

Government of Pakistan
Revenue Division
Federal Board of Revenue
(Admn/HR Wing)

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Islamabad, the 25th April, 2025

NOTIFICATION
(JDs/KPIs)

Consequent upon approval of the Federal Board of Revenue's (FBR) Inland Revenue (IR) Transformation Plan, Third Party Auditors are being hired to improve the audit capacity and quality of FBR. In this regard, the Board is pleased to notify the job descriptions, key performance indicators, performance review forms, performance management mechanisms and performance management flow charts for the said Auditors, as enclosed.

Encl: As above.


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Secretary (Training & Development)
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Distribution: -

- i. SA to Chairman, FBR, Islamabad
- ii. All Members, FBR (HQ), Islamabad
- iii. All Chief Commissioners (Inland Revenue)
- iv. All Director Generals (Inland Revenue)
- v. Chief (Management/HR-IR), FBR (HQ), Islamabad
- vi. Chief (Admin & Finance), FBR (HQ), Islamabad
- vii. Chief (IR-TDU), FBR (HQ), Islamabad
- viii. Web Master/ Second Secretary (Automation), FBR (HQ), Islamabad

Summary

Auditors will assist unit officer in conducting comprehensive desk audits, investigative audits, forensic audits and field audits to identify non-compliance, discrepancies and risk areas. Their role will involve preparing detailed audit reports and monitoring tax payments.

Responsibilities

1. Assist officers in conducting detailed desk audits to identify high-risk taxpayers for audit selection and investigation.
2. Assist unit officer to analyze taxpayer declarations and reconcile Income Tax, Sales Tax, Federal Excise, Customs, and CVT data to identify discrepancies, fraud, and compliance issues under relevant tax laws, SECP regulations and accounting standards.
3. Assist unit officer in conducting desk audits, investigative audits, forensic audits and field audits of Income Tax, Sales Tax, and Federal Excise affairs including examining tax returns, books of accounts, financial statements and annexures in compliance with IAS and IFRS standards and as per Companies Act, 2017, Income Tax Ordinance, 2001, Sales Tax Act, 1990 and Federal Excise Act, 2005 and relevant rules.
4. Assist unit officer to identify outliers in financial reports using financial ratios and use deviations from industry benchmarks as risk indicators for audit selection.
5. Assist unit officer to comprehensively examine taxpayers audit history, compliance history, books of accounts, financial statements, vouchers, journals, ledgers, purchases, sales, production, stock reports and their correlation with production processes machinery and logistics.
6. Assist unit officer to verify cost of sales, administrative expenses, selling expenses, financial charges and withholding taxes.
7. Assist unit officer to verify trade creditors, trade debtors, bank statements, advances for shares and other balance sheet items.
8. Assist unit officer to examine brought-forward losses, tax reduction claims, tax credits, and verification of admitted, withheld and demanded tax payments.
9. Assist unit officers in advance tax computation and preparation of exemption/reduced rate reports.
10. Assist unit officer to conduct comprehensive chain analysis of buyers and suppliers to identify tax fraud cases.
11. Identify non-compliance with tax laws, including sections 21, 22, 23, 24, 25, 29, 34(5), 39(3), 174 and other relevant sections of Income Tax Ordinance, 2001; sections 3, 6, 7, 7A, 8, 8B, 9, 22, 73 and other relevant sections of Sales Tax Act, 1990; and sections 3, 10, 12, 17 and other relevant sections of Federal Excise Act, 2005.
12. Assist unit officer during visits to business premises to understand business processes, market shares, input-output prices and sales-purchase volumes for accurate Income Tax and Sales Tax declarations.
13. Monitor Income Tax and Sales Tax Withholding along with Advance Tax, Sales Tax and FED payments to identify compliance and audit risks.
14. Prepare detailed audit reports providing a holistic view of taxpayer affairs, scope and objective of audit, findings and recommendations including identifying risk areas, non-compliance, information gaps, and recommend third-party data verification for review by the Unit Officer.

15. Ensure all audits are conducted comprehensively by filling out relevant audit checklists.

16. Fill out work logs daily to document activities and tasks for review by the unit officer.

17. Assist unit officer in conducting pre-refund and post-refund audits.

18. Provide input and assistance on all ancillary tasks as required by the unit officer.

19. Perform any other task related to audit, enforcement and legal matters, as directed by the unit officer.

A handwritten signature in black ink, appearing to be 'M. S.', located in the lower right quadrant of the page.

Key Performance Indicators for Auditors

1. Productivity (40%)

- a. Number of desk audits completed from assigned cases. (5%)
- b. Number of cases selected for audit from recommended cases. (5%)
- c. Number of audit reports completed from assigned cases. (10%)
- d. Number of non-compliant cases reported through monitoring activities. (5%)
- e. Average time taken to complete the assigned audits. (*days*) (5%)
- f. Revenue realized due to completed audits. (10%)

2. Quality (30%)

- a. Completeness and timeliness of desk audits. (10%)
- b. Completeness and timeliness of audit reports. (15%)
- c. Completeness and timeliness of other tasks assigned. (5%)

3. Behavioral (30%)

- a. Attention to detail. (10%)
- b. Accountability and Transparency. (10%)
- c. Discipline. (10%)



Performance Review Form – Auditors

Section I: General Information		
Name:	Designation:	Employee Number:
Field Formation:	Unit:	Zone:
Period of Review: From (Month/Year):		To (Month/Year):

Section II: Instructions and Grading Scale

INSTRUCTIONS

1. **Input Value:** Provide the value against each criterion based on the auditor’s performance (where applicable).
2. **Assign Scores:** Evaluate the value against each key performance indicator (KPI) on the score scale.
3. **Calculate Weighted Scores:** Multiply each score by the corresponding weightage to calculate the weighted score.
4. **Weighted Score:** Sum up all the weighted scores to calculate the total weighted score.
5. **Assign Overall Grade:** Refer to the corresponding grade against the weighted score range in the overall grading scale to determine the final grade.
6. **Provide Feedback:** Include constructive feedback and specific recommendations, if needed.

SCORE SCALE

SCORE	DESCRIPTION
5	Excellent: Consistently exceeds expectations with outstanding quality, accuracy, and effectiveness
4	Very Good: Performs above expectations with high-quality work and minimal areas for improvement
3	Good: Meets expectations with reliable performance; some enhancements could add value
2	Average: Meets basic requirements but has noticeable areas for improvement
1	Unsatisfactory: Falls below expectations; requires significant improvement

OVERALL GRADING SCALE

GRADE	SCORE RANGE	DESCRIPTION
A	4.1 – 5.0	Excellent: Consistently exceeds expectations with outstanding quality, accuracy, and effectiveness
B	3.1 – 4.0	Very Good: Performs above expectations with high-quality work and minimal areas for improvement
C	2.1 – 3.0	Good: Meets expectations with reliable performance; some enhancements could add value
D	1.1 – 2.0	Average: Meets basic requirements but has noticeable areas for improvement
E	0 – 1.0	Unsatisfactory: Falls below expectations; requires significant improvement



Section III: Performance Criteria and Evaluation

Key Performance Indicator	Value	Score	Weightage	Weighted Score
Productivity (40%)				
1. Number of desk audits completed from assigned cases (Evaluate the number of desk audits completed by the auditor from the assigned target)			5%	
2. Number of cases selected for audit from recommended cases (Evaluate the number of cases selected for audit from cases where desk audit was conducted to determine the quality of desk audits)			5%	
3. Number of audit reports completed from assigned cases (Evaluate the number of audit reports completed from the assigned target)			10%	
4. Number of non-compliant cases reported through monitoring activities (Evaluate the quality of monitoring and whether they resulted in subsequent audit action)			5%	
5. Average time taken to complete the assigned tasks (days) (Evaluate the average time taken to complete assigned tasks i.e. desk audits, audit reports etc.)			5%	
6. Revenue realized due to completed audits (Evaluate the revenue realized due to completed audits)			10%	
Quality (30%)				
7. Quality and timeliness of desk audits (Evaluate the completeness and punctuality of desk audits)	X		10%	
8. Quality and timeliness of audit reports (Evaluate the completeness and punctuality of audit reports)	X		15%	
9. Quality and timeliness of other assigned tasks (Evaluate the completeness and timeliness of other assigned tasks)	X		5%	
Behavioral (30%)				
10. Attention to detail (Auditors' ability to meticulously review documents and detect errors/discrepancies)	X		10%	
11. Accountability and Transparency (Auditors' ability to uphold ethical and moral standards)	X		10%	
12. Discipline (Auditors' punctuality and work ethic)	X		10%	
TOTAL WEIGHTED SCORE				

Section IV: Evaluation Summary

Overall Grade (A, B, C, D or E)	
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Section V: Feedback and Comments

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Section VI: Acknowledgement

I have evaluated the official against the given criteria fairly and to the best of my ability based on the available information.

Supervisory Officer's Name:	
Designation:	
Signature:	
Date:	



Performance Management Mechanism for Auditors

1. Auditors are required to maintain detailed daily work logs to document their activities and tasks.
2. Unit Officers will periodically review auditors' work logs to assess productivity and ensure adherence to performance expectations as per their job descriptions.
3. Unit Officers (Assistant Commissioners/Deputy Commissioners) will conduct monthly evaluations of auditors assigned to their units, based on Key Performance Indicators (KPIs) outlined in the Performance Review Forms.
4. Auditors receiving positive evaluations will have their performance reports submitted through the appropriate channel to the Chief Commissioner.
5. The Chief Commissioner will compile and forward a consolidated performance report to the Chief Operations for review and oversight.
6. Upon review, the Chief Operations will recommend eligible cases to the Chief Administration for processing performance-related payments.
7. In cases of unsatisfactory performance, the Unit Officer will notify the Chief Commissioner who will contact the HR Firm and recommend the auditor's dismissal and replacement.
8. Any auditor receiving "E" grade in three consecutive evaluations will be subject to automatic dismissal.
9. Any auditor receiving "D" grade in five consecutive evaluations will be subject to automatic dismissal.
10. Auditors exhibiting behavioural concerns related to integrity, discipline, or confidentiality may also be subject to immediate dismissal.

Performance Management Flow Chart

