



Government of Pakistan  
Islamabad Healthcare Regulatory Authority (IHRA)  
2<sup>nd</sup> & 3<sup>rd</sup> Floor, DMLC Building (PRCS) Sufi Tabassum Road, H-8/2  
Islamabad



F. No. 48-11/1-IHRA/Proc

Islamabad, 28<sup>th</sup> November, 2024

To,

System Analyst  
Public Procurement Regulatory Authority  
Building 11<sup>th</sup> Floor Federal Bank for Cooperatives  
Ataturk Ave, G-5/2,  
Islamabad

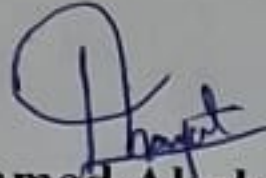
CORRIGENDUM

**SUBJECT: TENDER NOTICE FOR HIRING OF SERVICES OF AUDIT FIRMS TO CONDUCT AN EXTERNAL AUDIT OF ISLAMABAD HEALTHCARE REGULATORY AUTHORITY FOR FY – 2022-2023 and 2023-2024**

Dear Sir,

Reference to the subject cited above, the subject tender was published on PPRA Website on 26<sup>th</sup> November, 2024 however due to the city situation the advertisement could not be published in the newspaper, it is therefore requested for re-post subject amended closing date tender document on official website of PPRA the tender document has been sent at PPRA email as [info@ppra.org.pk](mailto:info@ppra.org.pk)

2. your prompt response will be highly appreciated.

  
(Muhammad Abubakar Hayat)  
In-charge Procurement  
Ph: 051-9199-999

Copy to: -

- APS to CEO IHRA
- Dy. Director (Account & Finance)
- Manager (MIS) with request to upload the tender document of IHRA official website

REQUEST FOR PROPOSAL (RFP)



**“HIRING OF SERVICES OF AUDIT FIRMS TO CONDUCT AN EXTERNAL AUDIT OF ISLAMABAD HEALTHCARE REGULATORY AUTHORITY FOR FY – 2022-2023 and 2023-2024”**

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**Government of Pakistan**  
**Islamabad Healthcare Regulatory Authority (IHRA)**  
2<sup>nd</sup> & 3<sup>rd</sup> Floor, DMLC Building (PRCS) Sufi Tabassum Road, H-8/2  
**Islamabad**



**TENDER NOTICE**

**“HIRING THE SERVICES OF AUDIT FIRMS TO CONDUCT AN EXTERNAL AUDIT OF ISLAMABAD HEALTHCARE REGULATORY AUTHORITY FOR FY – 2022-2023 and 2023-2024”**

Bids through E-PADS are invited from audit firms duly registered with the Institute of Chartered Accountants of Pakistan and with Sales Tax / Income Tax Departments / relevant authorities for “HIRING OF SERVICES OF AUDIT FIRMS TO CONDUCT AN EXTERNAL AUDIT OF ISLAMABAD HEALTHCARE REGULATORY AUTHORITY FOR FY – 2022-2023 and 2023-2024”

2. **Single Stage – two Envelope (Least Cost Method)** procedure will be adopted under Rule 36 (b) of PPR Rules-2004. Separately sealed Technical and Financial proposals/ bids complete in all respects should be submitted through EPADS before the cut-off date.
3. The closing time for receiving of the bids is **16<sup>th</sup> December, 2024 till 12:00 p.m.** and which shall be opened publicly on the **same date at 12:30 p.m.** in IHRA, Meeting room 3<sup>rd</sup> Floor Islamabad Healthcare Regulatory Authority PRCS Building Sufi Tabassum Road H-8 Islamabad.
4. Tender documents including Request for Proposal (RFP) and detailed terms and conditions are available on official websites of IHRA (<https://ihra.gov.pk>) and PPRA (<https://portal.eprocure.gov.pk>) e-PADS portal. **No bid shall be entertained if not applied through EPADS.**
5. All terms and conditions contained in the RFP / Bidding Documents shall apply.
6. IHRA reserves the right to accept or reject any or all bids/proposals prior to the acceptance of bids or proposals.

Procuring Agency IHRA  
051-9199-999

**Government of Pakistan**  
**Islamabad Healthcare Regulatory Authority (IHRA)**  
2<sup>nd</sup> & 3<sup>rd</sup> Floor, DMLC Building (PRCS) Sufi Tabassum Road, H-8/2  
**Islamabad**

**INSTRUCTIONS TO BIDDERS**

This Tender document shall be used for submission of Competitive Bidding for participating in the subject tender. Interested bidders may download the tender document from the PPRA's and IHRA's websites. Submission of bids through EPAD is a mandatory requirement. The qualified bidders with the lowest evaluated bid and subject to the approval of procuring agency will be awarded the contract.

**1. DATE, TIME & ADDRESS FOR SUBMITTING BIDS**

Name of Procuring Agency	Islamabad Healthcare Regulatory Authority, IHRA.
Last date for response submission:	<b>16<sup>th</sup> December, 2024 till 12:00 p.m.</b>
Opening Date & Time:	<b>16<sup>th</sup> December, 2024 till 12:30 p.m.</b>
Opening Place:	Meeting room 3 <sup>rd</sup> Floor Islamabad Healthcare Regularity Authority PRCS Building Sufi Tabasum Road H-8 Islamabad
Contact Person:	In- Charge Procurement
Phone:	+92 51 9199-999

**2. Background:**

Islamabad Healthcare Regulatory Authority is enacted through an Act called Islamabad Health Regulation Act, 2018. According to the Act 2018, it is a statutory requirement to conduct external audit within 120 days after the end of each financial year.

**3. Introduction:**

The Islamabad Healthcare Regulatory Authority (IHRA), an autonomous health regulatory body was enacted under the Islamabad Health Regulation Act, of 2018, and started its functions in March 2020. IHRA aims to improve the quality, efficiency, and safety of healthcare services delivery by adopting evidence-based regulatory standards for the registration and licensing of healthcare establishments, health professionals & equipment, and developing and enforcing minimum standards of safety for patients, healthcare professionals, and other staff in healthcare establishments (both in public and private) in the Islamabad Capital Territory. To achieve the objectives of the Authority, the IHRA has gradually expanded its functions, formulated its policies and Standard Operating Procedures (SOPs), and hired its staff. The followings are the activities/functions of the IHRA.

**4. Vision & Mission**

*Vision: "Safe and High-Quality Healthcare Services for everyone in the Islamabad Capital Territory".*

*Mission: "Regulate the provision of healthcare in ICT to ensure high efficiency, safety, and effectiveness in delivering health services both in the public & private sector"*

## 5. Budget and Expenditure

Financial Year	Total Budget for the Year (Rs.)	Expenditures (Rs.)
2022-23	69,583,000	66,690,555
2023-24	100,000,000	99,907,602

## 6. Scope of Work for audit Firm.

The Audit shall be carried out in accordance with the International Standards of Auditing (ISA) and shall include such tests and controls that the auditor considers necessary under the circumstances. The Auditors shall also consider the adequacy of controls necessary to secure propriety and transparency in all areas. The comprehensive audit shall be undertaken to cover but not limited to the following areas:

### • **Registration & Licensing**

The audit work shall cover the adequacy and compliances with policy guidelines for issuance of Registration & licenses to Healthcare Establishments, charging of fees, revision of rates and application of unit of measurement.

### • **Finance & Accounts**

The audit work shall cover the adequacy and compliances of the accounting and financial operations and reporting systems. These include budget control, cash management, receipt of funds, and disbursement of funds, recording of all financial transactions in expenditure reports, records maintenance and control.

### • **Procurements**

The audit work shall ensure that the equipment and services purchased meet the PPRA requirements. The work shall include the delegations of authorities for procurements, procurement thresholds, call for bids and proposals, evaluation of bids and proposals and approval/signature of contracts and purchase orders. Management and control over the variation orders.

### • **Information Technology**

The audit work shall cover the information Technology, IT Systems, data security and reliability, equipment(s).

### • **General Administration**

The audit work shall cover vehicles and fuel management, office security and records maintenance. Overall control.

environment and related risks with recommendations for further strengthening

### • **Human Resource**

The audit work shall cover Service rules, hiring process as per GoP rules, Pay Scale/BPS, Salary structure/allowances and other perks as per rule, employee(s) welfare and attendance record.

### • **Inspection/Clinical Governance/Training**

The audit work shall cover the adequacy and compliances with policy guidelines for inspection of Healthcare Establishments, imposing of fine, sealing, suspension of HCEs, measures against anti-quackery, Service delivery standards, training of HCE Staff.

### • **Legal & Complaints Management**

The audit work shall cover the adequacy and compliances with policy guidelines for complaints management system/ hearing process and legal aspects.

## 7. **Methodology**

To be determined by auditor.



## 8. Pre audit briefing:

- DDO IHRA

## 9. Access

- To all records/materials of the related transactions, planning and management.
- IHRA's policies and Financial Guidelines.
- Registration & Licensing and other agreements and files.
- Stock and documentation,
- Financial and administration related records.

## 10. Final Report

The auditor shall document the details of the audit with financial statements, which shall be completed in English, by the final day of the assignment. The report shall include:

## 11. Audit Opinion

The audit firm shall give its opinion on Financial Statements as per International Standards on Auditing.

## 12. Management Letter

In addition to the Financial Statements together with the audit opinion thereon, the Auditor shall prepare a "Management Letter"(to be provided along with Audit Report) which shall cover the shortcomings, weaknesses and observation that come across during conduct of audit, for improvement of the systems and procedures.

## 13. TERMS & CONDITIONS FOR TENDER SUBMISSION.

- i) The tender should be filled in carefully. No correction/alteration is allowed. Incomplete forms will not be accepted. **The following document must be attached with the bid:**
  - (a) Brief Profile of the Firm
  - (b) A valid certificate of registration with the Institute of Chartered Accountants of Pakistan
  - (c) A valid registration Certificate with the Sales Tax / Income Tax Departments
  - (d) Documentary evidence for appearing in the latest Quality Control Review (QCR) list of ICAP
  - (e) List of partners in the firm within Pakistan, with their ICAP registration number in a format as prescribed in Annexure-I to this invitation
  - (f) List of Qualified Chartered Accountants employed (other than partners) in the Firm within Pakistan, with their ICAP registration numbers, in a format as prescribed in Annexure-II to this invitation.
  - (g) List of Government organizations audited in the last 5 years, in a format as prescribed in Annexure-III to this invitation.
  - (h) List of Regulatory Organizations audited in last 5 Years, in a format as prescribed in Annexure-IV to this invitation.
  - (i) An undertaking as per Annex E on stamp paper of **Rs.100/- duly attested by the Oath Commissioner** that the firm has not been blacklisted.
- ii) **BID SECURITY:**
  - a. A bid security (**refundable**) in the form of a CDR/Pay Order/Demand Draft, in the name of 'of **“Islamabad Healthcare Regulatory Authority”** of value PKR 100,000/- (Pak Rupees one hundred Thousand Only) must be attached on **e-PADS and original bid security shall be submitted to the procuring agency any time before the closing time of bid submission, failing which the bid shall be rejected.**
  - b. Payment of bid security in form other than that is specified at clause 6(a) shall not be entertained and accepted. IHRA shall return such bids unopened to respective firms.

- c. Bid security of non-responsive firms, shall be returned after the result announcement of technical evaluation report.
  - d. Bid security of technically responsive (qualified) firms will be released after ten (10) days of the signing of the contract with the successful firm.
- iii) The bid validity period is 180 days from the date of publication.
  - iv) In case, the tender is accepted by the Procuring agency, the earnest money will be released after 15 days of signing of the agreement. However, the earnest money of the unsuccessful bidders will be returned on receipt of a written request.
  - v) The offered rates should include GST/Government taxes, and all other expenses etc.
  - vi) The bid must indicate the sound financial status of the bidder. It should be supported by evidence, like a certificate from a reputed bank and certified Audit report of last 03 years.
  - vii) National Tax No., GST Registration Number and Vendor Number and bank account number must be indicated by each bidder.
  - viii) The bidder will have to submit an undertaking on stamp paper of **Rs.100/- duly attested by the Oath Commissioner** that the firm has not been blacklisted in the past on account of inefficiency to any public sector organization. The affidavit should be attested by the oath commissioner. On account of the submission of false statements, the firm shall be blacklisted and debarred from the bidding process. No case /legal proceeding is pending against the firm in any private/public sector or any court of law.
  - ix) Any lapse in fulfilling requirements or any other stipulated condition (s) in the tender shall render the bid liable to rejection.
  - x) The contract will be awarded to the lowest evaluated bidder as the Most Advantageous Bid after approved by the Procuring Agency, whose decision will be treated as final.
  - xi) The result of the bid evaluation under Rule 35 of PP Rules, 2004 will be announced ten days prior to the award of contract to the successful bidder. In case of any complaint of bidder, a Redressal Grievance Committee already constituted in the IHRA will address the grievances.
  - xii) The procuring Agency may reject all the bids or proposals at any time prior to the acceptance of a bid or proposal under rule 33 of the Rules *ibid*.
  - xiii) The interested firms must give full address of their Head Office & Branch Offices with Telephone/Fax Numbers and contact persons.
  - xiv) Income Tax/any other tax, if leviable will be deducted at source on the prescribed rate for onward payment to the Income Tax Department/Government.
  - xv) The Successful firm shall have to complete the assignment within 90-days (45-days of each year of audit) from the signing of the contract. In case assignment is not carried out within the stipulated period a penalty @ 0.45% per day of the amount of the contract will be imposed and amount will be deducted from the invoice of the firm.
  - xvi) The Auditors on completion of the audit work will submit 6 (six) certified original copies of the Audit Report appended to the Financial Statements along with the reports.



- xvii)** A Successful bidder will be issued Letter of Intent (LoI) and he shall be required to submit Letter of Acceptance (LoA) within three business days. Upon submission of LoA by the Successful bidder a formal contract will be signed, failing which IHRA may offer LOI to the next lowest bidder and proceed accordingly.
- xviii)** IHRA requires that Applicants/Bidders to observe the highest standard of ethics during the procurement and execution of such contract. In pursuit of this policy, the IHRA:
- I. Defines, for the purposes of this provision, the terms set forth below as follows:
  - II. “Goods/Equipment” means hardware / software with warranty.
  - III. “Corrupt practice” is the offering, giving, receiving or soliciting, directly or indirectly, of anything of value to influence improperly the actions of another party.
  - IV. “Fraudulent practice” is any act or omission, including a misrepresentation, that knowingly or recklessly misleads, or attempts to mislead, a party to obtain a financial or other benefit or to avoid an obligation.
  - V. “Collusive practice” is an arrangement between two or more parties designed to achieve an improper purpose, including to influence improperly the actions of another party.
  - VI. “Coercive practice” is impairing or harming, or threatening to impair or harm, directly or indirectly, any party or the property of the party to influence improperly the actions of a party.
  - VII. “Obstructive practice” is deliberately destroying, falsifying, altering or concealing of evidence material to the investigation or making false statements to investigators in order to materially impede IHRA investigation into allegations of a corrupt, fraudulent, coercive or collusive practice; and/or threatening, harassing or intimidating any party to prevent it from disclosing its knowledge of matters relevant to the investigation or from pursuing the investigation.
  - VIII. IHRA will reject a proposal for award if it determines that the Applicant recommended for award has, directly or through an agent, engaged in corrupt, fraudulent, collusive or coercive practices in competing for the contract in question.
  - IX. In the event that there is more than one qualified bidder i.e. they have quoted equal prices in financial bid, the tied qualified bidders shall be notified by IHRA and they will submit revised financial proposals in compliance with the BIDDING DOCUMENT. The revised bid amount must be either equal to the original submitted bid or less than previous bid amount.
- xix)** Performance Guarantee (PG) equivalent to [10%] of the contract value in shape of Bank Guarantee in the name of **Islamabad Healthcare Regulatory Authority**, will be submitted by the successful Bidder within 7 days from the acceptance of (LoA), which is mandatory (. In case of non- submission of PG within the stipulated time as mentioned in Letter of Intent (LoI), IHRA may cancel the LOI and initiate the process with the next lowest bidder.
- xx)** Performance Guarantee submitted by successful bidder will be valid for a period of four months (04) or for any other extended period, in case of delay in delivery.
- xxi)** Unless a Force Majeure Certification has been issued by the IHRA to certify that a Force Majeure Event has caused the failure, failure to meet the Final Implementation Date identified in Payment Terms may, at the sole discretion of IHRA, result in the imposition of one or more of the penalties set out below:
- (i) payment of liquidated damages equal to(0.45%) of the contract amount per day till the failure continues, subject to a maximum of 10% of the total value of the Agreement.
  - (ii) forfeiture of all or part of the Performance Bond;
  - (iii) blacklisting the Firm

- xxii)** Performance Guarantee(s) will be released after issuance of the Final Acceptance Certificate by the IHRA.
- xxiii)** If and to the extent that a Party’s performance of any of its obligations pursuant to this Agreement is prevented, hindered or delayed by reason of a Force Majeure Event and such non-performance, hindrance or delay could not have been prevented by reasonable foresight or precautions, and cannot reasonably be circumvented through the use of alternate sources, work-around plans or other means, then the non-performing, hindered or delayed Party may give written notice (a “Force Majeure Notice”) to the other Party.
- xxiv)** Where a Force Majeure Certification has been issued in response to the Force Majeure Notice of either Party, such non-performance, hindrance or delay, as applicable, of those obligations affected by the Force Majeure Event will not constitute a default hereunder by that Party for as long as such Force Majeure Event continues and such Party continues to use its reasonable commercial efforts to re-commence performance whenever and to whatever extent possible without delay, including through the use of alternate sources, work-around plans or other means.

**14. Payment Terms**

Task/s	Description of Tasks	Payments
Task#1 45 days from the Signing of Contract	Successful Completion of FY 2022/2023 Audit of IHRA and issuance of Provisional Acceptance Certificate (PAC) by the IHRA for that particular task.	50% payment shall be made within 7 business days from the submission of invoice along-with PAC Task#1
Task#2 45 days from the Completion of task#1	Successful Completion of FY 2023/2024 Audit of IHRA and issuance of Provisional Acceptance Certificate (PAC) by the IHRA for that particular task	Remaining 50% payment shall be made within 7 business days from the submission of invoice along-with PAC Task#2

**15. TECHNICAL EVALUATION CRITERIA:**

**(A) Initial Screening/MUST Requirements:**

The following documents/certificates are the pre-requisite and may be used to initial screening. The Audit Firm will go in the next stage i.e. technical evaluation, if it fulfills all the requirement of initial screening which are as under:

1. The firm must be on the panel of auditors maintained by State Bank of Pakistan;
2. The firm must have affiliation with one of the global audit firms;
3. Declaration that the firm is compliant of IFAC Guidelines and Code of Ethics as applicable in Pakistan;
4. Certificate of Registration with Audit Oversight Board;
5. The firm must be registered with FBR and must provide tax registration certificates;
6. The firm must submit an affidavit that there are no material proceedings against the firm in SECP, ICAP, AOB, any law enforcement agency or any court of law etc. Detail of such proceedings if any, must be provided along with the bid.

***Note: Bid(s) found in compliance with Initial Screening/MUST requirements shall ONLY be considered for technical evaluation.***

(B) **Technical Evaluation:** The firm cleared from initial screening will be evaluated as per following criteria:

1. Number of Partners
2. Number of qualified Accountants employed by the firm
3. Experience of Govt. Organization's Audits
4. Experience of Audit of Regulatory Organizations
5. Location of Office

<b>1. Number of Partners</b>	<b>Total Marks</b>	<b>Number of Partners</b>	<b>Marks</b>
No. of Partners in the firm within Pakistan (Provide detail as per Annex-1 to this Invitation)	30	FCA 4 Marks per person	Maximum 30 Marks
		ACA 2 Marks Per person	
<b>2. Number of Qualified Accountants</b>	<b>Total Marks</b>	<b>Number of Staff</b>	<b>Marks</b>
No. of Qualified Accountants employed, other than partners in the firm within the Pakistan (Provide detail as per Annex-II to this invitation)	25	FCA/ACA 3 Marks per person	Maximum 25 Marks
		Members of ACCA /CIMA/ACMA/ICAEW 2 Marks per Member	
<b>3. Govt. Audit Experience</b>	<b>Total Marks</b>	<b>No. of Organizations</b>	<b>Marks</b>
Experience of Government Organization's* Audit in last 5 years (other than retirement funds)	20	2-5	10
		6-10	15
		11 & above	20
<b>4. Audit Experience of Regulator</b>	<b>Total Marks</b>	<b>No. of Organizations</b>	<b>Marks</b>
Audit Experience of Regulatory Organizations in last 5 years	20	1-3	10
		4 & above	20
<b>5. Offices</b>	<b>Total Marks</b>	<b>Range of Partners</b>	<b>Marks</b>
Office in Islamabad/Rawalpindi	5	Office in Islamabad/Rawalpindi	5
<b>Total Marks Obtained out of 100</b>			

*\*Government Organization's includes public sector entities*

**Note: Bid(s) found in compliance with Initial Screening/MUST requirements and securing minimum 70% marks i.e. 70 or above, in technical evaluation shall ONLY be considered for financial evaluation**

**Proposals Scoring Criteria:**

- (1) The Bids shall be evaluated on a Least Cost Based Selection,
- (2) The contract will be awarded to the firm having lowest qualified Financial bid (most advantageous bid).

**16. FINANCIAL PROPOSAL**

1. The financial proposal shall inclusive of follows
  - a. The fee proposed on the basis of the time spent by the audit team
  - b. The lump-sum fee which the audit firm is willing to charge
  - c. The fee quoted shall be inclusive of all taxes and all related expenses.

<b>S.No.</b>	<b>Description</b>	<b>Financial Bid (Rs.) Inclusive of al taxes</b>
1	Total cost of completing the assignment of conducting of an external audit of FY 2022-2023 and 2023-2024.	

**Format of Affidavit/Undertaking**

**Bidder must submit following undertaking (on stamp paper of Rs.100), failing which the bid shall be rejected**

- a) I, Mr. .... S/o..... holding CNIC # ..... from M/s ..... Having Its business office at....., do hereby solemnly affirm and declare as under;
- b) That M/s ..... is not engaged, under investigation or offences or no proceedings are pending before FBR, Customs, NAB, any Judicial form, FIA or any other Govt. authority with respect to fraud, terror financing, money laundering etc.
- c) We also confirm that our firm has not been black listed by any National/International organization or forum and entitled to carry out its business activities to the standard business ethics.
- d) That the Partner(s) / Officers of M/s.....have not been subject to financial crime. Nor they every compounded with their creditors in any capacity.
- e) The above statement is true to the best of my knowledge and belief and nothing has been concealed or is false.

***Note: In case bidder is found in the list of "Blacklisted Firms-Pakistan" or related links at <https://www.ppra.org.pk/> then its bid shall be rejected***

***Name:***

\_\_\_\_\_

***Signature***

\_\_\_\_\_

***Stamp:***

\_\_\_\_\_

**LIST OF PARTNERS (ONLY CHARTERED ACCOUNTANTS) IN THE FIRM  
WITHIN PAKISTAN**

<b>S No.</b>	<b>Name</b>	<b>ICAP membership No.</b>	<b>ACA/ FCA</b>	<b>Tax Partner/Audit Partner/Others</b>	<b>Office</b>

Authorized Signature:

Name and Title of Signatory:



**Annexure-II**

**LIST OF QUALIFIED ACCOUNTANTS EMPLOYED (OTHER THAN  
PARTNERS)**

<b>Sr. No.</b>	<b>Name</b>	<b>Membership/Regist ration No.</b>	<b>ACA/FCA/ Member of CIMA/ICMA/A CCA</b>	<b>Designation</b>	<b>Office.</b>

Authorized Signature:

Name and Title of Signatory:

**PUBLIC SECTOR AUDITS (DURING LAST FIVE YEARS)**

<b>Sr. No.</b>	<b>Name of Organization</b>	<b>Audit Year</b>	<b>Nature of assignment</b>

Authorized Signature:

Name and Title of Signatory:

**REGULATORY ORGANIZATIONS AUDITS DURING LAST 5 YEARS**

<b>Sr. No.</b>	<b>Name of Organization</b>	<b>Audit Year</b>	<b>Nature of assignment</b>

Authorized Signature:

Name and Title of Signatory:

**Audit Agreement Performance Guarantee**

**SCHEDULE F**

**Irrevocable Bank Guarantee**

**Issuing Bank:** \_\_\_\_\_

*(insert name and address of issuing bank)*

**Date of Issue:** \_\_\_\_\_

**Bank Guarantee No:** \_\_\_\_\_

**Maximum Amount of Bank Guarantee** \_\_\_\_\_ (10% of contract amount)

*(insert amount, in PKR, in numbers and words)*

**Applicant:** \_\_\_\_\_

*(insert full legal name and address of the (Audit Firm))*

**Beneficiary:**

**Islamabad Healthcare Regulatory Authority.**

**2<sup>nd</sup> & 3<sup>rd</sup> Floor PRCS Building Sufi Tabasum Road H-8  
Islamabad**

On behalf of our client (the “Applicant”) we hereby issue in your Favor this Irrevocable Bank Guarantee (the “IBG”) for the maximum amount identified above and in consideration of, and as security for the performance of, the CONDUCT AN EXTERNAL AUDIT OF ISLAMABAD HEALTHCARE REGULATORY AUTHORITY FOR FY – 2022-2023 and 2023-2024 Agreement (“Audit Agreement”) entered into (or to be entered into) between the Beneficiary and the Applicant.

The IBG is unconditional, and will be paid, forthwith upon your first written demand and without recourse to any person and without your having to substantiate your demand, against presentation of the following documents:

- 1) The Beneficiary’s demand on the Bank in the form attached hereto as Appendix “A”, signed by the CEO or Company Secretary of the Beneficiary, indicating the amount to be drawn under this IBG, the number of this IBG, the date of issue of this IBG, and the name of our Bank.
  
- 2) This IBG for endorsement by us of the amount drawn and, on final drawing, for cancellation.

This IBG is irrevocable and shall remain valid for six (06) months, i.e., up to and including the [*date*] day of [*month*], [*year*]

Partial drawings are permitted.

We will Honor each drawing made in conformity with the terms of this IBG without enquiring whether you have, as between you and the Applicant, the right to make such drawing and without recognizing any claim of the Applicant.

This IBG shall be governed by and construed in accordance with the laws of Pakistan. We hereby irrevocably and unconditionally accept and submit to the exclusive jurisdiction of the Courts at Islamabad.

The Bank's liability to the Beneficiary under this IBG shall be that of a principal debtor and Beneficiary may, at its option, treat the Bank as primarily liable, as sole, original and independent obligor or principal debtor in the first instance, for the guaranteed amount.

The Bank's obligations as set out herein shall be continuing obligations and shall not be modified or impaired upon the happening, from time to time, without our assent or otherwise, of any event, including but not limited to the following:

- i) any time given, indulgence or forbearance shown by the Beneficiary under the Audit Agreement or under this IBG;
- ii) the Beneficiary agreeing with the Applicant any variation or departure or amendment of or from the AUDIT Agreement or if the Audit Agreement should be terminated or cease to exist in whole or in part;
- iii) the failure, omission or delay by the Beneficiary to enforce, ascertain, or exercise any right, power or remedy under or pursuant to the terms of the Audit Agreement or this IBG;
- iv) the bankruptcy, insolvency or other failure or financial disability of the Applicant;
- v) any failure of the Applicant to comply with the requirements of any law, regulation or order;
- vi) the winding up, administration, dissolution, merger or amalgamation or bifurcation with or into other entities, reorganization or any other alteration, change in constitution, status, function, legal structure, control or ownership, constitution or corporate identity (or any act analogous to all or any of the foregoing) of the Applicant;
- vii) any legal limitation or incapacity relating to the Applicant;
- viii) any other act or omission of the Beneficiary or any other circumstances or events which would otherwise discharge, impact or otherwise affect any of our obligations contained in this IBG or any of the rights, powers or remedies conferred upon the Beneficiary by the Audit Agreement.

Our liabilities and obligations under this IBG shall not be impaired by the AUDIT Agreement being invalid, void or unenforceable or by any breach, frustration or non-fulfillment of the AUDIT Agreement or by any matter or claim by any person in respect thereof, or in the event that any claim by the Beneficiary against the Applicant is disputed or contested or referred for settlement to mediation and/or to arbitration and/or to litigation in any court or tribunal or other forum.

No set-off, counter claim, reduction, or diminution of any obligation that the Bank has or may have against the Beneficiary shall be available to the Bank against the Beneficiary in connection with any of the Bank's obligations under this IBG. The Bank shall make all payments under this IBG in full, without set-off or counterclaim and free and clear of any deductions or withholdings in immediately available, freely transferable, cleared funds for value on the due date to the Beneficiary, provided that if the Bank is required to make any deduction or withholding from such payments under applicable law, it shall pay to the Beneficiary such additional amount necessary to ensure that the Beneficiary receives an amount equal to the amount which it would have received had no such deduction or withholding been made.

No payment to the Beneficiary under this IBG pursuant to any judgment or order of any court or otherwise shall operate to discharge the Bank's obligations in respect of which it was made unless and until payment in full shall have been received by the Beneficiary.

No delay or failure to exercise any right or remedy under this IBG by the Beneficiary shall constitute a waiver of such right or remedy. No single or partial exercise of any right or remedy shall preclude any other or further exercise thereof or of any other right or remedy. No waiver by the Beneficiary shall be valid unless made in writing.

The rights and remedies of the Beneficiary under this IBG are cumulative and not exclusive of any right or remedy available to it under any contract, law, statute, regulation, rule, order, notification or policy.

This IBG shall be binding upon and inure to the benefit of the Beneficiary and the Bank and to their respective successors and assigns, provided that the Bank shall not assign or transfer all or any of its rights, benefits and obligations under this IBG except with the prior written consent of the Beneficiary. The Beneficiary may at any time assign all or any part of its rights and benefits hereunder and in such event the assignee shall have the same rights against the Bank as it would have had if it had been a party hereto as the Beneficiary.

The Bank hereby declares and confirms that under its constitution and applicable laws and regulations, it has the necessary power and authority, and all necessary authorizations, approvals and consents thereunder to enter into, execute, deliver and perform the obligations it has undertaken under this IBG, which obligations are valid and legally binding on and enforceable against the Bank under the laws of Pakistan. Further, that the signatory(ies) to this IBG are the Bank's duly authorized officers.

The BANK binds itself, its successors and assigns by these presents sealed with the common seal of the BANK through its duly authorized representatives in accordance with the Bank's articles of association and having obtained all necessary approvals in that regard, this [insert day] day of [insert month], 20[yy]

---

Signature and Seal of Issuing Bank



---

Authorized Signing Officer(s)

Witnesses:

1.

2.

.

**SCHEDULE F/1**

**Irrevocable Bank Guarantee**

**Issuing Bank:** \_\_\_\_\_

*(insert name and address of issuing bank)*

**Date of Issue:** \_\_\_\_\_

**Bank Guarantee No:** \_\_\_\_\_

**Maximum Amount of Bank Guarantee** \_\_\_\_\_ (10% of contract amount)

*(insert amount, in PKR, in numbers and words)*

**Applicant:** \_\_\_\_\_

*(insert full legal name and address of the (Audit Firm))*

**Beneficiary:**

**Islamabad Healthcare Regulatory Authority.**

**2<sup>nd</sup> & 3<sup>rd</sup> Floor PRCS Building Sufi Tabasum Road H-8  
Islamabad**

On behalf of our client (the “Applicant”) we hereby issue in your Favor this Irrevocable Bank Guarantee (the “IBG”) for the maximum amount identified above.

The IBG is available with the Bank, and will be paid, against presentation of the following documents:

1) The Beneficiary’s demand on the Bank in the form attached hereto as Appendix “A”, signed by the CEO of the Beneficiary, indicating the amount to be drawn under this IBG, the number of this IBG, the date of issue of this IBG, and the name of our Bank.

2) This IBG for endorsement by us of the amount drawn and, on final drawing, for cancellation.

This IBG is irrevocable and shall remain valid for six (6) months up to and including the [*date*] day of [*month*], [*year*]

Partial drawings are permitted.

We will honor each drawing made in conformity with the terms of this IBG without enquiring whether you have, as between you and the Applicant, the right to make such drawing and without recognizing any claim of the Applicant.

This IBG shall be governed by and construed in accordance with the laws of Pakistan. We hereby irrevocably and unconditionally accept exclusive jurisdiction of the Courts at Islamabad.

---

Issuing Bank

---

Authorized Signing Officer

**Appendix “A”**

**To Irrevocable Bank Guarantee No. \_\_\_\_\_**

**Issued by \_\_\_\_\_ Bank**

**Drawn Under IBG No.: (*insert IBG number and date*)**

**To: (*insert name and address of Issuing Bank*)**

The undersigned hereby demands that (Name of Issuing Bank) pay to the order of the undersigned the sum of Pakistan rupees \_\_\_\_\_ under the IBG described above.

**Dated: (*insert date*)**

Islamabad Healthcare Regulatory Authority.

\_\_\_\_\_  
CEO/Company Secretary (specify as applicable)

## Sample Engagement Letter

### ENGAGEMENT LETTER

The purpose of this letter is to confirm our understanding of our mutual responsibilities arising as a result of our engagement as auditors of Islamabad Healthcare Regulatory Authority, Islamabad for the year started 1<sup>st</sup> July, 2022 to 30<sup>th</sup> June, 2024. These terms will remain effective until amended, in writing, with the agreement of both parties.

#### **1. Basic objective of the engagement**

We will conduct the audit of financial statements of the Authority which comprise the balance sheet as at 1<sup>st</sup> July, 2022 to 30<sup>th</sup> June, 2024 and the related income and expenditure account, the statement of comprehensive income and the cash flow statement together with the notes forming part thereof for the year 1<sup>st</sup> July, 2022 to 30<sup>th</sup> June, 2024, prepared in accordance with approved accounting standards as applicable in Pakistan, notified under the Companies Ordinance, 1984.

Approved accounting standards comprise of such International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board as and as notified under the Companies Ordinance, 1984 (the 'Ordinance').

#### **2. Scope of the audit**

The objective of an audit is the expression of an opinion on the financial statements. Our audit will be conducted in accordance with the International Standards on Auditing (ISAs) as applicable in Pakistan. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. Because of the inherent limitations of an audit, together with the inherent limitations of internal control, there is an unavoidable risk that some material misstatements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs as applicable in Pakistan.

#### **3. General responsibilities of the management with respect to the financial statements**

Our audit will be conducted on the basis that the management acknowledges and understands that it has the responsibility:

- a. For the preparation and fair presentation of the financial statements in accordance with the IFRSs as applicable in Pakistan;
- b. for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; and
- c. to provide us with:
  - i. Access to all information of which management is aware that is relevant to the preparation of the financial statements such as original records, documentation and other matters;
  - ii. additional information that we may request from management for the

purpose of  
the audit; and

- iii. Unrestricted access to persons within the Authority from whom we determine it necessary to obtain audit evidence.

As required by the applicable auditing standards, we will make specific inquiries of management and others about the representations embodied in the financial statements and the effectiveness of internal control over financial reporting. Auditing standards also require that we obtain a representation letter covering matters material to the financial statements from certain members of management together with information of uncorrected misstatements in the financial statements that are immaterial. The results of our audit tests, the responses to our inquiries and the written representations of management comprise the evidential matter upon which we intend to rely in forming our opinion on the financial statements. The audit of financial statements does not relieve management of their responsibilities.

#### **4. Responsibility for preventing and detecting fraud and errors and non-compliance with laws and Regulations.**

The management is responsible for safeguarding the Authority assets and for the prevention and detection of fraud and error. The management is also responsible for identifying and ensuring that the Authority complies with the laws and regulations applicable to its activities. We will design our audit to obtain reasonable, but not absolute, assurance of detecting errors or fraud that would have a material effect on the financial statements as well as other illegal acts having a direct and material effect on the financial statements. Our audit will not include a detailed audit of transactions, such as would be necessary to disclose errors or fraud that did not cause a material misstatement of the financial statements. It is important to recognize that there are inherent limitations in the auditing process. Audits are based on the concept of selective testing of the data underlying the financial statements, which involves judgment regarding the areas to be tested and the nature, timing, extent and results of the tests to be performed. Audits are, therefore, subject to the limitation that error, fraud or other illegal acts having a direct and material financial statement impact, if they exist, may not be detected. Because of the characteristics of fraud, particularly those involving concealment through collusion and falsified documentation, an audit designed and executed in accordance with generally accepted auditing standards might not detect a material fraud. Further, while effective internal control reduces the likelihood that errors, fraud or other illegal acts will occur and remain undetected, it does not eliminate that possibility. For these reasons we cannot ensure that errors, fraud or other illegal acts, if present, will be detected. However, we will communicate to you any illegal act, material errors, or evidence that fraud may exist which is identified during the audit.

#### **5. Identifying and reporting internal controls deficiencies**

Our audit is not designed to identify all significant deficiencies in the Authority's system of internal financial controls. In making our risk assessments, we consider internal control relevant to the entity's preparation of the financial statements in order to design audit procedures that are



appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Our review of internal financial control systems is performed only to the extent required to express an opinion on the Authority's financial statements. This consideration will not be sufficient to enable us to provide assurance on the effectiveness of internal control over financial reporting.

However, we shall communicate to you in writing any significant deficiencies in internal control relevant to the audit of the financial statements that we have identified during the audit. Any such report may not be provided to a third party without our prior written consent. Such consent will be granted on the basis that such reports are not prepared.

**6. Responsibility for other documents accompanying audited financial statements**

ISAs as applicable in Pakistan require that we read any annual report and other documents that contain our audit opinion. The purpose of this procedure is to consider whether 'other information' (as defined in the standards) in the annual report, including the manner of its presentation, is materially consistent with information appearing in the financial statements. The inclusion of 'other information' in the annual report is the responsibility of the Authority's management. Our responsibility is to read the 'other information' prior to the signing of the audit report. We assume no obligation to perform procedures to verify such 'other information' as part of the audit. To discharge our responsibility, we will require sufficient time for such 'other information' to be provided to us for our reading and comments prior to the documents being issued. In situations where the 'other information' has not been read by us at the time of issuing the initialed draft audit report, this matter may be included as a 'signing condition' in our letter to the Authority accompanying the draft financial statements and the draft initialed audit report thereon.

**7. Responsibility for communicating information about facts affecting financial statements after signing of the audit report**

The management will inform us of facts that may affect the financial statements and of which the management may become aware during the period from the date of the audit report to the date the financial statements are issued.

**8. Electronic distribution of our opinion**

If the Authority intends to publish or reproduce its financial statements electronically (e.g. on an Internet Web Site), then the following note should be placed as a foot note to our report:

"In case of any discrepancy on the Authority's website, the auditors shall only be responsible in respect of the information contained in the hard copies of the audited financial statements available at the Authority's registered office."

**9. Third party users of our opinion**

Our audit opinion is intended for the benefit of only those to whom it is addressed. The audit will not be planned or conducted in contemplation of reliance by any third party or with respect to any specific transaction. Therefore, items of possible interest to a third party will not be specifically addressed and matters may exist that would be assessed differently by a third party, possibly in connection with a specific transaction.

## **10. Confidentiality and data protection**

All data relating specifically to the Authority's business and any other information which reasonably should be understood to be confidential to the Authority are confidential information of the Authority ('Confidential Information'). We will use the 'Confidential Information' only in relation to the provision of services provided by us to the Authority ('the Services') and will not disclose such 'Confidential Information' to any third party without the Authority's prior written consent save as provided in this letter. We will not be obligated to treat as confidential any information disclosed by the Authority which: (i) Is rightfully known to us prior to its disclosure by the Authority; (ii) is released by the Authority to any other person or entity without restriction;(iii) is independently developed by us without any use of or reliance on 'Confidential Information'; (iv) is in or enters the public domain without breach of this confidentiality obligation; and / or (v) may be lawfully obtained by us from any third party.

## **11. Ownership of and access to audit files**

The working papers and files for this engagement created by us during the course of the audit, including electronic documents and files, are the sole property of (Name of Audit Firm) and would be subject to Quality Control Review by the Institute of Chartered Accountants of Pakistan (ICAP) without any reference to the Authority.

## **12. Internet communication**

During the engagement we may from time to time communicate with you electronically. However, as you are aware, the electronic transmission of information cannot be guaranteed to be secured or error free and such information could be intercepted, corrupted, lost, destroyed, arrive late or be incomplete or otherwise be adversely affected or unsafe to use. Accordingly, while we will use reasonable procedures to check for the then most commonly known viruses before sending information electronically, we shall not have any liability to you arising from or in connection with the electronic communication of information to you.

## **13. Process for assessing client satisfaction with our services**

It is our desire to provide you at all times with a high quality service to meet your needs. If at any time you would like to discuss with us how our service to you could be improved or if you are dissatisfied with any aspect of our services, please raise the matter immediately with the engagement partner (Mention name of Partner and contact number) or engagement manager (Mention name of Manager and contact number). In this way we are able to ensure that your concerns are dealt with carefully and promptly.

## **14. Fees and expenses**

Our fee for the audit of financial statements of the Authority for the year ended June 30, 2019 to June 30, 2021 shall be (mention the audit fee) inclusive of out-of-pocket. Expenses incurred and exclusive of government taxes and levies, where applicable. We may add that presently there are no taxes/levies on professional services charges in Islamabad. In the event any taxes/levies are imposed these will be billed in addition to our fee.

Invoices rendered are due and payable upon receipt.

**15. Other services to be subject of separate contracts**

Any additional services that you may request and that we agree to provide will be the subject of separate written arrangements.

**16. Independence**

Independence rules impose restrictions on our partners and audit team members subsequently being employed by an audit client. You should be aware that if the Authority appoints an individual, who was a partner of the firm or a member of the audit team within a two year period prior to such appointment, as. The CEO, CFO, internal auditor, director or in a position to exert direct and significant influence over the subject matter of the audit, then this may create a threat to our independence so significant that we may be required to resign our audit appointment. The Authority will inform us if any such appointments are made.

**17. Applicable law and governing jurisdiction**

The contract formed by this engagement letter, when accepted, shall be governed by, and construed in accordance with the laws of Pakistan and it is hereby irrevocably agreed and accepted that the courts of Pakistan shall have exclusive jurisdiction to settle any claim, difference or dispute.

**18. Form and content of our reports**

The form of our audit report will be in accordance with ISA 700 "Forming an opinion and reporting on financial statements". The form and content of our reports may need to be modified in the light of our audit findings.

**19. Name of the engagement partner**

The partner responsible for this engagement is (Name of partner)

Yours truly

The terms of this engagement are accepted by

---

on behalf of the Authority to represent that he is authorized to accept these terms on behalf of the Authority.

Signature:

Date:

REQUEST FOR PROPOSAL (RFP)



**“HIRING OF SERVICES OF AUDIT FIRMS TO CONDUCT AN EXTERNAL AUDIT OF ISLAMABAD HEALTHCARE REGULATORY AUTHORITY FOR FY – 2022-2023 and 2023-2024”**

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**Government of Pakistan**  
**Islamabad Healthcare Regulatory Authority (IHRA)**  
2<sup>nd</sup> & 3<sup>rd</sup> Floor, DMLC Building (PRCS) Sufi Tabassum Road, H-8/2  
**Islamabad**



**TENDER NOTICE**

**“HIRING THE SERVICES OF AUDIT FIRMS TO CONDUCT AN EXTERNAL AUDIT OF ISLAMABAD HEALTHCARE REGULATORY AUTHORITY FOR FY – 2022-2023 and 2023-2024”**

Bids through E-PADS are invited from audit firms duly registered with the Institute of Chartered Accountants of Pakistan and with Sales Tax / Income Tax Departments / relevant authorities for “HIRING OF SERVICES OF AUDIT FIRMS TO CONDUCT AN EXTERNAL AUDIT OF ISLAMABAD HEALTHCARE REGULATORY AUTHORITY FOR FY – 2022-2023 and 2023-2024”

2. **Single Stage – two Envelope (Least Cost Method)** procedure will be adopted under Rule 36 (b) of PPR Rules-2004. Separately sealed Technical and Financial proposals/ bids complete in all respects should be submitted through EPADS before the cut-off date.
3. The closing time for receiving of the bids is **12<sup>TH</sup> December, 2024 till 12:00 p.m.** and which shall be opened publicly on the **same date at 12:30 p.m.** in IHRA, Meeting room 3<sup>rd</sup> Floor Islamabad Healthcare Regulatory Authority PRCS Building Sufi Tabassum Road H-8 Islamabad.
4. Tender documents including Request for Proposal (RFP) and detailed terms and conditions are available on official websites of IHRA (<https://ihra.gov.pk>) and PPRA (<https://portal.eprocure.gov.pk>) e-PADS portal. **No bid shall be entertained if not applied through EPADS.**
5. All terms and conditions contained in the RFP / Bidding Documents shall apply.
6. IHRA reserves the right to accept or reject any or all bids/proposals prior to the acceptance of bids or proposals.

Procuring Agency IHRA  
051-9199-999



**Government of Pakistan**  
**Islamabad Healthcare Regulatory Authority (IHRA)**  
2<sup>nd</sup> & 3<sup>rd</sup> Floor, DMLC Building (PRCS) Sufi Tabassum Road, H-8/2  
**Islamabad**

**INSTRUCTIONS TO BIDDERS**

This Tender document shall be used for submission of Competitive Bidding for participating in the subject tender. Interested bidders may download the tender document from the PPRA's and IHRA's websites. Submission of bids through EPAD is a mandatory requirement. The qualified bidders with the lowest evaluated bid and subject to the approval of procuring agency will be awarded the contract.

**1. DATE, TIME & ADDRESS FOR SUBMITTING BIDS**

Name of Procuring Agency	Islamabad Healthcare Regulatory Authority, IHRA.
Last date for response submission:	<b>12<sup>TH</sup> December, 2024 till 12:00 p.m.</b>
Opening Date & Time:	<b>12<sup>TH</sup> December, 2024 till 12:30 p.m.</b>
Opening Place:	Meeting room 3 <sup>rd</sup> Floor Islamabad Healthcare Regularity Authority PRCS Building Sufi Tabasum Road H-8 Islamabad
Contact Person:	In- Charge Procurement
Phone:	+92 51 9199-999

**2. Background:**

Islamabad Healthcare Regulatory Authority is enacted through an Act called Islamabad Health Regulation Act, 2018. According to the Act 2018, it is a statutory requirement to conduct external audit within 120 days after the end of each financial year.

**3. Introduction:**

The Islamabad Healthcare Regulatory Authority (IHRA), an autonomous health regulatory body was enacted under the Islamabad Health Regulation Act, of 2018, and started its functions in March 2020. IHRA aims to improve the quality, efficiency, and safety of healthcare services delivery by adopting evidence-based regulatory standards for the registration and licensing of healthcare establishments, health professionals & equipment, and developing and enforcing minimum standards of safety for patients, healthcare professionals, and other staff in healthcare establishments (both in public and private) in the Islamabad Capital Territory. To achieve the objectives of the Authority, the IHRA has gradually expanded its functions, formulated its policies and Standard Operating Procedures (SOPs), and hired its staff. The followings are the activities/functions of the IHRA.

**4. Vision & Mission**

*Vision: "Safe and High-Quality Healthcare Services for everyone in the Islamabad Capital Territory".*

*Mission: "Regulate the provision of healthcare in ICT to ensure high efficiency, safety, and effectiveness in delivering health services both in the public & private sector"*

## 5. Budget and Expenditure

Financial Year	Total Budget for the Year (Rs.)	Expenditures (Rs.)
2022-23	69,583,000	66,690,555
2023-24	100,000,000	99,907,602

## 6. Scope of Work for audit Firm.

The Audit shall be carried out in accordance with the International Standards of Auditing (ISA) and shall include such tests and controls that the auditor considers necessary under the circumstances. The Auditors shall also consider the adequacy of controls necessary to secure propriety and transparency in all areas. The comprehensive audit shall be undertaken to cover but not limited to the following areas:

### • **Registration & Licensing**

The audit work shall cover the adequacy and compliances with policy guidelines for issuance of Registration & licenses to Healthcare Establishments, charging of fees, revision of rates and application of unit of measurement.

### • **Finance & Accounts**

The audit work shall cover the adequacy and compliances of the accounting and financial operations and reporting systems. These include budget control, cash management, receipt of funds, and disbursement of funds, recording of all financial transactions in expenditure reports, records maintenance and control.

### • **Procurements**

The audit work shall ensure that the equipment and services purchased meet the PPRA requirements. The work shall include the delegations of authorities for procurements, procurement thresholds, call for bids and proposals, evaluation of bids and proposals and approval/signature of contracts and purchase orders. Management and control over the variation orders.

### • **Information Technology**

The audit work shall cover the information Technology, IT Systems, data security and reliability, equipment(s).

### • **General Administration**

The audit work shall cover vehicles and fuel management, office security and records maintenance. Overall control.

environment and related risks with recommendations for further strengthening

### • **Human Resource**

The audit work shall cover Service rules, hiring process as per GoP rules, Pay Scale/BPS, Salary structure/allowances and other perks as per rule, employee(s) welfare and attendance record.

### • **Inspection/Clinical Governance/Training**

The audit work shall cover the adequacy and compliances with policy guidelines for inspection of Healthcare Establishments, imposing of fine, sealing, suspension of HCEs, measures against anti-quackery, Service delivery standards, training of HCE Staff.

### • **Legal & Complaints Management**

The audit work shall cover the adequacy and compliances with policy guidelines for complaints management system/ hearing process and legal aspects.

## 7. **Methodology**

To be determined by auditor.

## 8. Pre audit briefing:

- DDO IHRA

## 9. Access

- To all records/materials of the related transactions, planning and management.
- IHRA's policies and Financial Guidelines.
- Registration & Licensing and other agreements and files.
- Stock and documentation,
- Financial and administration related records.

## 10. Final Report

The auditor shall document the details of the audit with financial statements, which shall be completed in English, by the final day of the assignment. The report shall include:

## 11. Audit Opinion

The audit firm shall give its opinion on Financial Statements as per International Standards on Auditing.

## 12. Management Letter

In addition to the Financial Statements together with the audit opinion thereon, the Auditor shall prepare a "Management Letter"(to be provided along with Audit Report) which shall cover the shortcomings, weaknesses and observation that come across during conduct of audit, for improvement of the systems and procedures.

## 13. TERMS & CONDITIONS FOR TENDER SUBMISSION.

- i) The tender should be filled in carefully. No correction/alteration is allowed. Incomplete forms will not be accepted. **The following document must be attached with the bid:**
  - (a) Brief Profile of the Firm
  - (b) A valid certificate of registration with the Institute of Chartered Accountants of Pakistan
  - (c) A valid registration Certificate with the Sales Tax / Income Tax Departments
  - (d) Documentary evidence for appearing in the latest Quality Control Review (QCR) list of ICAP
  - (e) List of partners in the firm within Pakistan, with their ICAP registration number in a format as prescribed in Annexure-I to this invitation
  - (f) List of Qualified Chartered Accountants employed (other than partners) in the Firm within Pakistan, with their ICAP registration numbers, in a format as prescribed in Annexure-II to this invitation.
  - (g) List of Government organizations audited in the last 5 years, in a format as prescribed in Annexure-III to this invitation.
  - (h) List of Regulatory Organizations audited in last 5 Years, in a format as prescribed in Annexure-IV to this invitation.
  - (i) An undertaking as per Annex E on stamp paper of **Rs.100/- duly attested by the Oath Commissioner** that the firm has not been blacklisted.
- ii) **BID SECURITY:**
  - a. A bid security (**refundable**) in the form of a CDR/Pay Order/Demand Draft, in the name of 'of **“Islamabad Healthcare Regulatory Authority”** of value PKR 100,000/- (Pak Rupees one hundred Thousand Only) must be attached on **e-PADS and original bid security shall be submitted to the procuring agency any time before the closing time of bid submission, failing which the bid shall be rejected.**
  - b. Payment of bid security in form other than that is specified at clause 6(a) shall not be entertained and accepted. IHRA shall return such bids unopened to respective firms.

- c. Bid security of non-responsive firms, shall be returned after the result announcement of technical evaluation report.
  - d. Bid security of technically responsive (qualified) firms will be released after ten (10) days of the signing of the contract with the successful firm.
- iii) The bid validity period is 180 days from the date of publication.
  - iv) In case, the tender is accepted by the Procuring agency, the earnest money will be released after 15 days of signing of the agreement. However, the earnest money of the unsuccessful bidders will be returned on receipt of a written request.
  - v) The offered rates should include GST/Government taxes, and all other expenses etc.
  - vi) The bid must indicate the sound financial status of the bidder. It should be supported by evidence, like a certificate from a reputed bank and certified Audit report of last 03 years.
  - vii) National Tax No., GST Registration Number and Vendor Number and bank account number must be indicated by each bidder.
  - viii) The bidder will have to submit an undertaking on stamp paper of **Rs.100/- duly attested by the Oath Commissioner** that the firm has not been blacklisted in the past on account of inefficiency to any public sector organization. The affidavits should be attested by the oath commissioner. On account of the submission of false statements, the firm shall be blacklisted and debarred from the bidding process. No case /legal proceeding is pending against the firm in any private/public sector or any court of law.
  - ix) Any lapse in fulfilling requirements or any other stipulated condition (s) in the tender shall render the bid liable to rejection.
  - x) The contract will be awarded to the lowest evaluated bidder as the Most Advantageous Bid after approved by the Procuring Agency, whose decision will be treated as final.
  - xi) The result of the bid evaluation under Rule 35 of PP Rules, 2004 will be announced ten days prior to the award of contract to the successful bidder. In case of any complaint of bidder, a Redressal Grievance Committee already constituted in the IHRA will address the grievances.
  - xii) The procuring Agency may reject all the bids or proposals at any time prior to the acceptance of a bid or proposal under rule 33 of the Rules *ibid*.
  - xiii) The interested firms must give full address of their Head Office & Branch Offices with Telephone/Fax Numbers and contact persons.
  - xiv) Income Tax/any other tax, if leviable will be deducted at source on the prescribed rate for onward payment to the Income Tax Department/Government.
  - xv) The Successful firm shall have to complete the assignment within 90-days (45-days of each year of audit) from the signing of the contract. In case assignment is not carried out within the stipulated period a penalty @ 0.45% per day of the amount of the contract will be imposed and amount will be deducted from the invoice of the firm.
  - xvi) The Auditors on completion of the audit work will submit 6 (six) certified original copies of the Audit Report appended to the Financial Statements along with the reports.

- xvii)** A Successful bidder will be issued Letter of Intent (LoI) and he shall be required to submit Letter of Acceptance (LoA) within three business days. Upon submission of LoA by the Successful bidder a formal contract will be signed, failing which IHRA may offer LOI to the next lowest bidder and proceed accordingly.
- xviii)** IHRA requires that Applicants/Bidders to observe the highest standard of ethics during the procurement and execution of such contract. In pursuit of this policy, the IHRA:
- I. Defines, for the purposes of this provision, the terms set forth below as follows:
  - II. “Goods/Equipment” means hardware / software with warranty.
  - III. “Corrupt practice” is the offering, giving, receiving or soliciting, directly or indirectly, of anything of value to influence improperly the actions of another party.
  - IV. “Fraudulent practice” is any act or omission, including a misrepresentation, that knowingly or recklessly misleads, or attempts to mislead, a party to obtain a financial or other benefit or to avoid an obligation.
  - V. “Collusive practice” is an arrangement between two or more parties designed to achieve an improper purpose, including to influence improperly the actions of another party.
  - VI. “Coercive practice” is impairing or harming, or threatening to impair or harm, directly or indirectly, any party or the property of the party to influence improperly the actions of a party.
  - VII. “Obstructive practice” is deliberately destroying, falsifying, altering or concealing of evidence material to the investigation or making false statements to investigators in order to materially impede IHRA investigation into allegations of a corrupt, fraudulent, coercive or collusive practice; and/or threatening, harassing or intimidating any party to prevent it from disclosing its knowledge of matters relevant to the investigation or from pursuing the investigation.
  - VIII. IHRA will reject a proposal for award if it determines that the Applicant recommended for award has, directly or through an agent, engaged in corrupt, fraudulent, collusive or coercive practices in competing for the contract in question.
  - IX. In the event that there is more than one qualified bidder i.e. they have quoted equal prices in financial bid, the tied qualified bidders shall be notified by IHRA and they will submit revised financial proposals in compliance with the BIDDING DOCUMENT. The revised bid amount must be either equal to the original submitted bid or less than previous bid amount.
- xix)** Performance Guarantee (PG) equivalent to [10%] of the contract value in shape of Bank Guarantee in the name of **Islamabad Healthcare Regulatory Authority**, will be submitted by the successful Bidder within 7 days from the acceptance of (LoA), which is mandatory (. In case of non- submission of PG within the stipulated time as mentioned in Letter of Intent (LoI), IHRA may cancel the LOI and initiate the process with the next lowest bidder.
- xx)** Performance Guarantee submitted by successful bidder will be valid for a period of four months (04) or for any other extended period, in case of delay in delivery.
- xxi)** Unless a Force Majeure Certification has been issued by the IHRA to certify that a Force Majeure Event has caused the failure, failure to meet the Final Implementation Date identified in Payment Terms may, at the sole discretion of IHRA, result in the imposition of one or more of the penalties set out below:
- (i) payment of liquidated damages equal to(0.45%) of the contract amount per day till the failure continues, subject to a maximum of 10% of the total value of the Agreement.
  - (ii) forfeiture of all or part of the Performance Bond;
  - (iii) blacklisting the Firm

- xxii) Performance Guarantee(s) will be released after issuance of the Final Acceptance Certificate by the IHRA.
- xxiii) If and to the extent that a Party’s performance of any of its obligations pursuant to this Agreement is prevented, hindered or delayed by reason of a Force Majeure Event and such non-performance, hindrance or delay could not have been prevented by reasonable foresight or precautions, and cannot reasonably be circumvented through the use of alternate sources, work-around plans or other means, then the non-performing, hindered or delayed Party may give written notice (a “Force Majeure Notice”) to the other Party.
- xxiv) Where a Force Majeure Certification has been issued in response to the Force Majeure Notice of either Party, such non-performance, hindrance or delay, as applicable, of those obligations affected by the Force Majeure Event will not constitute a default hereunder by that Party for as long as such Force Majeure Event continues and such Party continues to use its reasonable commercial efforts to re-commence performance whenever and to whatever extent possible without delay, including through the use of alternate sources, workaround plans or other means.

**14. Payment Terms**

Task/s	Description of Tasks	Payments
Task#1 45 days from the Signing of Contract	Successful Completion of FY 2022/2023 Audit of IHRA and issuance of Provisional Acceptance Certificate (PAC) by the IHRA for that particular task.	50% payment shall be made within 7 business days from the submission of invoice along-with PAC Task#1
Task#2 45 days from the Completion of task#1	Successful Completion of FY 2023/2024 Audit of IHRA and issuance of Provisional Acceptance Certificate (PAC) by the IHRA for that particular task	Remaining 50% payment shall be made within 7 business days from the submission of invoice along-with PAC Task#2

**15. TECHNICAL EVALUATION CRITERIA:**

**(A) Initial Screening/MUST Requirements:**

The following documents/certificates are the pre-requisite and may be used to initial screening. The Audit Firm will go in the next stage i.e. technical evaluation, if it fulfills all the requirement of initial screening which are as under:

1. The firm must be on the panel of auditors maintained by State Bank of Pakistan;
2. The firm must have affiliation with one of the global audit firms;
3. Declaration that the firm is compliant of IFAC Guidelines and Code of Ethics as applicable in Pakistan;
4. Certificate of Registration with Audit Oversight Board;
5. The firm must be registered with FBR and must provide tax registration certificates;
6. The firm must submit an affidavit that there are no material proceedings against the firm in SECP, ICAP, AOB, any law enforcement agency or any court of law etc. Detail of such proceedings if any, must be provided along with the bid.

***Note: Bid(s) found in compliance with Initial Screening/MUST requirements shall ONLY be considered for technical evaluation.***

(B) **Technical Evaluation:** The firm cleared from initial screening will be evaluated as per following criteria:

1. Number of Partners
2. Number of qualified Accountants employed by the firm
3. Experience of Govt. Organization's Audits
4. Experience of Audit of Regulatory Organizations
5. Location of Office

<b>1. Number of Partners</b>	<b>Total Marks</b>	<b>Number of Partners</b>	<b>Marks</b>
No. of Partners in the firm within Pakistan (Provide detail as per Annex-1 to this Invitation)	30	FCA 4 Marks per person	Maximum 30 Marks
		ACA 2 Marks Per person	
<b>2. Number of Qualified Accountants</b>	<b>Total Marks</b>	<b>Number of Staff</b>	<b>Marks</b>
No. of Qualified Accountants employed, other than partners in the firm within the Pakistan (Provide detail as per Annex-II to this invitation)	25	FCA/ACA 3 Marks per person	Maximum 25 Marks
		Members of ACCA /CIMA/ACMA/ICAEW 2 Marks per Member	
<b>3. Govt. Audit Experience</b>	<b>Total Marks</b>	<b>No. of Organizations</b>	<b>Marks</b>
Experience of Government Organization's* Audit in last 5 years (other than retirement funds)	20	2-5	10
		6-10	15
		11 & above	20
<b>4. Audit Experience of Regulator</b>	<b>Total Marks</b>	<b>No. of Organizations</b>	<b>Marks</b>
Audit Experience of Regulatory Organizations in last 5 years	20	1-3	10
		4 & above	20
<b>5. Offices</b>	<b>Total Marks</b>	<b>Range of Partners</b>	<b>Marks</b>
Office in Islamabad/Rawalpindi	5	Office in Islamabad/Rawalpindi	5
<b>Total Marks Obtained out of 100</b>			

*\*Government Organization's includes public sector entities*

**Note:** Bid(s) found in compliance with Initial Screening/MUST requirements and securing minimum 70% marks i.e. 70 or above, in technical evaluation shall ONLY be considered for financial evaluation

**Proposals Scoring Criteria:**

- (1) The Bids shall be evaluated on a Least Cost Based Selection,
- (2) The contract will be awarded to the firm having lowest qualified Financial bid (most advantageous bid).

**16. FINANCIAL PROPOSAL**

1. The financial proposal shall inclusive of follows
  - a. The fee proposed on the basis of the time spent by the audit team
  - b. The lump-sum fee which the audit firm is willing to charge
  - c. The fee quoted shall be inclusive of all taxes and all related expenses.

<b>S.No.</b>	<b>Description</b>	<b>Financial Bid (Rs.) Inclusive of al taxes</b>
1	Total cost of completing the assignment of conducting of an external audit of FY 2022-2023 and 2023-2024.	



**Format of Affidavit/Undertaking**

**Bidder must submit following undertaking (on stamp paper of Rs.100), failing which the bid shall be rejected**

- a) I, Mr. .... S/o..... holding CNIC # ..... from M/s ..... Having Its business office at....., do hereby solemnly affirm and declare as under;
- b) That M/s ..... is not engaged, under investigation or offences or no proceedings are pending before FBR, Customs, NAB, any Judicial form, FIA or any other Govt. authority with respect to fraud, terror financing, money laundering etc.
- c) We also confirm that our firm has not been black listed by any National/International organization or forum and entitled to carry out its business activities to the standard business ethics.
- d) That the Partner(s) / Officers of M/s.....have not been subject to financial crime. Nor they every compounded with their creditors in any capacity.
- e) The above statement is true to the best of my knowledge and belief and nothing has been concealed or is false.

***Note: In case bidder is found in the list of “Blacklisted Firms-Pakistan” or related links at <https://www.ppra.org.pk/> then its bid shall be rejected***

***Name:***

\_\_\_\_\_

***Signature***

\_\_\_\_\_

***Stamp:***

\_\_\_\_\_

**LIST OF PARTNERS (ONLY CHARTERED ACCOUNTANTS) IN THE FIRM  
WITHIN PAKISTAN**

<b>S No.</b>	<b>Name</b>	<b>ICAP membership No.</b>	<b>ACA/ FCA</b>	<b>Tax Partner/Audit Partner/Others</b>	<b>Office</b>

Authorized Signature:

Name and Title of Signatory:

**Annexure-II**

**LIST OF QUALIFIED ACCOUNTANTS EMPLOYED (OTHER THAN  
PARTNERS)**

<b>Sr. No.</b>	<b>Name</b>	<b>Membership/Regist ration No.</b>	<b>ACA/FCA/ Member of CIMA/ICMA/A CCA</b>	<b>Designation</b>	<b>Office.</b>

Authorized Signature:

Name and Title of Signatory:

**PUBLIC SECTOR AUDITS (DURING LAST FIVE YEARS)**

<b>Sr. No.</b>	<b>Name of Organization</b>	<b>Audit Year</b>	<b>Nature of assignment</b>

Authorized Signature:

Name and Title of Signatory:

**REGULATORY ORGANIZATIONS AUDITS DURING LAST 5 YEARS**

<b>Sr. No.</b>	<b>Name of Organization</b>	<b>Audit Year</b>	<b>Nature of assignment</b>

Authorized Signature:

Name and Title of Signatory:

**Audit Agreement Performance Guarantee**

**SCHEDULE F**

**Irrevocable Bank Guarantee**

**Issuing Bank:** \_\_\_\_\_

*(insert name and address of issuing bank)*

**Date of Issue:** \_\_\_\_\_

**Bank Guarantee No:** \_\_\_\_\_

**Maximum Amount of Bank Guarantee** \_\_\_\_\_ (10% of contract amount)

*(insert amount, in PKR, in numbers and words)*

**Applicant:** \_\_\_\_\_

*(insert full legal name and address of the (Audit Firm))*

**Beneficiary:**

**Islamabad Healthcare Regulatory Authority.**

**2<sup>nd</sup> & 3<sup>rd</sup> Floor PRCS Building Sufi Tabasum Road H-8  
Islamabad**

On behalf of our client (the “Applicant”) we hereby issue in your Favor this Irrevocable Bank Guarantee (the “IBG”) for the maximum amount identified above and in consideration of, and as security for the performance of, the CONDUCT AN EXTERNAL AUDIT OF ISLAMABAD HEALTHCARE REGULATORY AUTHORITY FOR FY – 2022-2023 and 2023-2024 Agreement (“Audit Agreement”) entered into (or to be entered into) between the Beneficiary and the Applicant.

The IBG is unconditional, and will be paid, forthwith upon your first written demand and without recourse to any person and without your having to substantiate your demand, against presentation of the following documents:

- 1) The Beneficiary’s demand on the Bank in the form attached hereto as Appendix “A”, signed by the CEO or Company Secretary of the Beneficiary, indicating the amount to be drawn under this IBG, the number of this IBG, the date of issue of this IBG, and the name of our Bank.
  
- 2) This IBG for endorsement by us of the amount drawn and, on final drawing, for cancellation.

This IBG is irrevocable and shall remain valid for six (06) months, i.e., up to and including the [*date*] day of [*month*], [*year*]

Partial drawings are permitted.

We will Honor each drawing made in conformity with the terms of this IBG without enquiring whether you have, as between you and the Applicant, the right to make such drawing and without recognizing any claim of the Applicant.

This IBG shall be governed by and construed in accordance with the laws of Pakistan. We hereby irrevocably and unconditionally accept and submit to the exclusive jurisdiction of the Courts at Islamabad.

The Bank's liability to the Beneficiary under this IBG shall be that of a principal debtor and Beneficiary may, at its option, treat the Bank as primarily liable, as sole, original and independent obligor or principal debtor in the first instance, for the guaranteed amount.

The Bank's obligations as set out herein shall be continuing obligations and shall not be modified or impaired upon the happening, from time to time, without our assent or otherwise, of any event, including but not limited to the following:

- i) any time given, indulgence or forbearance shown by the Beneficiary under the Audit Agreement or under this IBG;
- ii) the Beneficiary agreeing with the Applicant any variation or departure or amendment of or from the AUDIT Agreement or if the Audit Agreement should be terminated or cease to exist in whole or in part;
- iii) the failure, omission or delay by the Beneficiary to enforce, ascertain, or exercise any right, power or remedy under or pursuant to the terms of the Audit Agreement or this IBG;
- iv) the bankruptcy, insolvency or other failure or financial disability of the Applicant;
- v) any failure of the Applicant to comply with the requirements of any law, regulation or order;
- vi) the winding up, administration, dissolution, merger or amalgamation or bifurcation with or into other entities, reorganization or any other alteration, change in constitution, status, function, legal structure, control or ownership, constitution or corporate identity (or any act analogous to all or any of the foregoing) of the Applicant;
- vii) any legal limitation or incapacity relating to the Applicant;
- viii) any other act or omission of the Beneficiary or any other circumstances or events which would otherwise discharge, impact or otherwise affect any of our obligations contained in this IBG or any of the rights, powers or remedies conferred upon the Beneficiary by the Audit Agreement.

Our liabilities and obligations under this IBG shall not be impaired by the AUDIT Agreement being invalid, void or unenforceable or by any breach, frustration or non-fulfillment of the AUDIT Agreement or by any matter or claim by any person in respect thereof, or in the event that any claim by the Beneficiary against the Applicant is disputed or contested or referred for settlement to mediation and/or to arbitration and/or to litigation in any court or tribunal or other forum.

No set-off, counter claim, reduction, or diminution of any obligation that the Bank has or may have against the Beneficiary shall be available to the Bank against the Beneficiary in connection with any of the Bank's obligations under this IBG. The Bank shall make all payments under this IBG in full, without set-off or counterclaim and free and clear of any deductions or withholdings in immediately available, freely transferable, cleared funds for value on the due date to the Beneficiary, provided that if the Bank is required to make any deduction or withholding from such payments under applicable law, it shall pay to the Beneficiary such additional amount necessary to ensure that the Beneficiary receives an amount equal to the amount which it would have received had no such deduction or withholding been made.

No payment to the Beneficiary under this IBG pursuant to any judgment or order of any court or otherwise shall operate to discharge the Bank's obligations in respect of which it was made unless and until payment in full shall have been received by the Beneficiary.

No delay or failure to exercise any right or remedy under this IBG by the Beneficiary shall constitute a waiver of such right or remedy. No single or partial exercise of any right or remedy shall preclude any other or further exercise thereof or of any other right or remedy. No waiver by the Beneficiary shall be valid unless made in writing.

The rights and remedies of the Beneficiary under this IBG are cumulative and not exclusive of any right or remedy available to it under any contract, law, statute, regulation, rule, order, notification or policy.

This IBG shall be binding upon and inure to the benefit of the Beneficiary and the Bank and to their respective successors and assigns, provided that the Bank shall not assign or transfer all or any of its rights, benefits and obligations under this IBG except with the prior written consent of the Beneficiary. The Beneficiary may at any time assign all or any part of its rights and benefits hereunder and in such event the assignee shall have the same rights against the Bank as it would have had if it had been a party hereto as the Beneficiary.

The Bank hereby declares and confirms that under its constitution and applicable laws and regulations, it has the necessary power and authority, and all necessary authorizations, approvals and consents thereunder to enter into, execute, deliver and perform the obligations it has undertaken under this IBG, which obligations are valid and legally binding on and enforceable against the Bank under the laws of Pakistan. Further, that the signatory(ies) to this IBG are the Bank's duly authorized officers.

The BANK binds itself, its successors and assigns by these presents sealed with the common seal of the BANK through its duly authorized representatives in accordance with the Bank's articles of association and having obtained all necessary approvals in that regard, this [insert day] day of [insert month], 20[yy]

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Signature and Seal of Issuing Bank



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Authorized Signing Officer(s)

Witnesses:

1.

2.

.

**SCHEDULE F/1**

**Irrevocable Bank Guarantee**

**Issuing Bank:** \_\_\_\_\_

*(insert name and address of issuing bank)*

**Date of Issue:** \_\_\_\_\_

**Bank Guarantee No:** \_\_\_\_\_

**Maximum Amount of Bank Guarantee** \_\_\_\_\_ (10% of contract amount)

*(insert amount, in PKR, in numbers and words)*

**Applicant:** \_\_\_\_\_

*(insert full legal name and address of the (Audit Firm))*

**Beneficiary:**

**Islamabad Healthcare Regulatory Authority.**

**2<sup>nd</sup> & 3<sup>rd</sup> Floor PRCS Building Sufi Tabasum Road H-8  
Islamabad**

On behalf of our client (the “Applicant”) we hereby issue in your Favor this Irrevocable Bank Guarantee (the “IBG”) for the maximum amount identified above.

The IBG is available with the Bank, and will be paid, against presentation of the following documents:

1) The Beneficiary’s demand on the Bank in the form attached hereto as Appendix “A”, signed by the CEO of the Beneficiary, indicating the amount to be drawn under this IBG, the number of this IBG, the date of issue of this IBG, and the name of our Bank.

2) This IBG for endorsement by us of the amount drawn and, on final drawing, for cancellation.

This IBG is irrevocable and shall remain valid for six (6) months up to and including the [*date*] day of [*month*], [*year*]

Partial drawings are permitted.

We will honor each drawing made in conformity with the terms of this IBG without enquiring whether you have, as between you and the Applicant, the right to make such drawing and without recognizing any claim of the Applicant.

This IBG shall be governed by and construed in accordance with the laws of Pakistan. We hereby irrevocably and unconditionally accept exclusive jurisdiction of the Courts at Islamabad.

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Issuing Bank

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Authorized Signing Officer

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**Appendix "A"**

**To Irrevocable Bank Guarantee No. \_\_\_\_\_**

**Issued by \_\_\_\_\_ Bank**

**Drawn Under IBG No.:** *(insert IBG number and date)*

**To:** *(insert name and address of Issuing Bank)*

The undersigned hereby demands that (Name of Issuing Bank) pay to the order of the undersigned the sum of Pakistan rupees \_\_\_\_\_ under the IBG described above.

**Dated:** *(insert date)*

Islamabad Healthcare Regulatory Authority.

\_\_\_\_\_  
CEO/Company Secretary (specify as applicable)

## Sample Engagement Letter

### ENGAGEMENT LETTER

The purpose of this letter is to confirm our understanding of our mutual responsibilities arising as a result of our engagement as auditors of Islamabad Healthcare Regulatory Authority, Islamabad for the year started 1<sup>st</sup> July, 2022 to 30<sup>th</sup> June, 2024. These terms will remain effective until amended, in writing, with the agreement of both parties.

#### **1. Basic objective of the engagement**

We will conduct the audit of financial statements of the Authority which comprise the balance sheet as at 1<sup>st</sup> July, 2022 to 30<sup>th</sup> June, 2024 and the related income and expenditure account, the statement of comprehensive income and the cash flow statement together with the notes forming part thereof for the year 1<sup>st</sup> July, 2022 to 30<sup>th</sup> June, 2024, prepared in accordance with approved accounting standards as applicable in Pakistan, notified under the Companies Ordinance, 1984.

Approved accounting standards comprise of such International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board as and as notified under the Companies Ordinance, 1984 (the 'Ordinance').

#### **2. Scope of the audit**

The objective of an audit is the expression of an opinion on the financial statements. Our audit will be conducted in accordance with the International Standards on Auditing (ISAs) as applicable in Pakistan. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. Because of the inherent limitations of an audit, together with the inherent limitations of internal control, there is an unavoidable risk that some material misstatements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs as applicable in Pakistan.

#### **3. General responsibilities of the management with respect to the financial statements**

Our audit will be conducted on the basis that the management acknowledges and understands that it has the responsibility:

- a. For the preparation and fair presentation of the financial statements in accordance with the IFRSs as applicable in Pakistan;
- b. for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; and
- c. to provide us with:
  - i. Access to all information of which management is aware that is relevant to the preparation of the financial statements such as original records, documentation and other matters;
  - ii. additional information that we may request from management for the

purpose of  
the audit; and

- iii. Unrestricted access to persons within the Authority from whom we determine it necessary to obtain audit evidence.

As required by the applicable auditing standards, we will make specific inquiries of management and others about the representations embodied in the financial statements and the effectiveness of internal control over financial reporting. Auditing standards also require that we obtain a representation letter covering matters material to the financial statements from certain members of management together with information of uncorrected misstatements in the financial statements that are immaterial. The results of our audit tests, the responses to our inquiries and the written representations of management comprise the evidential matter upon which we intend to rely in forming our opinion on the financial statements. The audit of financial statements does not relieve management of their responsibilities.

#### **4. Responsibility for preventing and detecting fraud and errors and non-compliance with laws and Regulations.**

The management is responsible for safeguarding the Authority assets and for the prevention and detection of fraud and error. The management is also responsible for identifying and ensuring that the Authority complies with the laws and regulations applicable to its activities. We will design our audit to obtain reasonable, but not absolute, assurance of detecting errors or fraud that would have a material effect on the financial statements as well as other illegal acts having a direct and material effect on the financial statements. Our audit will not include a detailed audit of transactions, such as would be necessary to disclose errors or fraud that did not cause a material misstatement of the financial statements. It is important to recognize that there are inherent limitations in the auditing process. Audits are based on the concept of selective testing of the data underlying the financial statements, which involves judgment regarding the areas to be tested and the nature, timing, extent and results of the tests to be performed. Audits are, therefore, subject to the limitation that error, fraud or other illegal acts having a direct and material financial statement impact, if they exist, may not be detected. Because of the characteristics of fraud, particularly those involving concealment through collusion and falsified documentation, an audit designed and executed in accordance with generally accepted auditing standards might not detect a material fraud. Further, while effective internal control reduces the likelihood that errors, fraud or other illegal acts will occur and remain undetected, it does not eliminate that possibility. For these reasons we cannot ensure that errors, fraud or other illegal acts, if present, will be detected. However, we will communicate to you any illegal act, material errors, or evidence that fraud may exist which is identified during the audit.

#### **5. Identifying and reporting internal controls deficiencies**

Our audit is not designed to identify all significant deficiencies in the Authority's system of internal financial controls. In making our risk assessments, we consider internal control relevant to the entity's preparation of the financial statements in order to design audit procedures that are

appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Our review of internal financial control systems is performed only to the extent required to express an opinion on the Authority's financial statements. This consideration will not be sufficient to enable us to provide assurance on the effectiveness of internal control over financial reporting.

However, we shall communicate to you in writing any significant deficiencies in internal control relevant to the audit of the financial statements that we have identified during the audit. Any such report may not be provided to a third party without our prior written consent. Such consent will be granted on the basis that such reports are not prepared.

**6. Responsibility for other documents accompanying audited financial statements**

ISAs as applicable in Pakistan require that we read any annual report and other documents that contain our audit opinion. The purpose of this procedure is to consider whether 'other information' (as defined in the standards) in the annual report, including the manner of its presentation, is materially consistent with information appearing in the financial statements. The inclusion of 'other information' in the annual report is the responsibility of the Authority's management. Our responsibility is to read the 'other information' prior to the signing of the audit report. We assume no obligation to perform procedures to verify such 'other information' as part of the audit. To discharge our responsibility, we will require sufficient time for such 'other information' to be provided to us for our reading and comments prior to the documents being issued. In situations where the 'other information' has not been read by us at the time of issuing the initialed draft audit report, this matter may be included as a 'signing condition' in our letter to the Authority accompanying the draft financial statements and the draft initialed audit report thereon.

**7. Responsibility for communicating information about facts affecting financial statements after signing of the audit report**

The management will inform us of facts that may affect the financial statements and of which the management may become aware during the period from the date of the audit report to the date the financial statements are issued.

**8. Electronic distribution of our opinion**

If the Authority intends to publish or reproduce its financial statements electronically (e.g. on an Internet Web Site), then the following note should be placed as a foot note to our report:

"In case of any discrepancy on the Authority's website, the auditors shall only be responsible in respect of the information contained in the hard copies of the audited financial statements available at the Authority's registered office."

**9. Third party users of our opinion**

Our audit opinion is intended for the benefit of only those to whom it is addressed. The audit will not be planned or conducted in contemplation of reliance by any third party or with respect to any specific transaction. Therefore, items of possible interest to a third party will not be specifically addressed and matters may exist that would be assessed differently by a third party, possibly in connection with a specific transaction.

## **10. Confidentiality and data protection**

All data relating specifically to the Authority's business and any other information which reasonably should be understood to be confidential to the Authority are confidential information of the Authority ('Confidential Information'). We will use the 'Confidential Information' only in relation to the provision of services provided by us to the Authority ('the Services') and will not disclose such 'Confidential Information' to any third party without the Authority's prior written consent save as provided in this letter. We will not be obligated to treat as confidential any information disclosed by the Authority which: (i) Is rightfully known to us prior to its disclosure by the Authority; (ii) is released by the Authority to any other person or entity without restriction; (iii) is independently developed by us without any use of or reliance on 'Confidential Information'; (iv) is in or enters the public domain without breach of this confidentiality obligation; and / or (v) may be lawfully obtained by us from any third party.

## **11. Ownership of and access to audit files**

The working papers and files for this engagement created by us during the course of the audit, including electronic documents and files, are the sole property of (Name of Audit Firm) and would be subject to Quality Control Review by the Institute of Chartered Accountants of Pakistan (ICAP) without any reference to the Authority.

## **12. Internet communication**

During the engagement we may from time to time communicate with you electronically. However, as you are aware, the electronic transmission of information cannot be guaranteed to be secured or error free and such information could be intercepted, corrupted, lost, destroyed, arrive late or be incomplete or otherwise be adversely affected or unsafe to use. Accordingly, while we will use reasonable procedures to check for the then most commonly known viruses before sending information electronically, we shall not have any liability to you arising from or in connection with the electronic communication of information to you.

## **13. Process for assessing client satisfaction with our services**

It is our desire to provide you at all times with a high quality service to meet your needs. If at any time you would like to discuss with us how our service to you could be improved or if you are dissatisfied with any aspect of our services, please raise the matter immediately with the engagement partner (Mention name of Partner and contact number) or engagement manager (Mention name of Manager and contact number). In this way we are able to ensure that your concerns are dealt with carefully and promptly.

## **14. Fees and expenses**

Our fee for the audit of financial statements of the Authority for the year ended June 30, 2019 to June 30, 2021 shall be (mention the audit fee) inclusive of out-of-pocket. Expenses incurred and exclusive of government taxes and levies, where applicable. We may add that presently there are no taxes/levies on professional services charges in Islamabad. In the event any taxes/levies are imposed these will be billed in addition to our fee.



Invoices rendered are due and payable upon receipt.

**15. Other services to be subject of separate contracts**

Any additional services that you may request and that we agree to provide will be the subject of separate written arrangements.

**16. Independence**

Independence rules impose restrictions on our partners and audit team members subsequently being employed by an audit client. You should be aware that if the Authority appoints an individual, who was a partner of the firm or a member of the audit team within a two year period prior to such appointment, as. The CEO, CFO, internal auditor, director or in a position to exert direct and significant influence over the subject matter of the audit, then this may create a threat to our independence so significant that we may be required to resign our audit appointment. The Authority will inform us if any such appointments are made.

**17. Applicable law and governing jurisdiction**

The contract formed by this engagement letter, when accepted, shall be governed by, and construed in accordance with the laws of Pakistan and it is hereby irrevocably agreed and accepted that the courts of Pakistan shall have exclusive jurisdiction to settle any claim, difference or dispute.

**18. Form and content of our reports**

The form of our audit report will be in accordance with ISA 700 "Forming an opinion and reporting on financial statements". The form and content of our reports may need to be modified in the light of our audit findings.

**19. Name of the engagement partner**

The partner responsible for this engagement is (Name of partner)

Yours truly

The terms of this engagement are accepted by

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on behalf of the Authority to represent that he is authorized to accept these terms on behalf of the Authority.

Signature:

Date: