

PUNJAB SKILLS DEVELOPMENT FUND

EXPRESSION OF INTEREST (EOI)

Hiring of a Firm for Fraud Risk Management Services

December, 2020



Submission Date: December 31, 2020 by or before 2:00 PM

21 A, H-Block, Dr. Mateen Fatima Road, Gulberg II, Lahore – Pakistan.

UAN: 042-111-11-PSDF(7733) | Toll Free:0800-48627 (HUNAR) | Website: psdf.org.pk

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1) Background

Punjab Skills Development Fund (PSDF) is the largest skills development fund in Pakistan. PSDF was established in 2010 as a not-for-profit company set up under the Companies Ordinance 1984 by the Government of Punjab (GoPb) in collaboration with Foreign, Commonwealth and Development Office (FCDO). Punjab Skills Development Fund is governed by an independent Board of Directors.

It plays a leadership role in skills training by collaborating with over 500+ training partners, including 200+ businesses across 10 sectors. PSDF delivers trainings in 2,400+ locations and 40% of its beneficiaries are women. PSDF also leads the National Accelerator on Closing the Skills Gap in Pakistan in partnership with the World Economic Forum.

2) Invitation to Expression of Interest

PSDF is soliciting Expression of Interest from consulting firms to provide Fraud Risk Management (FRM) consultancy services. In this regard, the consulting firm will develop and implement FRM Framework as mentioned in the scope of work / terms of reference.

a) Eligibility Conditions (Qualification criteria)

The Consulting firm submitting proposals should have the following eligibility for qualifications:

- i. Should be a legal entity i.e. Firm (Proof required - copy of incorporation in SECP / registration certificate as firm) **(Sole Proprietorship and Individuals are not allowed)**
- ii. Affiliated with Global Firm; **(Affiliation letter)**
- iii. Having professional experience to undertake Fraud Risk Management (FRM) assignments globally and / or locally; **(Engagement Letter(s)/Contract(s))**
- iv. Signed affidavit including that firm is not blacklisted by any Government / semi government / autonomous body / agency / authority / organization. **(Attach affidavit on stamp paper Original required)**
- v. Provide National Tax Number (NTN) and General (GST)/ Provincial Sales Tax (PST), (if applicable) in the name of Organization; **(FBR & PRA Certificates)**

b) Other Necessary Information

i. Expression of Interest (EOI) Document

The Interested firm can obtain EOI document containing all details, shortlisting criteria and terms & conditions, from PSDF website

(<https://www.psdf.org.pk/downloads/#tabtenders>) and PPRa website

(www.ppra.punjab.gov.pk).

ii. Acceptance or Rejection of EOI

The competent authority may reject all EOI at any time prior to the Request for Proposal (RFP). The procuring agency shall upon request communicate to any interested consulting firm, the grounds for its rejection of expression of interest, but shall not be required to justify those grounds.

3) Time Schedule for Submission of Expression of Interest (EOI)

Complete EOI containing all required information & documentary evidence must be delivered to **Procurement Department**, PSDF, 21-A, H-Block, Dr. Mateen Fatima Road, Gulberg-II Lahore in a sealed packet and submitted **on or before 02:00 PM on December 31, 2020**. EOI will be publicly opened on the same day i.e. **December 31, 2020 at 2:30 PM** in the presence of consultant firm representatives who wish to attend the EOI opening.

Kindly fill the following necessary annexures required for the qualification criteria and attach the supporting documentary evidences as mentioned in each annexure;

Annex – A:	Firm Information
Annex – B:	Eligibility Response Checklist
Annex – C:	Technical Evaluation Criteria
Annex – C-1:	Key Management Staff of the Firm
Annex – C-2:	CV of Proposed Key Management Team
Annex – D:	Relevant experience of the Firm
Annex – E:	Cover Letter for the Submission of Expression of Interest

4) Instruction & Guidelines for Consulting Firms

- a) PSDF wishes to shortlist the interested firms through the EOI, and only short-listed firm(s) will be invited to submit Technical and Financial Proposals through Request for Proposal (RFP). **Quality & Cost Based Method (QCBS)** will be adopted for the selection of the firm at RFP stage.
- b) All documents and information received by PSDF from applicants will be treated as strict confidential.
- c) Documents submitted to PSDF will not be returned.
- d) All expenses related to participation in this EOI shall be borne by the firm.
- e) The envelope containing hard copy of EOI shall be received in PSDF office at Lahore.
- f) EOI received after closing time shall not be accepted and returned without opening.
- g) PSDF reserves the right to request submission of additional information from applicants to clarify/further understand, if required.
- h) PSDF reserves the right to verify any information provided by prospective firms. **False information will lead to disqualification and the organization will be barred for bidding in PSDF schemes/projects.**

- i) PSDF will evaluate the EOI of eligible organizations based on their capacity, previous experience, qualification, and competence of key professional staff of core team **annexure B, C-1 & C-2**.
- j) PSDF will notify to the short-listed consulting firms (**found eligible and scoring more than 65 marks in their evaluation**) and request for proposal (RFP) document will be issued to them accordingly.
- k) Any clarification requests may be made in writing or through e-mail to the following contact person.

Procurement Department

Punjab Skills Development Fund
21-A, H-Block, Dr. Mateen Fatima Road,
Gulberg-II Lahore –Pakistan
E-mail: Procurement@psdf.org.pk

5) Term of References/Scope of the Assignment

PSDF requires performing Fraud Risk Management (FRM) activity at:

- Strategic level;
- Department level; and
- Functional/Business Unit level.

The scope of work shall consider at minimum, but not limited to, the following:

1. Fraud Risk Governance

The Consultancy Firm should analyse the governance structure of the PSDF and obtain an understanding of the business, Board's, and Management approach towards fraud risk management. Establish a Fraud risk management program that demonstrates the expectations of the board of directors and senior management and their commitment to high integrity and ethical values regarding managing fraud risk.

2. Fraud Risk Assessment

The Consultancy Firm should assess the fraud risks in conjunction with an overall enterprise risk assessment to identify potential fraud schemes and events that the PSDF needs to mitigate. In this regard, a detailed Fraud risk assessment framework should be developed which illustrate how the elements of fraud risk identification, assessment, and response are applied in a rational and structured approach. The framework should include at minimum, but not limited to, the following:

2.1. Identified Fraud risk and schemes:

Develop a comprehensive list of the potential fraud risks and schemes that may face the organization. Fraud risk identification process should cover the following but not limited to:

- Population of fraud risk relevant to the organization;
- Brainstorming sessions enabling discussions on incentives/pressures, opportunities and rationalization to commit fraud;

- Risk of management override of controls;
- Fraudulent financial reporting;
- Misappropriation of assets;
- Corruption;
- Information technology and fraud risk;
- Regulatory and legal misconduct; and
- Reputation risk.

2.2. Likelihood of Occurrence:

Assess the likelihood of the identified fraud risks to establish proper anti-fraud controls. Evaluate the likelihood of risks as remote, reasonably possible, and probable.

2.3. Significance to the Organization:

Assess the significance of fraud risks by considering quantitative and qualitative factors. Evaluate the significance of risks as immaterial, significant, and material.

2.4. People or Department Subject to the Risk:

Evaluate which people inside and outside the organization are subject to the risk. Establish appropriate segregation of duties, and proper review and approval chains of authority.

2.5. Existing Anti-fraud Internal Controls:

Map pre-existing controls to the relevant fraud risks identified.

2.6. Assessment of Internal Controls Effectiveness:

Test the operating effectiveness of the existing controls

2.7. Residual Risks:

After consideration of the internal control structure, it may be determined that certain fraud risks may not be mitigated adequately due to (a) properly designed controls are not in place to address certain fraud risks or (b) controls identified are not operating effectively. These residual risks should be evaluated in the development of the fraud risk response.

2.8. Fraud Risk Response:

Fraud risk responses should be designed to address residual risk. The fraud risk response could be one or a combination of the following: (a) implementing additional controls, (b) designing proactive fraud auditing techniques, and/or (c) reducing the risk by exiting the activity.

Fraud risk response plan should cover the following;

- Who should perform investigation;
- How investigation should be performed;
- How to determine the remedial action;
- How to remedy control deficiencies identified; and
- How to administer disciplinary action.

3. Fraud Prevention

The Consultancy Firm should establish a Preventive technique to avoid potential key fraud risk events and to mitigate possible impacts on organisation.

Fraud Prevention techniques should cover the following but not limited to:

3.1. Human Resources Procedures:

- Perform background investigation;
- Anti-fraud trainings;
- Evaluate performance and compensation program; and
- Conduct exit interviews.

3.2. Authority Limits:

- Identify misalignment between authority and responsibility (e.g. align individual responsibilities with the level of one's authority); and
- Establish segregation of duties and authoritative approval levels across the organisation.

3.3. Transaction Level Procedures:

- Review third party and related party transactions; and
- Financial reporting process.

3.4. Continuous Monitoring:

- Establish organisation's plan, approach, and scope of monitoring its fraud prevention techniques.

3.5. Fraud Prevention Scorecard

Develop the Fraud Prevention scorecard to assess how comprehensive the organisation's preventive controls are and how well they are working. Fraud Prevention scorecard should cover the following areas:

- Integrity and Ethical Values;
- Commitment to Competence;
- Management's Philosophy and Operating Style;
- Organizational Structure;
- Assignment of Authority and Responsibility; and
- Human Resource Policies and Practices.

4. Fraud Detection

The Consultancy Firm should establish a Detective technique to uncover fraud events when preventive measures fail, or unmitigated risk are realized.

4.1. Fraud Detective techniques:

- Design and plan the overall fraud detection process;
- Design specific fraud detection controls; and
- Implement specific fraud detection controls.

4.2. Fraud detection system integrated with Fraud Prevention system:

- Develop a fraud detection mechanism which entirely focus on areas where preventive controls are weak or are not cost effective.

4.3. Process Controls:

- Design information system/IT process controls to detect fraudulent activity as well as errors.

4.4. Proactive Fraud Detection Procedures:

- Design data analysis or data mining programs to identify (a) suspicious and unusual transactions, (b) hidden relationships among people and organization.

4.5. Continuous Monitoring:

Develop measurement criteria to monitor and improve fraud detection, which includes at least following measurable criteria:

- Number of known fraud schemes committed against the organization;
- Number and status of fraud allegations received by the organization that required investigation;
- Number of fraud investigations resolved;
- Number of employees who have/have not completed fraud awareness training sponsored by the organization;
- Number of whistle-blower allegations received via the organization's hotline;
- Number of allegations that have been raised by other means; and
- Number of fraud audits performed by internal auditors.

4.6. Fraud Detection Scorecard:

Develop the Fraud Detection scorecard to assess how comprehensive the organisation's detection controls are and how well they are working. Fraud detection scorecard should cover the following areas:

- Organisation Culture;
- Human Resource procedures (e.g. vacation periods or job rotations, trainings);
- Whistle blow procedures;
- Information system/IT process;
- Internal audit function/charter;
- Data Analysis programs;
- Fraud detective controls procedures; and

- Measurement criteria to monitor and improve detective controls.

5. Fraud Investigation and Corrective actions

The Consultancy Firm should establish a coordinated approach for investigation and corrective actions to ensure potential fraud is addressed appropriately and timely.

5.1. Fraud Investigation Procedures

- Receive and evaluate allegation;
- Investigation protocols; and
- Reporting results.

5.2. Corrective Actions

- Criminal/Civil/Disciplinary action; and
- Business process remediation or Internal control remediation.

5.3. Measurement criteria

Develop measurement criteria to track fraud investigations

- Issue resolution time;
- Repeat incident; and
- Value of losses recovered, and future losses prevented.

6) Deliverables:

Tentative Key deliverables of the assignment are:

- a) Fraud Risk Assessment Framework;
- b) Fraud Risk Response plan;
- c) Fraud Preventive techniques/controls;
- d) Fraud Prevention Scorecard;
- e) Fraud Detective techniques/controls;
- f) Fraud Detection Scorecard;
- g) Fraud Investigation procedures and corrective action plan; and
- h) Measurement Criteria for continuous monitoring.

7) Evaluation/Selection Criteria

The evaluation/selection criteria for consulting firms is given in Annexure B and C.

8) Duration

The Duration of contract is anticipated to run for a period of four (04) months and extendable up to six months, starting from the signing of the contract with PSDF.

9) Declaration

Kindly provide the declaration as per format provided below.

I, _____ hereby declare that:

- all the information provided in the Expression of Interest (EOI) is correct in all manners and respects
- and I am duly authorised by the **Governing body/Board/Management** to submit this EOI on behalf of "[Click here and type the name of organization]"

Name	
Designation	
Signature	
Date and Place	

Note: Please attach documentary proof for authorization by the governing body/board/management.

Annexures
Annex – A “Firm Information”

Firm Profile			
Sr. No.	Required Information	Response	
1	Legal name of the Firm		
2	Year of Registration / Establishment of the Firm		
3	National Tax Number		
4	Core business area/s of the Firm		
5	What is the legal status of your organisation? Tick the relevant box (one box only). (Attach Copy/Copies of Registration Certificate/s) (Sole Proprietorship & Individuals are not allowed)	Public Organisation	Sector
		Section 42	
		Public Ltd.	
		Private Ltd.	
		Partnership Firm	
		Others (Please specify)	
6	Name and designation of 'Head of Firm'		
7	Mobile:		
	Phone/s:		
	Email:		
	Fax:		
	Address of Firm:		
	Website address:		
8	Name and designation of 'Contact Person':		
	Phone/s:		
	Mobile:		
	Email:		
	Fax:		

Annex – B “Eligibility Response Checklist”

Sr. No.	Necessary Eligibility Information	Available	Requirements
1	Should be a legal entity i.e. Firm (Sole Proprietorship and Individuals are not allowed)	Yes/No	(Proof required - copy of incorporation in SECP / registration certificate as firm)
2	Affiliated with Global Firm	Yes/No	Affiliation letter
3	Having professional experience to undertake Fraud Risk Management (FRM) assignments globally and / or locally;	Yes/No	Engagement Letter(s)/contract(s)
4	Signed affidavit including that firm is not blacklisted by any Government / semi government / autonomous body / agency / authority / organization. (Original required)	Yes/No	Attach affidavit on stamp paper (Original Required)
5	Provide National Tax Number (NTN) and General (GST)/ Provincial Sales Tax (PST), (if applicable) in the name of Organization;	Yes/No	FBR & PRA Certificates

Annex – C “Technical Evaluation Criteria”

Overall Capabilities of the Consulting Firm (55 Marks)				
Sr. No.	Description	Category Points	Grand Total Points	Documents Required
1.	<p>The firm has been in practice (post affiliation) in Pakistan for:</p> <ul style="list-style-type: none"> • Less than or equal to 15 years • More than 15 years but less than or equal to 25 years • More than 25 	<p>5</p> <p>7</p> <p>10</p>	10	Attach relevant document (Affiliation Certificate/Proof)
2.	Prior knowledge and experience of the Firm in Development Sector (at least worked with one client)	5	5	Attach list of clients of Development Sector (if any) along with nature of assignment.
3	<p>Past experience of the firm (Clientele) in FRM:</p> <ul style="list-style-type: none"> • International experience • Local experience 	<p>5</p> <p>5</p>	10	Attach Engagement Letter/contract of the relevant past experience in FRM
4.	<p>Total No of Partners in Pakistan should be.</p> <ul style="list-style-type: none"> • Equal to 25 • More than 25 but less than & equal to 50 • Above 50 	<p>2</p> <p>3</p> <p>6</p>	6	List of Partners attached with ICAP Registration Numbers and date of membership.
5.	<p>Qualified Chartered Accountants Employed by Firm in Pakistan.</p> <ul style="list-style-type: none"> • 75 - 99 • 100 and above 	<p>4</p> <p>7</p>	7	List of Qualified Chartered Accountants attached with ICAP Registration Numbers.

6.	Size and resources of the firm <ul style="list-style-type: none"> Less than 150 professional staff More than 150 but less than 250 professional staff More than 250 professional staff 	2 4 7	7	Attach required document Name & Registration number of staff from accredited body
7.	Annual turnover of financial year FYs 2018-19 or 2019-20. <ul style="list-style-type: none"> More than 100 million PKR but less than 300 Million PKR Equal or more than 300 million PKR but less than 500 Million PKR 500 million PKR and above 	5 7 10	10	Audit or Profit and Loss Statement for 2018-19/2019-20 or Tax returns for 2018-19 / 2019-20
Professional Team (45 Marks)				
1.	Overall Experience of the engagement Partner assigned to the project: <ul style="list-style-type: none"> Greater than 5 but less than 10 years More than or equal to 10 years 	7 10	10	Provide detail in Annexure C -1 and C-2.
2.	Highest Qualification and prior experience of professionals of core team (based on minimum 3 members): <ul style="list-style-type: none"> Graduate with minimum 5 years of experience (3) or Masters with minimum 5 years of experience (06) or Member of Professional & accountant with minimum 5 years of experience (10) 	3 6 10	10	
3.	Additional specialized expertise such as relevant certificates and trainings. <ul style="list-style-type: none"> Engagement Partner (04) Team (3*2) 	4 6	10	Provide training certificates /proof
4.	Requisite expertise including technical support and subject matter expert/quality reviewer having a CFE certification.	15	15	Provide CFE certificates
Total			100	

Annex – C-1 “Key Management Staff of the Firm”

Sr. No.	Name of Management Staff	Designation	Qualification	Total Experience
1				
2				
3				
4				
5				

You may add more information, if applicable.

Note: In case of change in the identified key management staff, firm will have to provide the details of key management staff having same or equivalent qualification & experience and get prior approval from PSDF for such change.

Annex – C-2 “CV of Proposed Key Management Team”

(Pl. also attach the detailed CV with the EOI)

1. **Proposed Position** *[only one candidate shall be nominated for each position]:* _____

2. **Name of Firm** *[Insert name of firm proposing the staff]:* _____

3. **Name of Staff** *[Insert full name]:* _____

4. **Date of Birth:** _____ **Nationality:** _____

5. **CNIC No** (if Pakistani): _____

6. **Education:**

<i>Degree</i>	<i>Major / Minor</i>	<i>Institution</i>	<i>Date (MM/YYYY)</i>

7. **Employment Record** *[Starting with present position, list in reverse order every employment held by staff member since graduation, giving for each employment (see format here below): dates of employment, name of employing organization, positions held.]:*

<i>Employer</i>	<i>Position</i>	<i>From (MM/YYYY)</i>	<i>To (MM/YYYY)</i>

11. Detailed Tasks Assigned

[List all tasks to be performed under this assignment]

12. Work Undertaken that Best Illustrates Capability to Handle the Tasks Assigned

[Among the assignments in which the staff has been involved, indicate the following information for those assignments that best illustrate staff capability to handle the tasks listed under point 11.]

1) **Name of assignment or project & Location:** _____ **Cost of Project** _____

Date of Start _____ Date of Completion _____

Actual Time Spent on the Project: _____ in months.

Client: _____

Main project features: _____

Positions held: _____

Activities performed: _____

2) Name of assignment or project & location: _____ Cost of project _____

Date of Start _____ Date of Completion _____

Actual Time Spent on the Project: _____ in months.

Client: _____

Main project features: _____

Positions held: _____

Activities performed: _____

*Please must attach certificate/evidence to prove experience and working on project.

13. Certification:

I, the undersigned, certify that to the best of my knowledge and belief, this CV correctly describes myself, my qualifications, and my experience. I understand that any wilful misstatement described herein may lead to my disqualification or dismissal, if engaged.

_____ Date: _____
[Signature of staff member or authorized representative of the staff] *Day/Month/Year*

Full name of authorized representative: _____

Annex – D “Relevant Experience of the Firm”

Assignment Sheet 1*		
Sr. #	Required Information	Response
1	Name of the Client	
2	Scope of work performed	
3	Sector/Industry	
4	Key Deliverables	
5	Sector/Industry	
6	Duration of consultancy assignment	

***Note:** For more than one assignment, please use more than one sheets and mark them as assignment sheet 2 and Assignment sheet 3.

Annex – E Cover Letter for the Submission of Expression of Interest

[Firm letterhead]

[Date]

To

Head of Procurement

[Address mentioned in Data Sheet]

Re: Expression of Interest (EOI) in respect of Fraud Risk Management

Dear Sir,

We offer to express our interest to conduct consultancy Services for Fraud Risk Management in accordance with your EOI dated [Insert Date of Tender advertised].

We hereby declare that all the information and statements made in this expression are true and accept that any misinterpretation contained therein may lead to our disqualification. Our expression is binding upon us and subject to the modifications resulting from contract negotiations. We undertake that we will initiate the services as per the client's request if our proposal is accepted. We understand that you are not bound to accept any or all proposals you receive.

Thank you.

Yours sincerely,

Signature

Name and title of signatory: