

Gujarat Knowledge Society (GKS)

C/o Directorate of Technical Education, 3rd Floor, Block No.2, Karmyogibhavan, Sec-10A Gandhinagar

SUBJECT: TERMS OF REFERENCE AND PROCEDURE FOR SELECTION OF AN ACCOUNTING FIRM TO ACT AS STATUOTRY AUDITOR

1. INDRODUCTION

Gujarat Knowledge Society (GKS) is an organization established under the Education Department of the Government of Gujarat. Commissioner / Director of Technical Education has been appointed as the CEO of this organization.

Using ICT in Technical Education, it is aimed to impart knowledge of emerging trends and knowhow of Technical Education through GKS. Partnering with Universities, Academia and Industries to develop IT Experts in the state and to do Seminars, Workshops and Training etc.

To impart the quality education, GKS has implemented rigorous measures and checks to sieve out its training partners. This elite league of partners includes some of the best educational institutes in the state and some of the finest institutions in the country. These training partners are responsible for inception of training centers according to the strict guidelines created by GKS with the help of various educational institutions. This includes both government as well as private institutions. In order to impart the education, some of the best trainers in the respective field have been commissioned, to make it a comprehensive learning progress. The trainers of training partners are also evaluated by GKS.

The broad terms and range of activities expected under this assignment will be as follows-

2. Brief Description of the Assignments:

The Statutory Audit will be carried out in accordance with the Generally Accepted Auditing Principles and will include tests and controls, as the auditors feel necessary under the circumstances. The major areas to be covered are as under: -

1. **Main Scope of work of the selected firm's are as follows:**
 - a. Reporting after finalization of Audit, the Statutory Auditors shall submit Audit Report on the Accounts Audited
Statutory Auditor has to audit / compile SSIP Funds or any other schemes' / activities' funds which will be managed by GKS.
 - b. Preparing and filing of Income Tax Return of an organisation within due date of filing IT return.
 - c. To file TDS Return Form 24Q and 26Q per quarter and issuance of Form 16 and Form 16A.
 - d. To file revised E-TDS return, if required.
 - e. To appear and present before Income Tax Authority to attend Income Tax Scrutiny case, if required
 - f. In case of TDS return filing of previous years, demand notice of FY 2017-18, 2016-17, 2015-16, 2014-15 and prior years has been issued by the office of Income tax. The selected firm has to file revised TDS Returns and to appear before Income Tax authority from time to time and has to take necessary compliance with the co-ordination of authority to rectify this demand

2. Statutory Audit to cover the areas ensuring that
 - (a) Transactions are recorded as per principles of generally accepted Accounting Principles and are booked to proper accounting heads.
 - (b) Utilization of external funds is in accordance with financing agreements.
 - (c) Counterpart funds are utilized for purposes for which they are provided.
 - (d) Goods and services have been procured in compliance with the financing agreement.
 - (e) Transactions are duly supported by proper supporting documents.
 - (f) Propriety of the transactions.
 - (g) Checking the maintenance of books of accounts and records.
 - (h) Checking the bank reconciliation statements.
 - (i) Checking of component wise, category-wise and account head wise expenditures.
 - (j) Checking of investments, short term deposit etc. made from time to time.
 - (k) Checking of various taxes/statutory compliance.
 - (l) Verification of fixed deposit register and checking of interest received.
 - (m) To check all statutory records registers including Minute Books and to see that accounting effects of all the decisions taken at General Meeting/Board of Governors Meeting /Audit Committee Meeting are given in the Books of Account.
 - (n) To give executive summary incorporating all points/matters; which are of very important nature.

3. Financial Books
 - (a) Verification of Bank Book Journal, Vouching of Imprest Cash.
 - (b) Scrutiny of General Ledger, Staff Advance Registers, Commenting on loan outstanding entries, etc.
 - (c) Verification of cash, cheques on hand etc. as on 31st of March every year.
 - (d) Verification of all computer vouchers and sheets ensure correct coding and accounting head.
 - (e) Scrutiny of general ledger and Verification of Income and Expenditure Statement, and Balance sheet and other Schedules.
 - (f) Verification of Salary/ Consultancy payments, P.F, I.T., TDS, etc., and verification of submission of various return to the competent authority in time.
 - (g) Verification of all financial information completely, promptly and after the necessary authorization was recorded.

4. Comprehensive audit

The areas covered by comprehensive audit may cover comparison of the results shown in the current period financial statements with prior periods and

if available, with budgets and forecasts, investment decisions, delegation of financial powers and management of information systems, organizational effectiveness, management of equipment, plant and machinery etc.

5. Accounting policy & standard
 - (a) To review and help the management in implementing proper accounting procedures, internal check control and computerized systems.
 - (b) Review of Accounts.
 - (c) Check all recorded entries comply with accounting standard.

6. System Improvement
The selected Auditor(s) will report any lacuna noticed in the existing procedures and suggest improvement. Any duplication of work noticed or work or unnecessary data noticed will be highlighted and reported.

7. The Chartered Accountant firm so appointed would be required to give:
 - (a) Audit Certificates and issue any other certificate as may be required by the GKS from time to time without any additional fee to be paid by the GKS.
 - (b) Statements in annual report that describes the work of Indian Institute of Corporate Affairs. The responsibilities of the audit also include reporting on the adequacy of statements.

8. Liaison
The selected Auditor(s) will liaise with the Management for the periodical meetings to review the progress of the work and to ensure requirement be fully met.

9. To suggest the measures for cost control and increase the revenue of the Institute.

10. The Chartered Accountant firm so appointed would be required to look into the compliance of previous audit objections raised (if any) and have to verify or comment on the supporting documents/ vouchers submitted at later stage, to settle the audit qualifications in the Statutory Audit report of this assignment.

11. To enable the auditor to express a professional opinion on the financial position of Gujarat Knowledge Society for the funds received and expenditure.

12. To enable auditor to prepare statements and to give necessary certificates as per guideline issued by the Institute of Chartered Accountants of India (ICAI).

13. Any other task which may be assigned by the CEO or the authority of GKS related to auditing work of the University.

3. Duration of the Assignments

Above assignments will be carried out for the F.Y. 2018-19 (**Extendable based on performances**)

The Work of Statutory Auditors will not be awarded to prosperity ownership firm. The Appointment will be for one year i.e. 2018-19 (**Extendable based on performances**)

4. Procedure for Selection of the Consulting Agency

The CA firm is invited to submit a Technical Proposal and a Financial Proposal separately for the above assignment. These proposals must remain valid for 60 days. GKS will make its best effort to complete negotiations within this period.

Please note that (i) the costs of preparing the proposal and negotiating for the contract, including a visit to site, are not reimbursable as a direct cost of assignment, and (ii) GKS is not bound to accept any of the proposals received by it and reserves the right to annul the selection process at any time prior to contract award, without thereby incurring any liability to the firm.

5. Preparation of proposal

CAs is requested to submit the proposal in two parts in 2 separate envelopes / packages and put together in one single outer envelope/package. The two parts shall be:

Part 1: Technical Proposal, and

Part 2: Financial Proposal.

6. Part 1: Technical Proposal

- (i) A brief description of the outreach of the firm in the Areas of Gujarat and past experience of working with the Government and parasternal organizations.
- (ii) Any comments or suggestions on the ToR and work plan which the Firm proposes to execute the assignment, illustrated with bar charts of activities.
- (iii) A concept note defining the Firm's approach and methodology for the assignment along with the team composition for taking up the proposed assignment and details of actual services which will be provided by the Firm in view of the ToR.
- (iv) A note detailing the expectations from GKS autonomous organizations in relation to the proposed assignment;
- (v) The firm should have H.O/Branch Office at Gandhinagar
- (vi) **The supporting documents for the information mentioned in Format A (Format for Technical Proposal) are to be attached with the Technical Bid for scrutiny of the proposal.**
- (vii) The technical bid will be opened first and will be evaluated by a committee constituted in the office of the GKS. Technical evaluation will be done in accordance with the selection procedure as attached herewith as Annexure-I. **The firm who will score 60% or more as per Annexure-I will be eligible for the financial bid opening.**
- (viii) Any other relevant information.
- (ix) The technical proposal must not include any financial information.

(x) **Eligibility Criteria:**

SR. No.	Eligibility Criteria	Evidence
1.	The firm should have H.O/ Branch Officer at Gandhinagar	
2.	Age of the firm not less than 15 years and self-certified profile of the firm	Documentary Proof As Mentioned below
3.	Two partners. Both of them should be FCA (As per certificate of ICAI as on 01.01.2018)	2
4.	Empanelment with CAG for F.Y.2018-19	Copy of acknowledgement letter issued from C&AG for F.Y. 2018-19
5	Turnover of the firm(Average annual in last three financial yrs.2015-16, 2016-17 & 2017-18)	50 Lakh or more
6	No. of audit assignments of Internal Audit/Pre-Audit/Statutory Audit of Government /PSUs entities except Bank branch audit.	8
7.	Not black listed	As mention below
8	The firm should have minimum net taxable income of Rs. 2.50 lakhs in each of last three Financial years. (F.Y. 2015-16, 2016-17 & 2017-18)	Copy of last three years I.Tax Return file
9.	Firm's Permanent Account No.	Copy Should be attached
10.	Details of Firm , Partners , Staff etc.	As per given below table (XI)

Supporting Documents for Eligibility Criteria: Following supporting documents must be submitted by the firm along with the technical proposal:

- For Sr. No. 1, 2 & 3 above, the firm must submit an attested copy of Certificate of ICAI as on 1.1.2018.
- For Sr. No. 5, the firm must submit, a copy of the balance sheet and profit & loss accounts for the last three financial years or certificate of CA. (F.Y. 2015-16, 2016-17 & 2017-18)
- For Sr. No. 6 copy of appointment letter should be attached
- For Sr. No. 7 the firm or any partners of the firm should not be black listed by any PSUs or Govt. Co. or any other organization in respect of any assignment or behaviour. (Letter on 100 Rs. Stamp
Paper should be submitted at the time when assignment is awarded)

(xi) **Provide following details:**

Name of Partner	ACA/FCA	Date of Joining the Firm	Date of ACA/ FCA	Whether Full Time?

7. Part 2: Financial Proposal

- Specific cost for providing the services to organization for one year; and
- Cost escalation during the second year.

8. Penalty Clause

If firm fails to carry out the work as time framed, then GKS will deduct amount for which firm has not provided service.

9. Termination

The authority shall terminate the contract by giving one month notice on evidence of persistent non-performance of work as assigned to the firm.

10. Submission, receipt and opening of proposals

The original proposal shall be prepared in indelible ink. It shall contain no interlineations or overwriting, except as necessary to correct errors made by the firm itself. Any such corrections must be initialled by the person or persons who sign(s) the Proposals.

An authorized representative of the Firm shall initial all pages of the Proposal.

The Request for Proposals shall be sent on or before **05th January 2019** (18.00 Hours) to the following address- through RPAD, SPEED POST ONLY
CHIEF EXECUTIVE OFFICER, GKS.C/o Directorate of Technical Education, 3rd Floor, Block No.2, Karmyogibhavan, Sec-10A Gandhinagar

Any proposal received by the Client after the deadline for submission shall be returned unopened.

The original and all copies of the Technical Proposal shall be placed in a sealed envelope clearly marked „PART 1 - TECHNICAL PROPOSAL“. THE TECHNICAL PROPOSAL envelope must contain the technical bid format in prescribed Performa as per Annexure - A along with a Nationalised/Scheduled bank demand draft of Rs. 1500/- (non-refundable) towards cost of tender and Rs. 10,000/- towards Earnest Money Deposit (EMD) (non-interest bearing) favouring“Gujarat Knowledge Society” and payable at Gandhinagar (Which may consider as Security Deposit in future) with all relevant documents in support of eligibility and experience criteria.

Similarly, the original Financial Proposal shall be placed in a sealed envelope clearly marked, PART 2 - FINANCIAL PROPOSAL“ with a warning “Do Not Open With the Technical Proposal.” The envelopes containing the Technical and Financial Proposals shall be placed into an outer envelope and sealed. This outer envelope shall bear the submission address, reference number and Project Name, and be clearly marked “Do Not Open, Except IN PRESENCE of the Official Appointed. GKS shall not be responsible for misplacement, losing or premature opening if the outer envelope is not sealed and/or marked as stipulated. This circumstance may be case for Proposal rejection. If the Financial Proposal is not submitted in a separate sealed envelope duly marked as indicated above, this will constitute grounds for declaring the Proposal non- responsive.

A. FORMAT FOR TECHNICAL PROPOSAL (PART-1)

- 1. Outreach of the firm in the Areas of Gujarat and past experience of working with the Government and parastatal organizations.**
- 2. Methodology & Work Plan**
 - a. Comments or suggestions on the ToR
 - b. Description of the methodology
 - c. Work plan
 - d. Bar charts of activities
 - e. Team composition
 - f. Details of actual services which will be provided by the Firm in view of the ToR
- 3. Note containing expectations from GKS.**
- 4. Any other relevant information.**

Eligibility Criteria:

SR. No.	Eligibility Criteria	Evidence
1.	The firm should have H.O./Branch Office at Gandhinagar	
2.	Age of the firm not less than 15 years and self-certified profile of the firm	Documentary Proof As Mentioned Below
3.	Two partners. Both of them should be FCA (As per certificate of ICAI as on 01.01.2018)	2
4.	Empanelment with CAG With F.Y. 2017-18 & 2018-19	Copy of acknowledgement letter issued from C&AG for F.Y. 2018-19
5.	Turnover of the firm (Average annual in last three financial yrs. 2015-16, 2016-17 & 2017-18)	Above 50 Lakh
6.	No. of audit assignments of Internal Audit/Pre-Audit/Statutory Audit of Government /PSUs entities except Bank Branch Audit having a turnover of not less than Rs 1.00 Crore for the years for which the audit has been done in the last 3 Financial years. (F.Y. 2015-16, 2016-17 & 2017-18)	8
7.	Not black listed	As mention below
8.	The firm should have minimum net taxable income of Rs. 2.50 lakhs in each of last three Financial years. . (F.Y. 2015-16, 2016-17 & 2017-18)	Copy of last three years I.Tax Return file should be attached
9.	Firm's Permanent Account No.	Copy Should be attached
10.	Details of Firm , Partners , Staff etc.	As per given below table (XI)

- e) **Supporting Documents for Eligibility Criteria: Following supporting documents must be submitted by the firm along with the technical proposal:**
- f) For Sr. No. 1, 2 & 3 above, the firm must submit an attested copy of Certificate of ICAI as 1.1.2018
- g) For Sr. No. 5, the firm must submit, a copy of the balance sheet and profit & loss accounts for the last three financial years or certificate of CA. (F.Y. 2015-16, 2016-17 & 2017-18)
- h) For Sr. No. 6 copy of appointment letter should be attached
- i) For Sr. No. 7 The firm or any partners of the firm should not be black listed by any PSUs or Govt. Co. or any other organization in respect of any assignment or behaviour. (Letter on 100 Rs. Stamp Paper should be submitted at the time when assignment is awarded)

(IX) Provide following details:

Name of Partner	ACA/FCA	Date of Joining the firm	Date of ACA/FCA	Whether Full Time?

B. FORMAT FOR FINANCIAL PROPOSAL (PART-2: COST OF ASSIGNMENT)

Name of the Assignment: SELECTION OF AN ACCOUNTING FIRM TO ACT AS STATUTORY AUDITOR

FOR AUTONOMOUS ORGANIZATION UNDER THE ADMINISTRATIVE CONTROL OF EDUCATION DEPARTMENT.

Name of the Firm:

Our terms will be as follows-

	Particulars	Cost of assignment (Amounts Rs.) Inclusive all taxes	
		2018-19	2019-20
i.	<input type="checkbox"/> Statutory Audit for the year..... <input type="checkbox"/> Preparing and filing Income Tax Return		
ii.	<input type="checkbox"/> Preparing and filing E-TDS form 24Q & 26Q and issuance of Form 16 and Form 16A		
iii.	<input type="checkbox"/> Revised E-TDS Filing Rate Per Quarter		
iv.	<input type="checkbox"/> For Attending scrutiny case		
v.	<input type="checkbox"/> For preparing reply of demand notice related to TDS and rectification of TDS Returns of previous year (As mentioned in scope of work)		

We further confirm that-

- a. Above terms are inclusive of all other charges, taxes and levies;
- b. For particular no. (i) & (ii) Rate Will be for whole financial year, while Particular No. (iii), (iv) & (v) will be based on demand/requirement of GKS.
- c. For the Particular No. (iii), (iv) & (v) GKS will pay only if the services obtained.
- d. The offer will be valid for next 60 days.

	Bar charts of activities Team composition	
	Total	100