



**BACHA KHAN UNIVERSITY CHARSADDA**

**TERMS OF REFERENCE  
FOR  
HIRING OF EXTERNAL AUDIT FIRM  
(Single Stage Two Envelope Procedure)**

## **Disclaimer**

Though, adequate care has been taken while preparing this document and the information provided therein, however, it is advised that bidders must satisfy themselves for the corrections and sufficiency of the data. Any missing information or discrepancy (if any) should be intimated to this office immediately. If no information is received from any of the bidder within the time of bid submission date, it shall be presumed that this document is correct and complete in all respects, the bid will be proceeded, if considered necessary in the interest of the University.

# **TORS for Hiring of External Audit Firm**

## **Introduction**

The University was established on July 03, 2012 as ``Bacha Khan University, Charsadda (BKUC)`` as a public university, named after Abdul Ghaffar Khan (Bacha Khan), with the mission to advance knowledge and learning through quality research and education for Pakistan. The affairs of the University are governed by the Syndicate and the Senate. The revenue of the University is based on government donation, grants, gifts, self-generation collection of tuition fee, sale of the tender documents etc. The University is situated at Village Palosa, District Charsadda KP Pakistan. The budget of the University for the Year 2018-19 is around Rs. 400 million, which is primarily funded from the recurring grants of the Higher Education Commission of Pakistan and other funding from federal and provincial Govt. The University invites technical and financial proposals from reputed firms of Chartered Accountants affiliated with international Chartered Accountant firms fulfilling the prescribed criteria for statutory audit and allied services.

## **INVITATION FOR TECHNICAL AND FINANCIAL PROPOSALS**

BKUC invites sealed proposals from Chartered Accountants Audit firms for engagement as an third party of national or international repute to carry out its yearly Audit as per requirement of Clause 38 (6) of the Khyber Pakhthunkhwa Universities (Amendment) Act 2016 for the Financial Year from 2012-13 to 2018-19 extendable for further years upon satisfactory performance of the Audit firm.

## **OBJECTIVES OF THE ASSIGNMENT**

The engagement of third party audit is being made as per requirement of the Khyber Pakhthunkhwa Universities (Amendment) Act 2016, which clause 38(6) requires “Provided further that the University shall also cause to carry out its yearly academic, administrative and financial audit by a third party of national or international repute”

## **SCOPE OF AUDIT**

The Audit of the University Accounts for the years from 2012 -13 to 2018-19, which will be further extended to other Audit Assignments on quoted Annual rate basis or reduced upon satisfactory performance.

## **ELIGIBILITY CRITERIA**

The Chartered Accountants firm is required to fulfill the following criteria

- a) Registered with Institute of Chartered Accountants of Pakistan (ICAP)
- b) Affiliated with reputable international Chartered Accountant firms.
- c) Satisfactory QCR rating from Institute of Chartered Accountants of Pakistan.
- d) At least one office in Peshawar or Islamabad
- e) Firm should have practical experience of Audit of the Public Sector Universities/Degree Awarding Institutes.
- f) Registered with relevant Tax Authorities and having valid NTN and Active Tax Payer Status.
- g) Provide undertaking that no litigations are in process with Public Sector entities and provide complete details of such litigations.
- h) The Firm shall attach relevant documents or certificate to validate their eligibility vis-à-vis above requirements.
- i) The Firm shall provide an undertaking that the Firm has not been declared black listed by any Governmental / Semi Governmental institutions
- j) A letter with technical proposal showing that bid security @ 2% of bid has been attached with the financial proposal
- k) Bidders not fulfilling the above eligibility criteria will not be considered for further technical evaluation.

## **TECHNICAL PROPOSAL**

Technical proposal should contain following information

- Technical Proposals to be submitted by the bidders 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 of the firm.
- Registration with Institute of Chartered Accountants of Pakistan
- Affiliated with international Chartered Accountants firm
- Satisfactory QCR rating from Institute of Chartered Accountants of Pakistan
- Information about infrastructure of the firm including details of offices /branches at Peshawar or Islamabad with list of staff strength
- Firm should have practical experience of reputable organizations preferably Audit experience to work with Public Sector Universities/Degree Awarding Institutes.
- Structure of the firm with list of all key personnel (partners, directors, senior managers etc.)

- Annual Financial statements of the firm.
- Income Tax, GST and KP Provincial Sales Tax (if applicable) active on Tax payer list.
- Undertaking 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. In complete proposals will be liable to rejection.

## **10. FINANCIAL PROPOSAL**

- a. The Firms are required to quote lumpsum fee per year basis in the Financial Proposal.
- b. The Financial proposal must be submitted in a separate sealed envelope marked **FINANCIAL PROPOSAL**, on letter head, indicating the name of the firm.
- c. Yearly lump sum fee quoted should be in Pak. Rupees inclusive of all applicable taxes such as GST, Income Tax, etc. If not specifically mentioned in the Quotation, it will be presumed that the price includes all taxes.

## **11. Time Schedule**

- a. The audit assignment shall be completed within 60 days.
- b. The report along with management letter and certified accounts shall be sent to the Treasurer BKUC within fifteen days after completion of audit.
- c. Payment to the Audit Firm shall be made within 60 days after the delivery of audit reports, financial statements and management letter (including suggestions and discussion with the top management of BKUC on improving internal controls and financial system of BKUC by the audit firm.
- d. The successful bidder will be called formally to carry out the Audit within the given time period, failing which the call deposit will be forfeited in favor of BKUC
- e. The University will provide sharing base accommodation facility to the Auditors in the University premises free of Cost, while the food arrangement shall be the responsibility of the firm.
- f. The University will not bear TA/DA and pocket expenditure of the Auditors.

## **12. 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. Criteria to be used for the selection of the firm are given in below table.

Sr.No.	Technical Evaluation Criteria	
<b>1.</b>	<b>Mandatory requirements</b>	
	The firm Must be QCR Rated by ICAP	Mandatory
	Undertaking that firm is not black listed by government.	
	Office in Peshawar/Islamabad	
	Details of litigation/No litigation with Government	
	Registration with Tax Authorities and on Active Tax payer list	
<b>2.</b>	<b>Experience as on bid closing date</b>	<b>30</b>
	More than 10 years	30
	More than 5 years	20
	Less than 5 years	10
<b>3.</b>	<b>Audit Experience of Public Sector Universities/DAIs</b>	<b>40</b>
	More than 6 Clients	40
	More than 03 Clients	25
	Less than 03 Clients	10
<b>4.</b>	<b>Number of Qualified CA Employees</b>	<b>15</b>
	More than 02	15
	Less than 02	10
<b>5.</b>	<b>Number of Offices</b>	<b>15</b>
	More than 01	15
	One Office	10
	<b>Total</b>	<b>100</b>
	<b>Qualifying Marks 50%</b>	

## 12. TERMS & CONDITIONS

- BKUC invites proposals in sealed envelope (Single Package two separate sealed envelopes marked separately as “TECHNICAL PROPOSAL” and “FINANCIAL PROPOSAL”
- The envelope should be marked as “TECHNICAL PROPOSAL” and “FINANCIAL PROPOSAL” in bold and legible letters
- No Proposal /bid will be accepted after the due date and time
- The proposal /bid should be valid for sixty (60) days period
- Bidders who fail to complete and attach all relevant documents will be disqualified

- No tender document will be accepted if not properly sealed and marked
- The BKUC will enter into a formal contract with the successful bidder
- Firms presenting information intentionally incorrect or fraudulent will be disqualified
- BKUC will not be responsible for any cost or expense incurred by bidders in connection with preparation or delivery of bids.
- Proposals /Bids received through any other mode /addressed to any other person will not be entertained.
- Any change of information provided in the tender document that may affect delivery of services should be brought to BKUC's attention as soon as possible, failure to comply may result termination of contract
- Although adequate care has been taken in the drafting of this document, errors & omissions if any will be subject to rectification.

Authorized Signature with Stamp

**Affidavit**

As owner of M/s

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**I/We accept the terms and conditions as laid down in TORs and in advertisement notice.**

I/We shall also observe all the rules/regulations framed by Government of the Khyber Pakhthunkhwa regarding Provision of Consultancy Services and Bid by all such rules.

I/ We shall provide audit/consultancy services required by the appointing agency (BKUC).

**SIGNATURE**

**WITH STAMP OF THE FIRM**

**Date:** \_\_\_\_\_



**FIRM's PROFILE**

<b>Company Name:</b>	
<b>Address of Office:</b>	
<b>Name of Contact Person:</b>	
<b>Mobile #</b>	
<b>Telephone No: (Office)</b>	
<b>NTN No:</b>	
<b>Years of Experience:</b>	
<b>No. of Clients (Public Sector Universities /Degree Awarding Institutes)</b>	

**Authorized  
Signature:**

\_\_\_\_\_

**Name & Designation  
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\_\_\_\_\_

**Company Seal  
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## Guidelines

1. There must not be any conflict of interest i.e. Firm must not be providing services to any other person/entity in conflict with BKUC so as to cause any sort of conflict of interest.
2. Contract period will be for two months which is extendable.
3. All direct & indirect taxes will be deducted in accordance with the provisions of Government Rules as amended time to time.
4. Successful firm will sign a service contract and will provide the agreed services within the stipulated agreed time. If the bidder fails to provide the services a week after prescribed period of audit/consultancy service delivery, the contract will be terminated at bidder cost.
5. Payment of consultancy services will be made on the satisfactory completion of the services.
6. The firm must response efficiently for providing the services timely.
7. The BKUC reserves the right to give multiple consultancy assignments at a time during contract period or the extended time period.
8. In case of any dispute regarding services; the decision of the BKUC shall be final & binding.
9. Only applicants fulfilling the eligibility criteria will be considered for technical and financial proposals. The financial proposal of technically qualified firm will be opened for further evaluation.
10. All documents and information received by BKUC from applicants will be treated in strictest confidence.
11. Documents submitted to BKUC will not be returned. Financial proposal of firms not technically qualified will be return un-opened.
12. All expenses related to participation in this tender document shall be borne by the applicants.
13. The closing date and time for receipt of technical proposal and financial proposal is as mentioned in the Advertisement and will be publicly opened on same day in the conference room of BKUC in the presence of the interested firms or their representatives who may wish to attend.

14. Technical and financial proposals received thereafter will not be accepted.
15. BKUC reserves the right to request submission of additional information from applicants in order to clarify/further understand aspects of technical proposal, if required.
16. BKUC reserves the right to verify any information provided by the applicants.
17. Questions about this technical proposal can be made only in writing through letter or an email and must be asked before closing date. For any other related information please contact Treasurer Office BKUC.