

\*\* Azad Jammu Kashmir

### ***Major under Construction Project***

- |                            |                    |
|----------------------------|--------------------|
| 5. Diamer Bhasha Dam       | Chillas GB.        |
| 6. Dasu Hydropower Project | Khyber Pakhtunkhwa |
| 7. Keyal Khwar             | Khyber Pakhtunkhwa |
| 8. Mohmand Dam             | Khyber Pakhtunkhwa |

## **A-2 Scope of Work**

The audit firm shall carryout a detailed financial audit of financial statements of WAPDA Hydroelectric, with an objective to give an audit opinion on overall financial affairs of WAPDA as to whether the financial statements, for the financial year ended June 30, 2021, gives true and fair view of the financial position, financial performance and cash flows of the WAPDA Hydroelectric in accordance with the international financial reporting standards (IFRS/IAS) as applicable in Pakistan .

## **A-3 Provision of Data/Documents**

The Client will provide following information to the Audit Firm;

- 1) Draft Financial Statements of WAPDA Hydroelectric (System Generated) and Consolidated Trial Balance
- 2) Trial Balances of individual formations
- 3) Store & spares Reports.
- 4) Payroll reports.
- 5) Actuarial Valuation Reports.
- 6) Fixed Asset Registers.

Any other information reasonably required by auditors during the course of assignment.

## **A-4 Timeline**

External Auditors are required to complete their audit by 15 November 2021.

## **A-5 Deliverables**

*Upon the completion of audit process. The Auditor shall submit:*

- a) The initialed draft audit report and initialed financial statements.
- b) Final signed Audit Report and duly signed Financial Statements after completing audit process.
- c) Management letter which may include internal control weaknesses noted in the financial management and recommendations to resolve/eliminate the internal control weaknesses.

## **APPENDIX B**

### **TIME SCHEDULE**

B-1      Effective Date of Commencement of Services.

(The date on which this Agreement is signed by both the parties)

B-2      Time Schedule of Services

The Audit Firm will complete the assignment and submit its agreed deliverable by 15<sup>th</sup> November 2021.

## APPENDIX C

### REMUNERATION FOR SERVICES & SCHEDULE OF PAYMENT

(With reference to Article 5)

C-1      Total Cost

Item	Lumpsum Cost PKR.
<b>Cost of the Financial Proposal</b>	
<b>(1) Audit Fee/Remuneration ( Lumpsum)</b>	
<b>(2) Indirect Local Tax Estimates</b> {insert type of tax e.g., VAT or sales tax }	
<b>(3) Out of Pocket Expenses</b> <b>(Lumpsum)</b>	
<b><u>Total Cost of the Financial Proposal:</u></b>	

The total estimated cost includes all Costs, including remuneration, direct & indirect costs and all applicable taxes.

C-2      Advance Payment  
No advance payment shall be made under this contract.

C-3      Schedule of Payments

The auditor will submit the invoice of its audit fee after submitting final signed audit report. Payment shall be made within 60 days after the receipt of invoice from the Audit Firm.

C-4      Delayed Payment  
Not applicable

## **APPENDIX D**

### **SPECIAL CONDITIONS**

D-1	INDIVIDUAL AUDIT FIRM	(Refer Article 4.1)
D-2	REPRESENTATIVE OF THE CLIENT	(Refer Article 4.2)
	General Manager Finance (Power), WAPDA	
D-3	VENUE OF ARBITRATION	(Refer Article 9)
	Wapda House, Lahore	
D-4	LOCATION OF THE COURTS HAVING JURISDICTION	(Refer Article 10)
	Lahore	