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TERMS OF REFERENCE

FOR HIRING OF EXTERNAL AUDIT FIRM

**Under Single Stage Two
Envelope Procedure.**

Disclaimer

Though adequate care has been taken while preparing this document and information provided therein, but it is advised that the bidder must satisfy himself for the corrections and sufficiency of the Data. Information on any discrepancy should be intimated to this office immediately. If no information is received from any of the bidders within the time of submission date, it shall be presumed that this document is correct and complete in all respects

Terms of Reference (TOR's)

Hiring Services of Chartered Accountant Firm

For The Preiod of 06 Year (FY 2014-15 to FY 2019-20)

Introduction

After the commencement of KP TEVTA Act, Khyber Pakhtunkhwa Technical Education and Vocational Training Authority (hereinafter referred to as the “TEVTA”), was established to impart such Technical Education and Vocational Skills through institutions under its administrative and regulatory control, which is based on syllabi acceptable nationally and internationally, is accredited with national and international institutions, is responsive to the market needs and provides nationally and internationally acceptable hands on experience to its trainees. KP TEVTA took over the administrative and regulatory control over all colleges, institutes and centers throughout the province by whatever name called, imparting Technical Education and Vocational Trainings and which are working under the administrative and regulatory control of Directorate of Technical Education, immediately before existence of TEVTA. KP TEVTA head office is located in Peshawar. Currently, KP TEVTA has 10 College of Technology, 17 Polytechnic Institutes, 61 Technical & Vocational Centers, 02 Teacher Training Centers and 17 Employment exchange offices under its administrative and financial control throughout the province.

INVITATION FOR TECHNICAL AND FINANCIAL PROPOSALS

KP-TEVTA invites sealed proposals from Chartered Accountant Audit firms for engagement as an External Auditor to conduct external audit of KP-TEVTA as required under the provisions of the KP TEVTA Rules, 2016 for the Financial Year 2014-15 till 2019-20 and further extendable if permissible under the prevalent laws under single stage two envelope methodology of the KPPRA Rules 2014.

OBJECTIVES OF THE ASSIGNMENT

The engagement of external auditors is a statutory requirement of the KP TEVTA Rules, 2016, requiring inter alia under its relevant sections that Finance Committee of the Board of KP TEVTA may appoint the external auditor from the list of quality control review of Institute of Chartered Accountants of Pakistan and was also a requirement of DG Commercial Audit of Pakistan. The Board of Directors of KP-TEVTA in 15th meeting approved hiring of CA firm as per KPPRA Rules and decided to follow competitive process to hire services of a reputable Chartered Accountants Firm for External Audit of KP TEVTA.

SCOPE OF AUDIT

- The audit will be carried out in accordance with the International Financial Reporting Standards (IFRS) and will include tests and verification procedures as the auditors deem necessary.

- The auditors to assess that appropriate supporting documents, records and books of accounts relating to all activities have been kept. Clear linkages should exist between the books of accounts and the financial statements.
- Comprehensive assessment of the adequacy and effectiveness of the accounting and overall internal control system to monitor expenditures and other financial transactions.
- Audit & stocking taking of Head Office and Institutes will be conducted at site
- Conduct entry and exit meeting with the Management of KP TEVTA.
- Physical Stock Taking Report
- Submit Audit report

The audited financial statements shall include:

- a) The Auditor's Report/Opinion on Financial Statements
- b) Consolidated Financial Statement of KP TEVTA
- c) Consolidated Financial Statement of Government College of Technology (GCT's)
- d) Consolidated Financial Statement of Government Polytechnic Institutes (GPI's)
- e) Consolidated Financial Statement of Government Technical & Vocational Centers (GTVC's)
- f) Management Letter

ELIGIBILITY CRITERIA

The Chartered Accountants firm is required to fulfill the following criteria in addition to the provisions as laid down by Government,

- The firm must fall in category "A" or "B" in State Bank of Pakistan's panel of Auditors.
- Affiliated with reputable International Chartered Accountant firm.
- Firm should have experience of at least five years preferably some experience to work with Government Authorities, Government/Semi Government organization /Autonomous bodies in Pakistan or companies registered under Section 42.
- Income Tax, GST and KP Provincial Revenue Authority (if Applicable) having Active Tax Payer Status.
- The bidder shall attach relevant documents or certificate to validate their eligibility vis-à-vis above requirements.
- Bidders not fulfilling the above eligibility criteria will not be considered for further technical evaluation.

TECHNICAL PROPOSAL

Technical proposal should contain the following,

Technical Proposals submitted by the applicants shall be in compliance with the requirements laid down in the scope of work. The Technical proposal shall be clearly marked as "**TECHNICAL PROPOSAL**" and placed in Sealed Envelope.

The technical proposal should include;

- Corporate profile, full name of the firm, number of partners, permanent addresses and evidence of formation preferably in the form of partnership deed.
- Registration with Institute of Chartered Accountants of Pakistan (ICAP).
- Affiliated with International Chartered Accountant firm.
- Satisfactory Quality Control Review (QCR) rating from Institute of Chartered Accountants of Pakistan (ICAP).
- Information about infrastructure of the firm including details of offices/branches at least one office in Peshawar /twin city Rwp. or Islamabad with list of staff strength.
- Firm Should have minimum experience of at least five years of working with reputable organizations preferably experience to work with Government / Semi Government organizations/ Autonomous bodies, Companies formed under Section 42.
- Structure of the firm with list of all key personnel (partners, directors, senior managers etc.).
- Annual audited financial statements for the last Three years.
- Income Tax, GST and KP Provincial Sales Tax (if applicable) active firm.
- Provide Undertaking on stamp paper that the firm is not blacklisted by any of Provincial or Federal Government Department, Agency, Organization or Autonomous body or Private Sector Organization anywhere in Pakistan.
- It is compulsory to provide all copies of documents. Incomplete proposals will be liable to rejection.

FINANCIAL PROPOSAL

- The Firms are required to quote fee on lump sum basis for the period covering FY 2014-15 to FY 2019-20.
- The Firms are also required to quote per annum fee for preceding two years in Financial Proposal.
- The Financial proposal must be submitted in a separate sealed envelope marked **FINANCIAL PROPOSAL**, on letterhead, indicating the name of the firm.
- Yearly lump sum fee quoted should be in Pakistani Rupees inclusive of all applicable taxes such as Income Tax, KPRA Sales Tax etc. If not specifically mentioned in the Quotation, it will be presumed that the price includes all taxes. KP-TEVTA will also not be responsible for any change in Tax regime and other hidden charges subsequently.

TECHNICAL EVALUATION CRITERIA

- The proposal will be evaluated and considered in accordance with the Technical Proposal as well as Financial Proposal on the basis as defined in Khyber Pakhtunkhwa Public Procurement of Goods, Works and Services Rules 2014 Chapter IV Clause 23 (b). Criteria to be used for the selection of the firm are given in below table.

Sr no	Technical Evaluation Criteria	
1	Name of the Firm	
2	The firm must have satisfactory QCR Rating issued by ICAP	Mandatory
3	Undertaking that firm is not black listed by Government.	
4	Office in Peshawar/Rwp/Isb	
5	The firm must fall in category "A" or "B" in State Bank of Pakistan's panel of Auditors.	
6	Minimum 05 years experience	
7	Experience as on March 31,2021	
	2.5 marks for each year	Max 25
8	Public Sector Clients	
	02 marks for each client	Max 20
9	Number of Qualified CA/ACCA Employees	
	04 marks for each Qualified staff	Max 20
10	Number of Offices	
	03 marks for each office	Max 15
11	No of Partners	
	2.5 marks for each Partner	Max 10
12	Financial worth of the audits conducted	
	02 marks for each 100 M	Max 10
	TOTAL	100
	Qualifying Marks 60%	

Note: 70% weightage will be given to the Technical Proposal and 30% weightage will be given to the Financial Proposal in line with Khyber Pakhtunkhwa Public Procurement of Goods, Works and Services Rules 2014 Chapter IV Clause23(b).

Estimated time of completion of the task is 06 Months (Negotiable). The agreed time of completion will be reflected in the contract agreement.

Mode of Payment

Payment will be made via cross cheque as per below schedule

- 10% on mobilization of Audit team.
- 40% on submission of draft report.
- 50% on submission of Final Audit report.

