

TERM OF REFERENCES (TORS)

FOR HIRING OF CONSULTANCY FIRM FOR FUNCTIONAL REVIEWS & BUSINESS PROCESS RE-ENGINEERING OF FINANCE DEPARTMENT (FD), BOARD OF REVENUE (BOR), EXCISE TAXATION & NARCOTICS CONTROL DEPARTMENT (ETNCD) AND PUNJAB REVENUE AUTHORITY (PRA)

1. BACKGROUND OF PROGRAM

Finance Department, Government of Punjab (herein referred to as "Client") in collaboration with World Bank is implementing Punjab Resource Improvement & Digital Effectiveness (PRIDE) Program worth USD 304 Million through Program-for-Results (PfR). The main objective of the Program is 'to increase Own Source Revenue (OSR), improve reliability of resource allocation and access to digital services for people and firms in the province of Punjab'. PRIDE Program has three result areas namely:

Result Area I: Strengthened budget formulation and fiscal risk management

Result Area II: Increased use of digital technology for delivery of selected public services

Result Area III: Improved collection of own source revenue

PRIDE Program's result areas are further segregated in nine (09) Intermediate Result Indicators (IRIs) to be achieved over a period of five years (FY2019-20 till FY2024-25) which includes plan for simplification and automation of key business processes re-engineering for tax administration.

2. OBJECTIVE OF THE CONSULTANCY:

Finance Department Government of Punjab (GoPb) plans to engage the services of a consulting firm with the objectives of functional review for simplification, workflow analysis for identification of inefficiencies, risk analysis, organizational change management, automation of key business processes and deployment of modern technologies for preparation Business Process Re-Engineering (BPR) plan for Tax administration and Finance Department, GoPb for approval of competent authority.

3. SCOPE OF CONSULTANCY

Scope of consultancy consists of the following key components:

- 1- Functional reviews of three tax authorities (BOR, ETNCD, PRA) and Finance Department, Government of Punjab (focusing on organizational structure, policies, key functions and

resources) and related areas;

- 2- Review and mapping of key business processes of the three tax authorities (BOR, ETNCD, PRA) and Finance Department with a view to improve efficiency & effectiveness through designing of business process re-engineering plan for approval of competent authority. A formal BPR plan has to be delivered by the consultant.
- 3- Prepare Change Management Strategy based on Functional review and BPR plan.

3.1 FUNCTIONAL REVIEW OF FINANCE DEPARTMENT AND THREE TAX AUTHORITIES

The Functional Review will include assessment of the existing organizational structure, legal framework, technical and support functions, authority & accountability linkages, organizational performance, human resource management, IT infrastructure (software & hardware), communication & coordination (external & internal) and effectiveness of key policies and procedures with clear recommendations for improvement in existing functions of three tax authorities and Finance Department. The functional review shall also include but not limited to the following for an in-depth analysis:

Sr. No.	Name of Department	Functional Review
1.	Finance Department	1) Punjab Treasuries and Accounts department 2) Punjab Local Fund Audit department
2.	Punjab Revenue Authority	1) Review & updation of <i>Functional Review Report</i> already conducted by World Bank.
3.	Excise, Taxation and Narcotics Control	1) Excise and Taxation wings (i.e. Motor Vehicle Tax and property Tax)
4.	Board of Revenue	1) Revenue Department 2) Taxation Wing 3) Settlement & Rehabilitation Wing 4) Consolidation Department 5) Privatization Department

3.2 BUSINESS PROCESS MAPPING (BPM) AND BUSINESS PROCESS RE-ENGINEERING (BPR) REPORTS

The areas identified for each department in below table should cover following key tasks for each activity to develop BPR plan:

- i. Documentation of as-is state of business processes, and identify gaps or redundancies with a view to improve efficiency and productivity, improve customer services and provide a mechanism for Continuous Process Improvement (CPI).
- ii. Redesign or re-engineering of core business processes for simplification, reduction of overlapping or redundant activities and minimization of errors. The recommendations should also highlight risks associated with existing organizational structures and processes.
- iii. The consultant shall ensure ownership of stakeholders for proposed BPR activities through sign-off of final BPR plan by respective competent authorities.

Sr. No.	Name of Department	Specific Business Processes for BPR
1.	Finance Department:	<p>BPR of key business processes (to be identified by Finance Department based on recommendations of consultants) for areas/sectors:</p> <ol style="list-style-type: none"> 1) Punjab Treasuries and Accounts department, and 2) Punjab Local Fund Audit department <p>Consultant shall submit recommendations with respect to re-engineering of processes with maximum possible automation of key areas including design & implementation methodology.</p> <p>Documentation of activities, flow charting and mapping of existing and proposed processes.</p>
2.	Punjab Revenue Authority	<p>All business process related to taxation system & other processes including but not limited to the following:</p> <ol style="list-style-type: none"> i) Registration ii) Tax payments iii) Filing iv) Audit v) Refunds vi) Appeals
3.	Excise, Taxation and Narcotics Control Department	<p>BPR of key business processes and activities related to Excise and Taxation (i.e., Motor Vehicle Tax and Property Tax).</p>

4.	Board of Revenue	<p>Board of Revenue</p> <p>BPR of following sub-departments / functions of BOR but not limited to :</p> <p>(A) Revenue Department</p> <ul style="list-style-type: none"> i. Implementation process of Digital Girdawari ii. Automation of taxes / revenue collection procedures in Revenue Department iii. Mapping and re-engineering of "<i>Revenue Court Case Management System</i>" to add value to simplification of court case processes. iv. Review of SOPs and perform gap analysis to create effective internal controls in BOR for field formation through effective supervision and monitoring system. v. Review of State land management to development mechanism for land protection from land grabbers. <p>(B) Judicial Members</p> <ul style="list-style-type: none"> i. Review & redesigning of existing core litigation process and recommend improvements in legal framework for determining the domains of Civil and Revenue Courts to streamline the litigation process. ii. Review & redesign existing legal processes and propose a procedural framework for revamping of existing judicial system of BOR and to ensure speedy justice and better service delivery. <p>(C) Land Management System</p> <p>Review, mapping of existing processes/activities to identify the bottlenecks in the existing land acquisition policy and redesign these for improvements to formulate new policy for ensuring the interests of state and citizens.</p> <p>(D) Land Record Management System</p> <p>To evolve mechanism for creating connectivity between the LRMIS and Revenue field working groups to ensure the quality of Land Record Management and public facilitation.</p> <p>(E) Privatization</p>
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		<p>Review of existing process (including land databank, auction process, price assessment process etc.) for privatization of state land and perform BPR to remove bottlenecks in successful privation/auction of state land.</p> <p>(F) IT Infrastructure</p> <p>Review of automation of key functions and processes performed by BOR followed by mapping and re-designing of such processes, as agreed with the Client.</p> <p>Review and re-engineering of the on-going IT projects and to submit recommendation on integration of existing projects to avoid duplication of efforts & utilization of assets to create fiscal space for automation</p>
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3.3 CHANGE MANAGEMENT & CAPACITY BUILDING

The consultant shall design a viable and detailed *change management and capacity building* strategy for three taxation authorities (PRA, BOR, ETNCD) and Finance Department, in a manner that embeds the benefits of the business process reengineering and any organizational changes.