

“ACCOUNTING MANUAL”

For

**Pakistan Telecommunication Authority
Headquarters, F-5/1, Islamabad**

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Introduction

Pakistan Telecommunication Authority (PTA) was established under Pakistan Telecommunication (Reorganization) Act, 1996 to regulate the Telecommunication Sector of Pakistan and AJK & NAs and safeguard the interests of the Governments of Pakistan (GoP) and AJK & NAs and telecom consumers.

As per its Act, PTA is a body corporate having perpetual succession and a common seal with powers, subject to the provisions of its Act, to acquire and hold property, both moveable and immovable.

PTA is a license issuing body and collects various fees from the licensees on behalf of GoP, Ministry of Finance and AJK & NAs and remits surplus over its expenditures to the Federal Consolidated Fund as per section 12(3) of the Act and to the AJK Council and NAs Secretariat. PTA is empowered under its Act to prepare and approve its own budget and that of Frequency Allocation Board (FAB).

2. Background

During the last few years a major change has been observed in the Accounting and Auditing fields and flow processes of several public sector institutions. Accounting standards and government rules have changed (Pakistan Procurement Regulatory Authority, IFRS, NAM, etc). New standards have been developed and new rules and regulations have also been promulgated. Manual approach of data entry, updating, storage & retrieval has been replaced by latest computerized systems. Keeping in view the above, there is a requirement of having a comprehensive review of PTA's existing Accounting Manual and making a new Accounting Manual for providing detailed guidelines for compliance by PTA employees and to facilitate recording of financial transactions, analysis and reporting in compliance with the International Financial Reporting Standards, International Accounting Standards, International Auditing Standards and with PTA's and GoP's rules and regulations etc.

3. Objectives

PTA is governed by Pakistan Telecommunication (Reorganization) Act, 1996 (Amended in 2006) and various policies, rules, regulations and SOPs. In addition, PTA also has to abide by the rules and regulations of GoP in its day to day functioning and for preparation of its Financial Statements. Accordingly, Accounting policies, procedures and practices used by PTA in preparing & presenting financial Statements as well as Internal Control system need to be documented in an Accounting Manual. The aim of engaging the services of a consultancy firm is to prepare a detailed accounting manual for PTA that encompasses the best International practices of Accounting within the context of the accounting practices of public sector of Pakistan. PTA's accounting procedure, as approved by the Auditor General of Pakistan, has also to be kept in view while designing this manual.

The purpose of this Manual specifically is to:

- (i) Set out in a manual the detailed accounting principles, Policies and Procedures for accounting of financial transactions;
- (ii) Document the roles and responsibilities of officers of Finance Division of PTA;

- (iii) Define the framework within which accounting transactions are to be treated and recorded; and
- (iv) Document the Recovery SOP (already implemented in PTA) and enhance it with improvements.

4. Scope of Work

The Manual needs to be prepared in the light of International Financial Reporting Standards (IFRS), COSO Framework, IT standard 27001, Companies Ordinance, 1984, relevant legislation including PTA's Act, the three Telecom Policies, Rules, Regulations and more importantly Income Tax Ordinance 2001, best practices, relevant technical pronouncements by SECP, PPRA & ICAP and for comparison purposes, the Accounting Procedures laid down by Controller General of Accounts, the rules of Auditor General of Pakistan and any other relevant laws, rules of the Govt. of Pakistan.

The manual shall cover all aspects and types of financial transactions PTA undertakes including grants, receipts, operational expenditures, capital expenditures, Program /Development Payments etc.

While developing the Manual, the following documents/Legislation should be reviewed and their relevant clauses/provisions should be covered in the Manual.

- (i) PIFRA Rules & Regulations especially New Accounting Model (NAM).
- (ii) Guidelines and directives of Auditor General of Pakistan.
- (iii) Study of Telecom Act, Policies (Mobile, De-Regulations, Broadband etc), Telecom Rules, PTA Regulations (Telecom & Employees), APC/USF/R&D Rules & Regulations, PTA & GoP SOPs, PPRA Rules, License conditions and Oracle ERP.
- (iv) Existing Accounting Manual.

5. Instructions to Bidders

The consultant should carry out a complete end to end review of all Accounting and Financial processes of PTA including discussion with all Finance Division Officers and Staff, document the processes, prepare Flow Charts of each process and provide detailed guidance for each important financial activity performed by each role giving journal entries for all kinds of transactions made by PTA.

The manual shall have an independent section on Internal Controls in which the Consultant shall identify risk points, confirm if mitigating controls exist for identified risks, and suggest effective controls where controls do not exist or are not effective, and identify responsibilities for those controls such as review of Exception Reports, etc.

The "Accounting Manual" should cover all possible Accounting and Auditing requirements.

6. Deliverables, Completion and Payment Schedule

Delivery	Time Period	Payment
Day of signing the contract	t-day	
Submission of 1st draft report by the Consultant	t+30 working days	15%
Circulation of draft to Finance Division Officers and gathering of comments/input and forwarding those to Consultant	t+60 working days	
Submission of 2 nd draft report	t+70 working days	15%
Presentation to Authority and feedback for PTA	t+80 working days	
Submission of final report by consultant	t+95 working days	30%
Acceptance by the Authority	t+110 working days	40%

7. Bid Evaluation Criteria

The marks will be assigned as under:

1. Technical	60%
1.1 Past Experience of preparing Accounting Manual	35%
1.2 Key personnel	25%
2. Financial	40%
2.1 Total price quoted/cost to PTA	40%
Total	100%

1.1 Relevant Past Experience

The applicant should submit a detailed list of similar projects done in the past with names of clients and their key contact persons. Preference will be given to companies which have prepared comprehensive Accounting Manuals for reputed multinational organizations.

1.2 Key Personnel

The applicant should provide a list of all its key personnel alongwith their r sum s giving their experience and a list of key personnel who will work on PTA's assignment. Form 3 should also be completed and provided in addition to the above.

8. General Terms and Conditions

PTA will make payments on receipt of deliverables in acceptable form and content. All documents and reports shall be the property of PTA. The work shall not be re-assigned by the Consultant. All costs related to bid preparation and submission will be borne by the Consultant. The Consultant will be required to sign a confidentiality agreement before the contract is awarded.

Earnest Money equal to 2% of the contract value will have to be deposited with the bid in the form of Pay Order and the successful bidder will have to deposit a Performance Bond of 10% of the contract value in the form of a Bank Guarantee which will be released after successful completion of the contract and final payment of 40% is made.

9. General Information about the Bidder

- (i) The bidder should provide proof of its company registration (Articles & Memorandum of Associations, Certificate of Commencement & Business etc) and financial position (last three years annual audited financial statements) alongwith the bid.
- (ii) The bidder should provide the information asked for in the three enclosed forms.

10. Enclosures

- (i) Forms 1 Application and Undertaking
- (ii) Forms 2 Detail and Documents of Relevant Experience
- (iii) Forms 3 Detail of Key Personnel to Work on the Assignment

Form 1

Application and Undertaking

Date: _____
Name of the Bidder: _____

To: Director Budget & Accounts,
PTA, Government of Pakistan

We, the undersigned, apply for the advertised consultancy for preparation of PTA Accounting Manual.
We confirm that:

- (a) we have examined and have no objections to the bidding documents, including its Appendices;
- (b) we agree to provide the services and agree to be liable to PTA if and when we are awarded the contract;
- (c) we do not have any conflict of interest;
- (d) we have not been declared ineligible or blacklisted by the Government of Pakistan for award of any contracts;
- (e) We understand that you may cancel the bidding process at any time and that you are neither bound to accept any application that you may receive nor to invite the bidders to bid for the contract without incurring any liability to the Applicants;

Signed _____

Name _____ In the Capacity of _____

Duly authorized to sign the application for and on behalf of:

Applicant's Legal Name

Form 2

Detail and Documents of Relevant Experience

Applicant's Legal Name: _____

Date: _____

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Please list a maximum of five projects

*Starting Month/Year	Ending Month/Year	**Contract Identification	Role of Applicant
_____	_____	Contract name: Contract value: Number of personnel employed: Brief Description of the work performed by the Applicant: Name of Customer: Address:	_____
_____	_____	Contract name: Contract value: Number of personnel employed: Brief Description of the Works performed by the Applicant: Name of Customer: Address:	_____
_____	_____	Contract name: Contract value: Number of personnel employed: Brief Description of the Works performed by the Applicant: Name of Customer: Address:	_____

*Start with the earliest year

**Attach copies of contract award and completion certificate/documents

Form 3

Detail of Key Personnel to Work on the Assignment

Applicant's Legal Name: _____
pages

Page _____ of _____

Total Number of Managerial Staff:	
Total Number of Other Staff:	

Name	Designation in the Company	Duration in the Company	Total Years of Experience in the field of Finance	Qualification		Experience of Major Finance related Projects		
				Degree	Specialization	Role/Position	Duration	No of Projects

NOTE:

- Limit your response to a maximum of 8 individuals, and attach their signed CVs as annexure.