



Expression of Interest

HIRING OF AUDITOR FOR POST AUDIT OF FREIGHT SUBSIDY CLAIMS

Under the 'Freight Subsidy Schemes' 2002-03, 2003-04, 2004-05 and 2006-07, announced by the Government, exporters filed 'freight subsidy claims' with their respective banks who, as per laid down procedure, sent them to NBP, FTC Branch, Karachi for their onward transmission to the Chartered Accountant Firms hired by EPB / TDAP for their pre-audit. Such claims were processed / pre-audited by the Auditors who issued authorizations to the NBP, FTC Branch, Karachi. Based on such authorizations, the NBP, FTC Branch, Karachi released the payments to the exporters' respective banks from EPB / TDAP funds maintained with them. The total number of such claims is roughly around 70,000. Public Notices issued by EPB / TDAP for the above referred 'Freight Subsidy Schemes' are available with TDAP's Facilitation Division.

2. Trade Development Authority of Pakistan is now conducting 'post-audit' of 'paid-up freight subsidy claims' on exports under the above referred 'freight subsidy schemes'. Terms of reference for post audit of freight subsidy claims can be obtained from the Director General (Facilitation Division) TDAP, Karachi.
3. Chartered Accountant Firms interested to be hired for 'post-audit' of 'freight subsidy claims' must have a very good exposure to export procedures, documents, working of Trade Development Authority of Pakistan (TDAP), logistics, shipping / air cargo issues, 'E' Forms and banking procedures for processing of export documents and realization of proceeds. Knowledge of bench-mark rates for similar destinations for other exporters / products, who did not avail freight subsidy, is also essential. Firms having necessary exposure to above issues will be given due weightage. In their quotations, the interested firms should, therefore, specifically mention about their knowledge / expertise in the above areas.
4. The interested A-class ICAP Chartered Accountant Firms are requested to quote the amount / fee they will charge per subsidy claim for conducting "post-audit" of about 70,000 paid-up 'freight subsidy claims'. The work / assignment will include preparation of a general report of 'post' audit'. The interested firms must also indicate time-line for completion of this assignment.
5. **TORs for the Auditors for post audit of Freight Subsidy Claims**
 - a. Check that the claims processed and paid on the basis of pre-audit was dully filled in and was supported by all the documents required under the procedure and given in the Public Notices on the subject and met the requirements laid down in the Public Notices for the purpose.
 - b. Check that the product or country on which the freight subsidy was claimed and accepted for payment was eligible for the freight subsidy as per the conditions laid down in the Public Notices mentioned above.
 - c. Check that all terms and condition of the relevant freight subsidy scheme have been abided by pre-auditors during processing and approval of claims
 - d. Check that the claim was filed within the prescribed time limits
 - e. Check the accuracy and authenticity of the shipping documents along with their contents provided with the claims that are 4th Copy of the Shipping Bill (GD), Copy of BL, Original Freight Receipt, and other documents.
 - f. Check the cost of the freight against freight receipts and the amount of subsidy claimed and authorized for payment at 25% of the freight in accordance with the Public Notices mentioned above.
 - g. Check that no double payment is made to the exporters against any claim/Form "E".
 - h. Check that total authorization issued by the auditors match with the reimbursement made by the NBP FTC Branch.
 - i. Check the complete payment record for the payments reimbursed under Freight Subsidy Scheme.
 - j. Check whether declared freight on the basis of which the freight subsidy has been claimed is compatible with the freight rates prevailing at that particular time.
 - k. Check whether any circumvention of eligibility conditions in terms of product HS Code, destinations, or any terms and condition of the freight subsidy scheme has been made.
 - l. Check whether the shipments have been diverted from the non eligible destinations to eligible destinations/countries
 - m. Check whether there is any mis-declaration, manipulation, inflation and / or any tampering with the freight to claim freight subsidy at enhanced, rate, and the extent of such enhancement claim wise and party wise (This could be checked with the help of concerned shipping line, carrier, freight forwarder and their associations)
6. Quotations alongwith technical and financial proposals in separate sealed cover, should reach the Director General (Facilitation) TDAP, FTC Building, Shahr-e-Faisal, Karachi on or before 4th June 2009. (1200 hours). Sealed quotations with technical and financial proposals will be opened on the same date and time i.e. 8th June 2009. (1200 hours). Representatives of the participating firms may be present at the opening of the quotations.

for further details please contact:

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Trade Development Authority of Pakistan
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