

Subject: Financial and Managerial Audit of “Service Agreement”

The University of Health Sciences, Lahore intends to engage professional services from prequalified Chartered Accountant firms for managerial and financial audit of expenditure incurred under “Service Agreement” amounting to Rs. 375.439 million between UHS and Project Management Unit of Primary and Secondary Healthcare Department, Lahore to impart training to clinical / non clinical staff of THQs & DHQs Hospitals, Punjab

The said project was awarded to University of Health Sciences, Lahore through a contract agreement executed between the institution and Project Management Unit of Primary and Secondary Healthcare Department, Lahore. According to the aforementioned contract agreement, it is obligatory for the University to get the financial and managerial audit of “Service agreement” on quarterly basis.

May I request to Chartered Accountant firms which prequalified by the Planning & Development, Government of the Punjab for financial audit for the year 2017-18, submit financial offer for conducting the financial and managerial audit of above project. Head wise expenditure break up and ToRs for financial and managerial audit is enclosed herewith. The sealed bid should reach Finance Department, UHS not later than 22-12-2017 and same will be opened in the presence of your representative on the said date at 02:30 pm.

REGISTRAR
University of Health Sciences,
Lahore

ILEM - UHS

Sr. No.	Head of Account	Allocation (Rs)	Expenditure (Rs) (June 2016 to 05 Dec, 2017)
1	Pay & Allowances (including Daily Wages)	45,000,000	2,974,758
2	Remuneration for course designing & implementation	40,000,000	-
3	Remuneration for trainers, instructors, facilitators & Co-ordinators	100,000,000	5,415,042
4	Remuneration for UHS faculty & staff engaged in this program in addition to their regular duty	40,000,000	4,315,830
5	Transport	40,000,000	29,026,270
6	POL Charges	20,000,000	725,407
7	Daily Allowances	2,439,000	1,790,900
8	Furniture & Fixture	55,000,000	-
9	Smart Cell Phones / IT Equipment	10,000,000	24,336
10	Stationery	20,000,000	109,265
11	Printing & Publications	20,000,000	156,584
12	Miscellaneous Expenditure	5,000,000	843,032
13	Contingencies	23,000,000	744,933
T O T A L		420,439,000	46,126,357



Hospital Staff Training Programme DHQs & THQs of Punjab

Financial and Managerial Audit

Terms of Reference

Terms of Reference for Financial & Managerial Audit

The terms of reference (TOR) have been developed for the audit of "Service Agreement between Project Management Unit (PMU), Primary & Secondary Healthcare, the Government of the Punjab and University of Health Sciences, Lahore. The terms of reference are aimed at making an assessment whether the execution of the aforementioned agreement is in conformance in terms of administrative governance, financial transaction, procurements and managerial practices with the approved regulations interalia PPRA regulations.

2 Background

The Service Agreement is aimed at imparting training to the clinical and non-clinical staff working in district and tehsil headquarter hospitals to strengthen their capacities for efficient service delivery.

3 Objectives of the Audit

The objectives of the audit are:-

- i) Whether the administrative process adopted for obtaining agreement, creation of posts, recruitment against the posts and implementation of service protocols for achieving the targets was according to the institutional rules / procedures / policies / regulations.
- ii) To obtain reasonable assurance as to whether the financial statements are free from material misstatement.
- iii) Whether the financial transactions, in all material respects are in accordance with the applicable reporting framework.
- iv) Whether the procurements of goods and services for execution of the "Service Agreement" were in accordance with the PPRA rules and approved framework.
- v) Whether the utilizations of funds are properly supported with approved documentation in accordance with approved budget and requirements of the agreement.
- vi) To frame recommendations for the University so as to correct deviations if reported and / or to execute the service agreement successfully within stipulated time period.

4 Standard

The audit is to be conducted in accordance with auditing standards of the Auditor General of Pakistan and International Organization of Supreme Audit Institutions (INTOSAI)

5 Scope of Work and Deliverables

- 1 The auditor shall formulate a report on the findings of the audit pertaining to financial transactions, procurements and administrative governance. The report will need to include.
 - i) Executive summary: 2-3 pages, including the main results and recommendations of the audit.
 - ii) Introduction: 2-3 pages outline of the purpose of the audit, the questions and the principals results.
 - i) background of the audit
 - ii) methodology used
 - iii) limitations (if any)
 - iii) Comments and observations on the administrative governance, procurements, accounting record, systems, and controls that were examined during the course of the audit.
 - iv) Identify specific deficiency and areas of weakness in systems and controls-administrative and financial - and make recommendations for their improvement.
 - v) Report on the degree of conformity on all the segments as mentioned in "Objectives" that whether adherence to laws / rules / regulations / policies was observed or there were deviations from the same.
 - vi) Communicate matters that have come to attention during the audit which might have a significant impact on the implementations of the project.
- 2 Audit period is March 01, 2017 till November 30, 2017.
- 3 Scope is limited to the operations and expenses carried out under the aegis of service agreement between Project Management Unit (PMU), Primary & Secondary Healthcare, the Government of the Punjab and University of Health Sciences, Lahore.
- 4 Auditor is required to verify that administrative governance and expenditures are in accordance with approval granted by the University as specified in the UHS ordinance, 2002 (Section 22 / First statutes.
- 5 The audit assignment is required to be completed within 10 working days from the date of start of assignment.



6 Geographical Area to be Covered

University of Health Sciences, Lahore.

7 Specific Work

The auditors shall conduct its verifications on the basis of inquiry and analysis, (re) computations, comparison, other accuracy checks, observations, inspection of records and documents and interviewing the relevant personnel.

1- The auditor shall examine the following documents and record.

- a) Service agreement between Project Management Unit (PMU), Primary & Secondary Healthcare, the Government of the Punjab and University of Health Sciences, Lahore.
- b) Funds received from the Project Management Unit of Primary and Secondary Healthcare Department, Government of the Punjab.
- c) Whether the governance of the project was in conformance with the approved structure.
- d) For staff cost;
Basis for hiring, proof of staff activities, evidence of payments, contract of employments.
- e) For equipment / transport
Invoices, delivery challan, proof of payment for contracting, award of contract.
- f) For running cost;
Invoices, proof of payments and proof of approval
- g) For travel cost;
Transport invoices and tickets, proof of payments, proof of authorization for travelling.
- h) Whether all the payments were rightly charged to the project after having approval by the Competent Authority.
- i) While sanctioning claims and making payments thereby whether UHS rules and PPRA, 2014 were adhered.
- j) Whether the procurements of goods were duly recorded in the stock register.



k) Any other task / deliverables which was relevant for the attainment of the objectives.

2- The auditor shall also examine and verify the following:

- a) All the training records were properly maintained and trainers were recruited as per approved / set procedure.
- b) The suitable staff was hired after observing codal formalities.
- c) The attainment status of deliverables as enlisted in section 4 of the service agreement.
- d) The costs being incurred on operations under the aegis of the service agreements are reasonable and justified.

8 Project Management

8.1 Responsible Body

University of Health Sciences, Lahore- ILEM (Institute of Learning of Emergency Medicine)

8.2 Management Structure

A committee comprising the following shall liaise with the auditors for smooth execution of the contract agreement of the audit.

- i) Dr. Asad Zaheer, Registrar, UHS
- ii) Dr. Saqib Mahmood, Head of Allied Health Sciences Department, Lahore
- iii) Brig ® Dr. Ihsan ul Haq Wafa, Director (Admin & Coord), UHS, Lahore
- iv) Dr. Mansoor Ghani, Assistant Professor of Bio-chemistry, UHS, Lahore
- v) Mujahid Iqbal, Deputy Treasurer, UHS, Lahore

9 Record Production

Provision of all initial and core record will be the responsibility of Dr. Mansoor Ghani, Assistant Professor while payment and receipt record will be the responsibility of Deputy Treasurer or his representative.

