49, Blue Area, AKM Fazl-e-Haq Road
Islamabad – Pakistan.
Tel: (+92-51) 9059207
Email: gm.finance@piahcl.com.pk

Invitation of Proposals from ICAP Registered Chartered Accountant Firms for Appointment as Internal Auditor / Internal Audit Services on Retainership Basis

Introduction

PIA Holding Company Limited ("PIAHCL") invites proposals from Chartered Accountant firms for appointment as outsourced Internal Auditor on retainership basis. Selected firm shall provide independent, objective, and professional internal audit services to assist PIA Holding Co Ltd (PIA-HCL) in strengthening governance, risk management and internal control systems, in accordance with applicable laws and International Standards for the Professional Practice of Internal Auditing (IIA Standards).

Submission of Bid

A. INSTRUCTIONS FOR SUBMISSION OF BID

1. **Bidding Procedure:**
   Bidding shall be conducted under the Single Stage, Two Envelope Procedure in accordance with Public Procurement Rules 2004.
2. **Bidding Documents:**
   Bidding documents/notice are available electronically and may be downloaded from:
   a. PIAHCL website: www.piahcl.com.pk
   b. PPRA website: www.ppra.org.pk
   c. PPRA E-PADS portal: https://eprocure.gov.pk/#/auth/login
3. **Submission of Bids**
   Bidders must be registered on PPRA E-PADS and shall submit their bids electronically through the E-PADS Portal. In addition to the electronic submission, bidders may also submit a hard copy of the bid at the office of General Manager (Accounts& Finance), PIAHCL, 4th Floor, PIA Building, AK Fazal-e-Haq Road, Blue Area, Islamabad, no later than **09-02-2026** at 03:00 PM.
4. **Opening of Bids:**
   Bids will be opened on the same day at **03:30 PM** in the presence of bidders who opt to attend.
5. **Late Bids:**
   Bids received after the stipulated date and time shall **not** be considered.
6. **E-PADS Requirement:**
   Submission of bids through **PPRA E-PADS is Mandatory**. Hard copy submission **alone** shall not be accepted under any circumstances.
7. **Submission by Registered Post:**
   A bid may also be sent through registered mail to the address mentioned in section 3, provided it reaches before the closing date and time.
8. **Tax Registration Requirements:**
   Bidder shall be registered with the FBR and shall provide a Tax Registration Certificate (NTN).

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If the bidder is registered for sales tax on services, the relevant Sales Tax Registration Number (STRN) shall also be provided.

9. **Minimum Technical Qualification Score**
In line with the Quality and Cost Based Selection, a bidder must obtain a minimum of seventy percent (70%) in the Technical Evaluation (70 Marks) i.e. 49 marks out of 70. Financial proposal of the bidders securing 49 marks or above shall be opened, whereas, bidders scoring less than **49 marks** in the Technical Evaluation shall be declared **Non-Responsive** and their Financial Proposals shall be returned unopened in accordance with the applicable PPRA Rules.

10. **Acknowledgement of Attached Documents:**
The bidder shall acknowledge and accept the Draft Internal Audit Services Agreement (Annexure I) and the Draft Integrity Pact (Annexure II) as part of the bidding documents. Submission of a bid means bidder's acceptance of these annexures in principle, subject to execution upon award.

B. OPENING OF BID

1. "**Technical Proposal"** will be opened on the stipulated date & time.
2. After Evaluation of the submitted Technical Proposals, Financial Proposals will be opened at the date, time & venue to be announced in the presence of the bidders or their representatives who may choose to be present.
3. Financial Proposals shall be opened only of those bidders who are declared technically acceptable. Financial Proposals of all other bidders shall not be opened and shall be returned unopened after completion of bid process.

C. PREPARATION OF BID

Bid shall comprise of a single-stage two sealed envelopes, each envelope shall be marked **"TECHNICAL PROPOSAL"** and **"FINANCIAL PROPOSAL"**.

1. **TECHNICAL PROPOSAL:**
   I. Technical Proposal shall be enclosed in a sealed, signed, and stamped envelope.
   II. Envelope shall clearly mention Technical Proposal and Bid Title, duly addressed to General Manager (Accounts& Finance), PIAHCL, 4th Floor, PIA Building, AK Fazal-e-Haq Road, Blue Area, Islamabad.
   III. Technical Proposal shall include the profile of the audit firm, including experience in providing internal audit services to Listed Entities, Listed State-Owned Enterprises (SOEs) and/or Government of Pakistan or Provincial government's.
   IV. The proposal shall include profiles of the engagement partner and key personnel to be deployed on PIA-HCL matters.
   V. Written confirmation of availability to commence work immediately upon award must be provided.
   VI. Technical Proposals will be evaluated strictly in accordance with the Evaluation Criteria provided in this RFP for appointment of Internal Auditor.

2. **FINANCIAL PROPOSAL**
   I. Financial Proposal shall be enclosed in a sealed, signed, and stamped envelope.
   II. Envelope shall clearly mention the Financial proposal and Bid Title, duly addressed to General Manager (Accounts& Finance), PIAHCL, 4th Floor, PIA Building, AK Fazal-e-Haq Road, Blue Area, Islamabad.
   III. Envelope must contain the Financial Bid, duly quoted, signed, and stamped.

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IV. The price quoted in the Financial Proposal shall be treated as firm and final until completion of the Contract/Purchase Order.
V. The Bid amount must be stated in both words and figures.
VI. The Financial Proposal shall be inclusive of all applicable taxes. No price adjustment shall be allowed.
VII. The Financial Bid must remain valid for 90 days.

D. DURATION OF CONTRACT

This Agreement shall remain in force for a period of one year; extendable for two terms of one year each, to be mutually agreed in writing unless terminated earlier by either party with thirty (30) days' prior written notice.

E. ATTACHED DOCUMENTS

1. Draft Internal Audit Services Agreement – Annexure I
2. Draft Integrity Pact – Annexure II.

Important Note:

- **The contract will be awarded to the most advantageous bidder.**
- **Manual submission of bids without electronic submission on E-PADS shall not be accepted. Bidders are required to submit their bids electronically on E-PADS and submit a hard copy to the address specified, within the stipulated timelines.**
- **In case of any grievance filed by an aggrieved bidder at any stage, a fee of PKR 25,000/- must be submitted as a pay order in the name of *PIA Holding Company Limited*, along with the grievance letter/request. The fee shall be refundable only if the grievance is found tenable; if declared untenable, no refund shall be made.**
- **PIA-HCL reserves the right to accept or reject any bid, or all bids, or cancel the bidding process at any stage in accordance with PPRA Rules.**

For any correspondence, clarification or inquiries, please use the following phone number, mailing address, or email address:

General Manager (Accounts & Finance)
PIA Holding Company Limited Email:
Gm.finance@piahcl.com.pk
Phone: 051-9059207

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TERMS OF REFERENCE

The engagement of the audit firm shall be on a monthly retainer basis. The selected firm shall provide independent, objective and professional internal audit services to PIA Holding Company Limited (PIA-HCL) on an outsourced basis, in accordance with applicable laws and regulations, and in conformance with the Institute of Internal Auditors' (IIA) **Global Internal Audit Standards**.

Appointed Internal Auditor shall be required to inter-alia provide following services :

A. Pension Audit (Monthly Pre-Audit & Post Audit)

- i. Monthly pre-audit verification for pension payments to approximately 16,600 pensioners, in line with approved pension policy and supporting schedules.
- ii. Monthly exception reporting (if any) and a Quarterly Consolidated Verification Report named as "3rd Party Audit Verification Report".

B. Medical Audit (Quarterly Post-Audit)

- i. Quarterly post-audit verification of claims/utilisation related to health insurance arrangements and medical funds (including any relevant pooled fund mechanism).
- ii. Quarterly standalone report named as "3rd Party Audit Verification report".

C. Quarterly Adhoc / Key Payments Coverage (Controlled Scope)

On a quarterly basis, internal auditor shall perform limited-scope checks and reporting for:

- i. Salary payments (sample-based / analytical)
- ii. Annual Bank Mark-up / Interest Payments and related charges wrt Syndicate Financing
- iii. Rental income billing, receipts, outstanding invoices and related compliance
- iv. Material trade / other payables processed during the quarter
- v. Any other key payment stream assigned by management / Audit Committee (within agreed retainer scope)

D. Quarterly Financials Review (Governance Support)

- i. Review quarterly / half-yearly / annual financial packs **for internal governance support**, focusing on:
  - key control gaps,
  - material unusual movements,
  - consistency of supporting schedules,
  - key disclosure readiness (as required for Audit Committee / Board discussions).

E. ERP / System Controls (Quarterly / Half Yearly)

- i. Quarterly / Half Yearly controls check on ERP / system processes focusing on:
  - user access controls,
  - maker-checker controls (where applicable),
  - key reconciliations completion,
  - unusual entries / overrides,
  - unresolved exceptions and control gaps.

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EVALUATION CRITERIA

<table>
<tr><th colspan="2">DESCRIPTION</th><th>WEIGHTAGE</th></tr>
<tr><td colspan="2">Audit Firm Credentials</td><td rowspan="3">40%</td></tr>
<tr><td>State Bank of Pakistan’s Panel of Auditors
Marking Criteria: Category A:30, Category B:15, Category C:10</td><td>30 Marks</td></tr>
<tr><td>Firm Profile/Experience with Fed & Provincial Govt’s / SOEs / Listed
• Bidders are expected to showcase their experience as an Internal Auditor with the listed companies / SOEs / Federal and/or Provincial Governments
• Marks will be allocated on Size and Scale of the Clients of the bidder and Nature of Complexity of Assignments undertaken by Bidder</td><td>10 Marks</td></tr>
<tr><td colspan="2">Engagement Partner Credentials</td><td rowspan="3">20%</td></tr>
<tr><td>Engagement Partners Ranking: (Experience with Fed & Provincial Govt’s / SOEs / Listed Companies)
• Nominated Engagement Partner is expected to showcase his/her experience as an Internal Auditor with the listed companies / SOEs / Federal and/or Provincial Governments
• Marks will be allocated on Size and Scale of the Clients managed by the Engagement Partner and Nature of Complexity of Assignments undertaken by him/her</td><td>10 Marks</td></tr>
<tr><td>Key Team Members Experience with GoP/SOEs
Marking Criteria: Marks shall be awarded based on the experience of the proposed internal audit team, comprising at least three (03) key team members (e.g., manager(s), seniors, associates), in handling assignments for Government of Pakistan entities, SOEs, regulators, or listed public sector organizations.</td><td>10 Marks</td></tr>
<tr><td>Understanding of Scope & Methodology.
• Understanding of PIA-HCL as a State-Owned Enterprise and listed company.
• Understanding of internal audit objectives, including governance, risk management and internal control environment.
• Demonstrated understanding of key areas
• Appropriateness and practicality of the proposed internal audit approach, methodology and audit plan</td><td>10 Marks</td><td>10%</td></tr>
<tr><td>Financial Proposal</td><td>30 Marks</td><td>30%</td></tr>
<tr><td colspan="2">TOTAL</td><td>100%</td></tr>
</table>

FINANCIAL PROPOSAL

S. No.	Description	SERVICES FEES (PKR)
1	**MONTHLY RETAINER FEES** (Internal Audit Services on retainer / outsourced basis) Inclusive of applicable taxes	

____
Signature of Authorized Person

Name: ___________________________
M/s: ___________________________
Address: ___________________________
____
Tel. No: ___________________________

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This Agreement for outsourced Internal Audit Services on retainer basis is made on this [day] of [month] [year].

By and Between

ii. PIA Holding Company Limited, a company incorporated under the Companies Act, 2017, having its registered office at 4th Floor, PIA Building, 49-AKM Fazal-e-Haq Road, Blue Area, Islamabad (hereinafter referred to as "PIA-HCL"), and

iii. [Insert Name of Audit Firm], a firm of Chartered Accountants registered with the Institute of Chartered Accountants of Pakistan (ICAP), having its principal office at [Insert Address] (hereinafter referred to as the "Internal Auditor")

1. Scope of Services

The Internal Auditor shall functionally report to the Audit Committee of the Board of Directors of PIA-HCL and shall maintain full independence and objectivity in performing the engagement.

The Internal Auditor shall provide independent, objective and professional internal audit services to PIA-HCL on a retainer / outsourced basis, in accordance with applicable laws and the International Standards for the Professional Practice of Internal Auditing (IIA Standards).

The services shall include, but not be limited to:

1. **Pension Audit (Monthly Pre-Audit & Post Audit)**
   a. Monthly **pre-audit verification** for pension payments to approximately **16,600 pensioners**, in line with approved pension policy and supporting schedules.
   b. Monthly exception reporting (if any) and a Quarterly Consolidated Verification Report named as "3rd Party Audit Verification Report".
2. **Medical Audit (Quarterly Post-Audit)**
   a. Quarterly **post-audit verification** of claims / utilisation related to health insurance arrangements and medical funds (including any relevant pooled fund mechanism).
   b. **Quarterly standalone report** named as "3rd Party Audit Verification Report".
3. **Quarterly Adhoc / Key Payments Coverage (Controlled Scope)**
   On a quarterly basis, internal auditor shall perform limited-scope checks and reporting for:
   a. Salary payments (sample-based / analytical)
   b. Annual Bank Markup / Interest Payments and related charges wrt Syndicate Financing
   c. Rental income billing, receipts, outstanding invoices and related compliance
   d. Material trade / other payables processed during the quarter
   e. Any other key payment stream assigned by management / Audit Committee (within agreed retainer scope)
4. **Quarterly Financials Review (Governance Support)**
   a. Review quarterly / half-yearly / annual financial packs **for internal governance support**, focusing on:
      i. key control gaps,

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ii. material unusual movements,
iii. consistency of supporting schedules,
iv. key disclosure readiness (as required for Audit Committee / Board discussions).

5. **ERP / System Controls (Quarterly / Half Yearly)**
   a. Quarterly / Half Yearly controls check on ERP / system processes focusing on:
      i. user access controls,
      ii. maker-checker controls (where applicable),
      iii. key reconciliations completion,
      iv. unusual entries / overrides,
      v. unresolved exceptions and control gaps.

2. <u>Retainer Structure</u>

Professional engagement shall be governed by the following fee structure:

a. Monthly Retainer Fee

The Internal Auditor shall be entitled to a fixed monthly retainer fee of PKR [Insert Amount], inclusive of applicable taxes, as per the Financial Proposal.

b. Additional Work

Any additional work beyond the agreed scope shall be undertaken only with prior written approval of PIA-HCL and shall be billed in accordance with the approved financial quote.

3. <u>Term and Termination</u>

This Agreement shall be effective from [the effective date] and shall remain in force for a period of [Duration], unless terminated earlier by either party with thirty (30) days' written notice.

4. <u>Invoicing and Payment</u>

(i) Invoices shall be submitted monthly in arrears.

(ii) Payments shall be made within thirty (30) days of receipt of invoice, subject to verification and approval.

(iii) All payments shall be inclusive of applicable taxes.'

5. <u>Confidentiality</u>

The Internal Auditor shall maintain strict confidentiality of all information, documents, records, data or material received from or on behalf of PIA-HCL in connection with this Agreement (collectively, "Confidential Information"). The Internal Auditor shall not disclose, publish, share, or otherwise make available any Confidential Information to any third party without the prior written consent of PIA-HCL, except where such disclosure is expressly required by law or by order of a court or regulatory authority of competent jurisdiction, in which case the Internal Auditor shall provide prompt written notice to PIA-HCL prior to making any such disclosure.

The obligations under this clause shall survive expiry or termination of this Agreement.

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6. Governing Law and Jurisdiction

This Agreement shall be governed by and construed in accordance with the laws of the Islamic Republic of Pakistan. Any dispute arising out of or in connection with this Agreement shall be subject to the exclusive jurisdiction of the courts at Islamabad.

The Parties further agree that the Internal Auditor shall not be entitled to seek or obtain any injunctive, specific performance, restraining, stay, interim, or equitable relief against PIA-HCL in relation to any matter arising under this Agreement, and the sole and exclusive remedy available to the Internal Auditor for any breach or dispute shall be monetary damages, if any, as may be determined by a court of competent jurisdiction.

7. Liability

a. The Internal Auditor shall be liable for the consequences of any material errors, omissions, negligence or misconduct on its part in the performance of services under this Agreement.
b. PIA-HCL may, where deemed appropriate, require the Internal Auditor to obtain and maintain professional indemnity insurance to cover its potential liability under this Agreement.
c. The Internal Auditor shall be liable for all losses or damages suffered by PIA-HCL arising from any willful misconduct, gross negligence, or unsatisfactory performance in the discharge of its professional duties under this Agreement.
d. The Internal Auditor shall not, during the term of this Agreement, represent, advise, or otherwise engage with any third party in relation to any matter, assignment, transaction, dispute, claim, regulatory issue, or engagement that involves, relates to, or is adverse to the interests of PIA-HCL, its subsidiaries, officers, employees, or affiliates, without the prior written consent of PIA-HCL.
e. The restriction contained in clause (d) shall apply throughout the term of this Agreement and shall continue to remain in force for a period of six (06) months following the expiry or termination of this Agreement for any reason whatsoever

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first written above.

For PIA Holding Company Limited
Signature: ____________________ Name: ______
Designation: __________________

For [Insert Name of Audit Firm]
Signature: ____________________
Name: _______________________
Designation: __________________

Witness -1 Witness - 2

ANNEXURE II

DRAFT INTEGRITY PACT

Agreement Number: ____________________ Dated: _____

Agreement Value: ______________________ Agreement Title: __

[Name of Audit Firm] (the "Internal Auditor") hereby declares that it has not obtained or induced the procurement of any contract, right, interest, privilege, or other obligation or benefit from PIA-HCL or any employee or consultant thereof, or any other entity owned or controlled by PIA-HCL or the Federal Government, through any corrupt business practice.

Without limiting the generality of the foregoing, the Internal Auditor represents and warrants that it has fully declared any brokerage, commission, fees, etc. paid or payable to anyone and that it has not given, agreed to give, and shall not give or agree to give, to anyone within or outside Pakistan, either directly or indirectly through any natural or juridical person (including its affiliate, agent, associate, broker, consultant, director, promoter, shareholder, sponsor, or subsidiary), any commission, gratification, bribe, finder's fee, or kickback, whether described as a consultation fee or otherwise, with the object of obtaining or inducing the procurement of any contract, right, interest, privilege, or other obligation or benefit in whatsoever form from PIA-HCL, except as expressly declared pursuant hereto.

The Internal Auditor certifies that it has made and shall continue to make full disclosure of all agreements and arrangements with all persons in respect of or related to the transaction with PIA-HCL and that it has not taken, and shall not take, any action to circumvent the above declaration, representation, or warranty.

The Internal Auditor accepts full responsibility and strict liability for making any false declaration, failing to make full disclosure, misrepresenting facts, or taking any action likely to defeat the purpose of this declaration, representation, and warranty. It agrees that any contract, right, interest, privilege, or other obligation or benefit obtained or procured as aforesaid shall, without prejudice to any other rights and remedies available to PIA-HCL under any law, contract, or other instrument, be voidable at the option of PIA-HCL.

Notwithstanding any rights and remedies exercised by PIA-HCL in this regard, the Internal Auditor agrees to indemnify PIA-HCL for any loss or damage incurred by PIA-HCL on account of any corrupt business practice by the Internal Auditor and further agrees to pay compensation to PIA-HCL in an amount equivalent to ten times the sum of any commission, gratification, bribe, finder's fee, or kickback given by the Internal Auditor for the purpose of obtaining or inducing the procurement of any contract, right, interest, privilege, or other obligation or benefit in whatsoever form from PIA-HCL.

____________	______________
PIA-HCL	**Internal Auditor**