

REQUEST FOR EXPRESSIONS OF INTEREST

Country:	Pakistan
Name of Project:	Pakistan Raises Revenue
Assignment Title:	Selection of Consulting Services Firm for the Impact Assessment of WeBOC
Loan No./Credit No.:	6435-PK
Reference No.:	1(39)/P&CM/PO/2021 (PK-FBR-272442-CS-QCBS)

1. The Federal Board of Revenue has received financing from the World Bank towards the cost of the Pakistan Raises Revenue Program (PRRP) and intends to apply part of the proceeds for procuring services of a credible consulting firm (“Consultant”) for conducting forensic/ quality audit concerning integrity, reliability and security of FBR WeBoC System.
2. The Federal Board of Revenue now invites eligible consulting firms (“Consultants”) to indicate their interest in providing the said Services. Interested firms should provide the information demonstrating that they have/ meet required qualification and experience to perform this assignment. In this regard, there are prescribed standards, which have been mentioned in the Terms of Reference, which may be downloaded from the website <https://fbr.gov.pk/tenders>. Prospective firms are encouraged to provide materials/ information that would be specific to the proposed services. The parameters for evaluating EOI responses are given below:
 - a. The Firm should be a registered business in Pakistan – skilled in undertaking System/ IT Audits, Quality Assurance and (Tax) Rate Compliance.
 - b. The Firm (and Team Lead(s)) shall be qualified Certified Information Systems Auditor (CISA)/ Certified Information Security Manager (CISM) – credentials from the Information Systems Audit and Control Association (ISACA).
 - c. At least 05 years of post-registration advisory/ consultancy experience with specialized skills in auditing information systems offering similar services and have completed at least 3 similar projects of similar scale and complexity in comparable organizations.
 - d. The firm should have technical personnel corresponding to the required areas of TOR (individual CVs are not required at the REOI stage) with adequate logistical capacity.
3. The attention of interested Consulting Firms is drawn to Section III, paragraphs, 3.14, 3.16, and 3.17 of the World Bank’s “Procurement Regulations for IPF Borrowers” July 2016 [revised November 2017 and August 2018] (“Procurement Regulations”), setting forth the World Bank’s policy on conflict of interest.
4. The Consulting Firm will be selected in accordance with the Quality and Cost Based Selection (QCBS) method as set out in the World Bank’s “Procurement Regulations for IPF Borrowers” July 2016, revised November 2017 and August 2018.
5. Firm(s) may associate with other firms to enhance their qualifications in the form of a joint venture (JV)/ Association. All the partners in the JV shall be jointly and severally liable for the entire Contract, if selected. In case of joint venture/ consortium, the details of such projects will be provided separately for each member as lead or associated consultant and payments shall be made only into the designated account of JV.

6. A **virtual Information Session** shall be held on **January 20, 2022** at **1500 Hours** to familiarize the potential applicants **on Terms of Reference** (available at <https://fbr.gov.pk/tenders>) **and ensuing procurement process**. Interested Consulting Firms may obtain the respective meeting link/ invite via writing an email addressed to the undersigned (procsp.prrp@fbr.gov.pk) between January 17, 2022 and January 20, 2022 (latest by 1200 Hours).
7. The Expression of Interest must be delivered to the address below (in person or by surface mail) not later than 1500 hours (Pakistan Standard Time) on **January 31, 2022**. For expressions sent electronically, Program Office will acknowledge receipt of the same via return email. In absence of such confirmation/ receipt, please contact on the address given below.
8. The address(es) referred to above is (are):

Procurement Specialist (Program Office)

Room No. 712, Seventh Floor
Federal Board of Revenue (FBR)
FBR House, Constitution Avenue
Sector G-5, Islamabad, Pakistan
051-9209659
procsp.prrp@fbr.gov.pk

**Terms of Reference
for
Hiring of Consulting Services Firm for Audit of Internal Controls of the Web-Based One Customs
(WeBOC) System**

Background and Introduction

The Federal Board of Revenue (FBR) under the Component-II (Technical Assistance) of the Pakistan Raises Revenue (PRR) project requests the services of a reputable consulting firm to conduct a forensic audit of the WeBOC System of FBR for quality assurance through methodological testing. The Web Based One Customs (WeBOC) system was rolled out in 2012 and has been designed and developed as per the business requirements and vision of Customs i.e., paperless, end-to-end integration, minimum dwell time, 24/7 service, transparency, automated and simplified procedures, improved risk management system including automated feedback mechanisms, better controls, electronic filing, minimum interaction with trader and Customs authorities, efficient information management system, e-gates, online payment, and single window operations. The underlying idea was/ is to have compliance of international trade facilitation agreements and to develop Customs system in line with international good practices. It provides real time integration of clearing agents, traders, brokers, terminal operators, cargo handlers, shipping agents, bonded carriers, warehouses, airlines, and customs officials for the clearance of trade consignments.

Objective and Scope

The objective of the intended assignment is to conduct a forensic audit of the internal controls of WeBOC system of FBR for quality assurance for the **FY 2020-2021, FY 2019-2020, and FY 2018-2019** ensuring that the mechanism of internal controls, business decisions, rules, policies, and procedures are well defined, correctly calculated, and if not then recommend possible solution/ way forward. It is meant to analyze that the systems in place are capable – fully automated with seamless integration of all Customs’ business processes. The applicant firm is expected to analyze the WeBOC's capability in carrying out the day-to-day functions, its governance model, business rules, duty calculation across all regimes, correctness of information as an output, and security structures etc. The Internal Control Audit will identify the strengths and weaknesses as follows and recommend appropriate actions to FBR, namely:

- i. Whether the rates of Customs Duties, Additional Customs Duties and Regulatory Duties are properly and correctly fed vis-à-vis updated from time to time as applicable in the System?
- ii. Whether the WeBOC System correctly calculates and collect the duties as per statutory rates?
- iii. Review the feeding, calculation, and collection of domestic taxes i.e., Sales Tax, Withholding Tax and Federal Excise Duty at import stage.
- iv. Examine the correctness of feeding of Fifth Schedule in the WeBOC along with its conditions, when and where applicable.
- v. Whether rates of duties and taxes were updated in the WeBOC as and when legally changed since January 01, 2018?
- vi. The firm will also examine and audit whether different SROs have been correctly fed/ updated in the System along with respective conditions. Any difference or deviation in the SROs feeding/ updating and application in the System will be reported accordingly.
- vii. Whether changes were made in the System with corresponding changes in the SROs from time to time in a correct and timely manner?

- viii. Whether Valuation Rulings (VRs) issued by the Directorate General of Customs Valuation have been properly entered into the System?
- ix. Whether the System correctly applies the VRs on the respective goods or not? The required audited period will be for a period of three years.

Based on the indicated activities, the audit should: (i) map the involved internal control mechanisms; (ii) point out the main weaknesses of the involved internal controls; (iii) identify the main causes; and (iv) propose mitigation measures. The audit and subsequent recommendations should be both quantitative and qualitative considering efficiency and effectiveness of the system, its performance, and corresponding data (input)/ information (output) correctness – real-time and secured operations.

Qualifications and Experience

- i. At least five (5) years of post-registration advisory/ consultancy experience with specialized skills in auditing business information, policies and procedures, control objectives and information systems offering similar services.
- ii. The firm should have completed at least three similar projects of similar scale and complexity in comparable organizations. (In case of mergers/ acquisitions/ restructuring or name change, the data of establishment of earlier/ original Partnership Firm/ Limited Company can be taken into account).
- iii. The firm should have technical personnel corresponding to the required areas of the Terms of Reference with adequate logistical capacity.
- iv. The firm should preferably be a current COBIT/ ISO9000 or equivalent certified firm.
- v. The firm should provide details (documentary evidence e.g., contract award or reference letter from the clients stating scope of services and deliverables) of all such projects for the last 5 years or more during which they were completed. In case, of joint venture/ consortium, the details of such projects will be provided separately for each member as lead or associated consultant.

Expected Output/ Outcome and Completion Schedule

The audit should produce a detailed report of the findings for, and the evaluations noted above in accordance with International good practices. All identified deficiencies must be supported by evidence and examples, and classified as minor, substantial, or critical based on relative importance. The payments are subject to acceptance of deliverables (as follows) by the Client.

- i. Inception Report – to include information on penetration testing methods after three weeks of the service commencement. The inception report will present a detailed work plan, milestones, and a schedule for deliverables.
- ii. Interim Report – initial findings with preliminary recommendations delivered according to the inception report schedule.
- iii. Draft Report – comprehensive audit and recommendations delivered according to the inception report schedule.
- iv. Final Report – Based on the input/ review of Draft (of final) Report by the Client delivered according to the inception report schedule.

Report(s) will be reviewed and approved by the Director General (DG) Reforms and Automation and relevant wings of Pakistan Customs/ FBR to ensure that the assignment is complete in every respect and the best standards are met. The Firm shall clearly specify the timings of the

submission of the report(s) in their respective project schedules developing the following methodology:

- i. Procedures for penetration testing.
- ii. Utilizations of auditing instruments.
- iii. A comprehensive quantitative and qualitative forensic audit as aforesaid.

Duration of the Assignment

The firm will complete the assignment (work award till Client's approval of the final report as aforementioned) in four months' time.

Location of Assignment

The firm will work at Customs House Karachi/ Smart Towers Karachi. The firm will be provided with system access to WeBOC systems and related data, and information required to conduct this audit activity in a structured and timely manner.

Coordination and Reporting

For all activities and clarifications under the subject assignment, the firm will report to the Chief, Reforms and Automation of FBR.

Method of Selection and Relationship between the Parties

The Consulting Firm shall be selected in accordance with the Quality and Cost Based Selection (QCBS) method as set out in the World Bank's "Procurement Regulations for IPF Borrowers" July 2016, revised November 2017 and August 2018.
