



FileNo.01 (BK&C)/2018/ 1819

October 29th, 2018

All Members NHA

All General Managers NHA

All Directors/ Deputy Directors (Accounts)

(Zonal/Regional, Construction, HeadQuarter, Projects)

Subject: PROCUREMENT OF CONSULTANTS/CONTRACTORS/OPERATORS
/SUPPLIERS etc.

NHA initiate all its procurements in line with the PPRA rules and follow the provisions given in NHA Code and rules & regulations of the Authority. One of the key aspects of all these procurement is assessing the financial statements and audit reports of the bidders. In the recent past, due to lack of guidance, in the bidding documents the bidders submit audit reports with financials, which at times are prepared not in accordance with any standards and differ from the auditing standards as applicable in Pakistan.

2. Keeping in view the statutory requirement of the Audit and nature of the organization along with requirement of NHA, the following policy guidelines are hereby implemented w.r.t. the audit reports accompanying the audited financial statements, for implementation of all types of procurements (contractors/consultants/operators/suppliers etc.) in NHA with effect from the financial year 2017-18 and onwards. However, for the previous years the audit report should be in line with the auditing standards as applicable in Pakistan. Non-fulfillment of any requirement will render the bid as non-responsive.

Sr	Type of Organization	Minimum requirement of Auditors	Basis of preparation of Audit Reports	Basis of preparation of Financial Statements
1.	Corporate entities (duly registered with Securities and Exchange Commission of Pakistan)	Licensed Chartered Accountant Firms (Minimum Partnership Firm with international affiliation) enlisted and appearing on the list of firms in	International auditing standards as applicable in Pakistan.	i. Companies Ordinance 1984 or Companies Act 2017 (whichever is applicable). ii. International accounting and financial reporting

		ICAP directory as at the finalization of procurement.		standards as applicable in Pakistan at the time of issuance of the reports.
2.	Partnership Firm/ AOPs/Joint Ventures	Licensed Chartered Accountant Firms (Minimum Partnership Firm) enlisted and appearing on the list of firms in ICAP directory as at the finalization of procurement.	International auditing standards as applicable in Pakistan.	i. International accounting and financial reporting standards as applicable in Pakistan at the time of issuance of the reports.
3.	Individuals/Sole Proprietorship	Licensed Cost & Management Accountant Firms enlisted and appearing on the list of firms in ICMAP directory as at the finalization of procurement for organizations of net worth up to 10 million only. In all other cases Licensed Chartered Accountant Firms enlisted and appearing on the list of firms in ICAP directory as at the finalization of procurement,	International auditing standards as applicable in Pakistan.	Consistent and acceptable Accounting policies.

3. In addition to above NHA may encourage corporate entities to participate in the bidding process by giving extra marks at technical evaluation stage. In this connection, the following allocation of marks have also been approved may be as follows:

- i. Corporate Entities: 100% of marks allocated.

- ii. Partnership/JV Firm/AOPs: 30% of marks allocated.
- iii. Individual/Sole Proprietorship: 10% of marks allocated.

4. Further the requirement of the auditors along with the audit reports and financial statements required must be made part of the bidding documents for all future procurements. These instructions may be forwarded to all concerned, involved in the procurement process for immediate compliance.

5. This issues with the approval of Chairman NHA.



(Irfan Bashir)

General Manager (Finance)

Copy for information to:

- Chairman NHA
- Member (Finance) NHA