



THE KARAKURAM CO-OPERATIVE BANK LTD (KCBL)

T&R/ RFP Document For Hiring of External Auditors

1. INTRODUCTION

The Karakoram Cooperative Bank Limited (Formerly Northern Areas Provincial Co-Operative bank) was incorporated in 1956 under Co-Operative Societies Act, 1925. The objective for which the bank is established is to carry out banking business and other financial activities as defined in the Cooperative Societies Act, 1925. The bank operates through its 42 Branches across Gilgit Baltistan. The registered office of the bank is located at KCBL Complex Shahrah-e-Quaid Azam Jutial Gilgit.

2. PURPOSE

Karakoram Cooperative Bank (KCBL) invites reputable auditing firms duly qualified, under the Chartered Accountants Ordinance, 1961 (X of 1961), or any other law for the time being in force, to be an auditor of companies and is borne on the panel of auditors maintained by the State Bank of Pakistan as category "A" for the purposes of audit of banking companies to conduct the annual audit to give assurance on the bank's financial statements. Such firms of chartered accountants must be certified as "QCR" compliant firms by the Institute of Chartered accountants of Pakistan (ICAP)

3. STANDERED OF AUDIT.

The approved firm will audit the Balance sheet and Profit & Loss Account of KCBL till the financial year June 30,2026. In order to follow best practices, our financial statements are prepared in accordance with approved accounting and reporting standards as applicable in Pakistan as under;

- International Financial Reporting Standards (IFRS) issued by the international Accounting Standards Board(IASB) as notified under the Companies Act,2017; and
- Provisions of Co-Operative societies Act,1925 with relevant rules and regulations where applicable.

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4. SCOPE AND COVERAGE

The audit exercise will be focused on the following;

- a. An assessment of adequacy of the bank's financial system, including financial controls. This should include aspects such as adequacy and effectiveness of accounting ,financial and operational controls; level of compliance with applicable laws and bank's own policies , plans and procedures ; adequacy and effectiveness of risk management activities ;reliability accounting system and data and financial reporting ;verification of assets and liabilities; a specific report on this aspect will be provided by the auditor as part of the management letter.
- b. Procurement process of goods and services have been carried out in accordance with applicable admin and procurement rules , policies and guidelines.
- c. Any other matter as considered necessary in line applicable laws and regulation in Pakistan.

5. DELIVERABLES

- a. The approved audit firm will prepare statement of financial position, the statement of profit & loss, the statement of comprehensive income, the statement of change in equity and the statement of cash flow along with notes to the accounts for relevant Financial Year.
- b. Issue an independent audit report supporting with its opinion whether the presentation of the affairs of the bank is in true and fair manner or not.
- c. Management letter (ML) with appropriate recommendation commenting on material weakness and "Risk" identified during the audit. ML will provide an opportunity to strengthen the efficiency of the bank.
- d. Draft Audit report and management letter will be provided by the firm for final review by the bank before issuance of the final audit report.

6. TIMELINE

The audit firm shall submit its final audit report within a period of 90 days from the date of commencement of audit assignment.

7. BOARDING, LODGING AND TRAVELLING

KCBL will bear Lodging and boarding expenses of field audit team.

8. TERMS OF PAYMENT.

Full payment shall be made after submission of auditor's final report.

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9. EVALUATION CRITERIA

S/No	Description	Points.	
1	Technical Proposal	60	
	a. Size and Resources		30
	b. Experience		20
	c. Affiliation & global recognition		10
2	Financial	40	
Total		100	

Criteria	Points	Mechanism
Size & Resources.		
Number of ICAP qualified chartered accountants employed.	Max-10	Each number of qualified Chartered Accountant will carry 1/2 point.
Number of partners in the firm	Max-10	Each number of partner will carry 1 points,
Number of qualified auditors deployed for field assignment.	Max-10	Each ICAP qualified and ICAP finalist will carry 10 and 05 points respectively.
Experience		
Current audit clients- commercial banks/MFBs	Max-10	Each client will carry 2 point
Current audit client - public sector Institution.	Max-5	Each client will carry 1 point.
Years of experience	Max-5	Each 8 Year experience will carry 1 point.
Affiliation and global recognition		
Affiliation with one of big 4 audit firms	Max-6	6 points for membership/affiliation.
Affiliation with other globally recognized firm.	Max-4	4 points for membership/affiliation.

Any firm which has not been given a satisfactory rating under quality control review "QCR" program of the ICAP shall not be considered for above evaluation. The procuring agency reserves the right to reject all proposals at any time prior to award of assignment.

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10 TECHNICAL PROPOSAL

Technical proposal shall contain the following documents at minimum;

- a. Complete profile of the firm.
- b. Copy of Registration from ICAP and evidence of affiliations with other national/international bodies (if any)
- c. Information/data required for evaluation ;
 - Summary of Qualified ICAP employed in the firm.
 - Detail list of partners of the firm.
 - Proposed list of qualified ICAP and ICAP finalist to be conducted in field audit team.
 - List of current clients-Commercial banks/MFBs and public sector clients.
 - Total years of experience of the firm.
- d. Any other information as required in RFP.

11. FINANCIAL PROPOSAL

Financial proposal shall contain professional fee for carry out the full assignment in PKR only.

12. SUBMISSION OF PROPOSAL

The proposal should be submitted in two separate sealed envelopes clearly marked with one "Technical Proposal" and other "Financial Proposal" at the address given below within 15 days of publishing date of advertisement. Any query regarding advertisement and RFP may be referred to:

The Head, Audit & Inspection, Karakoram Co-Operative bank Ltd, KCBL Complex, Sharah-e-Quaid Azam, Jutial Gilgit. Tel:05811-457523,457572; wazirmirbazkcb@gmail.com :

website www.kcb.com.pk.
