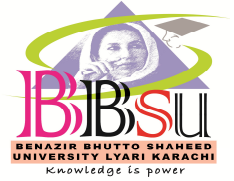


Benazir Bhutto Shaheed University Lyari, Karachi, Sindh

Faqeer Muhammad Durra Khan Road, Near “Kashti Chowk”, Lyari, Karachi

Off: 021-32744017 Fax: 021-32744022 Web: www.bbsul.edu.pk



TERMS OF REFERENCE

Institute and its operations

Benazir Bhutto Shaheed University: Lyari Karachi (BBSU) is a Public Degree Awarding Institution located at Lyari town, Karachi, Pakistan. It was established in 2010. The University is 100% financed by Government of Sindh. The University has been designed to provide quality education by engaging highly qualified and experienced permanent and visiting faculty who would groom down-trodden youth and convert them as efficient, confident and responsible citizens of Pakistan.

Objective of Audit

The objective of the audit of the Financial Statements is to enable the auditor to express an independent professional opinion on:

- ✓ Whether the financial position at the end of the reporting period and of the funds received and expenditures for the reporting period, are presented fairly in all material respects in accordance with the applicable accounting framework;
- ✓ Whether, in all material respects, the grant funds have been used in conformity with the provisions of the PC1, including the approved budget and work plan.

Scope of Audit

To conduct audit of BBSU's accounts for the financial year 2010-11(six months), 2011-12, 2012-13 & 2013-14. The audit will be carried out on financial year basis (July - June). While conducting the audit in line with the relevant standards and best practices, the auditors are expected to express an opinion on whether:

- ✓ To express audit opinion whether the University financial statements/books of accounts reflect fairly the expenditure incurred by the University in accordance with the PC 1/approved budget.
- ✓ To check all the vouchers/bills/invoices/POs and any/all the relevant supporting documents are available in the accounting records.
- ✓ To verify that all the assets/equipment have been purchased in a transparent, competitive manner and the same are entered/recorded in a verifiable manner and are physically under safe custody of the University.
- ✓ To check that all procurements have been made in compliance to the procurement rules/policies of the University or PPRA/SPPRA, wherever applicable. Also, should highlight the issues, if any, related to transparency in the University's in-place policies.

- ✓ To report if there has been any variances in the PC 1/budget vs. actual expenses and what is the nature and reason for such variance.
- ✓ The check that admin records i.e. HR, transport etc is properly maintained & available in relevant department.
- ✓ To check that the project's account bank statement;
 - ✓ is reconciled with the University's accounts record/cash book; and
 - ✓ presents fairly the cash/bank balance of the University's released grant as at a given date.

In addition to the above, Auditors may also like to place remarks on the adequacy of the University's implemented internal financial controls with brief emphasis on areas vulnerable to fund's leakages and lack of transparency, if any; the adequacy of the University's current financial policies and procedures, procurement rules; and the adequacy of the University's financial and auditing organizational structure.

Selection Criteria

Following criteria will be used for the selection of the;

- ✓ The firm should be registered with ICAP and have satisfactory QCR rating.
- ✓ The name of the firm should be borne on the Panel A of auditors as maintained by of the State Bank of Pakistan.
- ✓ The name of the firm should be borne on other elite panel of auditors in Pakistan as well as internationally.
- ✓ Applicant firms should have at least 15 years' experience in undertaking such assignments.
- ✓ The firm should be a member firm of Global Top Ten Accounting Network.
- ✓ The firm should have a reasonable experience of auditing Govt. sector / educational sector
- ✓ BBSU desires to select the audit firm with relevant human resource having proven practical *experience & qualified staff*.

Evaluation Criteria

BBSU will resort to "Single stage – two envelope procedure" for the award of contract as per SPPRA's Rules.. Technical Approval shall be based on Firm's criteria mentioned below for comparative technical evaluation. Firms not fulfilling minimum criteria shall not be considered. A 80:20% weightage shall be attributed to Technical & Financial Evaluation each. Only those financial bids will be opened who obtained 70% marks in technical bid evaluation.

Technical Evaluation

- ✓ In first stage, only Technical proposals will be opened in the presence of bidder's representatives. The technical bids will be evaluated and minimum score for selection/opening of financial bids is 70%.
- ✓ Technical evaluation of the firms shall be based on information provided in Technical Proposals and presentation by firm's representative.

Criteria, sub-criteria, and point system for the evaluation of Technical Proposals/Bids are;

Sr No.	Assessments / Criteria	Points Allocated	Maximum Points
1	Number of Years the firm has been in practice in Pakistan.(Certificate of registration requires)		10
	For 15 years or more	10	
	For 10 to 14 years	06	
	For less than 10 years	04	
2	Experience of recent audits of Govt. sector / educational sector & other reputable public sector organizations (with documentary proof).		20
	Educational sector experience	12	
	Public sector experience	08	
3	Number of fully qualified Chartered Accountants working full time in firm. 1 mark each for 5 Chartered Accountants upto maximum of 10 marks		10
4	Experience of person engaged as engagement partner 1 mark for each experience year upto max of 10 marks		10
5	Reputation of firm in Market/SBP Ranking.		10
	Ranked "A"	10	

6	Quality Control Review of ICAP. (Latest QRC report is required).		10
7	International affiliation / membership with high ranked firm.		10
	Big four	10	
	Ranked 5 – 6	06	
	Ranked 7 – 10	04	
	TOTAL		80

Financial Evaluation

The Firm will quote the audit fee (including out of pocket expenses). All prices must be quoted in Pak Rupees and should include any Taxes applicable, such as GST, Income Tax, etc. If not specifically mentioned in the quotation, it will be presumed that the prices include all the taxes. Criteria for the evaluation Financial Proposals/Bids are;

- ✓ On the basis of technical evaluation, the financial proposal of only technically responsive bidders will be opened.
- ✓ 20% weightage shall be attributed to Financial Evaluation.
- ✓ Financial proposals of bids found substantively technically non-responsive will be returned un-opened.
- ✓ Bids found with highest score by technical and financial evaluation will be accepted.

Disqualification

The firm shall be disqualified in the following circumstances;

- ✓ Category “B” and “C” firms on the panel of Auditors maintained by the State Bank of Pakistan.
- ✓ The Audit Firm does not have three registered auditors, each having at least three years’ experience.
- ✓ Firm failing to provide documentary evidence partner holding practice license to carry out audit.
- ✓ Audit partner firm or any of its affiliated entity is declared blacklisted by the Government of Pakistan or any other organization in any origin.

Documents Required

Technical and financial proposals should be submitted in separately sealed envelopes. Firm's profile shall be accompanied by the following documents:

- ✓ Copy of NTN/GST/SRB of the firm
- ✓ Certificate/Material evidence of recent audits carried out of previous three big clients mentioning duration and names of the auditors engaged in audit activities.
- ✓ Proof of firm's establishment.
- ✓ Detailed technical skill level (CVs) of available principal/lead, manager & supervisor who is assigned the said task on selection. The CVs should mention the nationality and status of the auditors that is registered/coordinator/lead auditor/associate.
- ✓ Provide audit methodology, audit fee and period of conducting and submitting complete audit reports.
- ✓ No TA/DA will be borne by the BBSU for the CA firms undertaking audit work and this will be borne by the audit firm.
- ✓ Firms are required to provide the undertaking/affidavit on stamp paper of Rupees:100 about following:
 - ✓ There is no litigation pending against the firms or its partners.
 - ✓ All information/documents provided by the BBSU shall be kept strictly confidential.
 - ✓ Firm is never blacklisted by the Govt of Pakistan and any other organization.
- ✓ Income Tax/GST/SRB will be deducted as per Government rules.

Expenses for responses

Potential firm is solely responsible for their expenses, if any, in preparing a response to this advertisement. This would include any costs incurred during negotiations.

Deliverables and Payment to the Audit Firm

Payment shall be made within 20 days after the delivery of audit report, financial statements and management letter (includes suggestions and discussion with the top management of BBSU on improving internal controls and financial system of BBSU by the audit firm. Firm will also provide the soft data of above deliverables on CD along with three sets of hard copy.

BOQ

S. No.	Year	Total Funds Rs.(million)	Rate/cost for audit per financial year
1.	2010-11(Six months)	87.871	
2.	2011-12	224.951	
3.	2012-13	109.175	
4.	2013-14	123.420	

Signature with Stamp