**Khyber Medical University**

**Eligibilty/Selection Criteria & Terms of Reference for Compilation & Audit of KMU Accounts for F.Y.2018-19**

* **Introduction of Khyber Medical University**

Khyber Medical University is one of the new generation of Pakistan Medical Universities which has been established through Khyber Medical University Act, 2006 of Khyber Pakhtunkhwa Assembly vide Notification No. PANWFP/Legis-I/2007/1763 dated 13th January, 2007. The University is now governed under KPK Universites Act, 2012 (Amended 2016).

**TORs of Audit:**

* **Need**

The Financial Statements of the University fund for the year 2018-19 is required to be compiled by a reputed firm of Chartered Accountants and audited by the Auditor General of Pakistan.

* **Objective**

The primary objective of Financial Statements of the University is to enable the auditor to express a fair professional opinion on the financial position of KMU and of the Fund received and expenditure incurred at the end of Financial Year 2018-19.

* **Existing System**

The accounts of the KMU for its Budget (Recurring) is maintained on modified cash basis of accounting as per International Public Sector Accounting Standard (IPSAS)

* **Books of Accounts**

For proper accounts keeping, the University under the rules is required to maintain the following books.

* Cash Book
* Subsidiary Cash Book
* Income Ledger
* Expenditure Ledger
* Private Ledger
* Bank Ledger
* Grant in Aid Register
* Contractor Ledger
* Scholarships Register
* Advances Register
* Sanctioned Post Register
* Imprest Money Register
* Loan Register
* Medical Claim Register
* Telephone Payments Register
* T.A/D.A Register
* Electricity Register
* Gas Bill Register
* Fax and Telephone Register
* Pension Fund Accounts Register
* G.P Fund Register
* Benevolent Fund Register
* Group Insurance Register
* **Preparation of Financial Statements**

Consulting firm is required to prepare the following annual financial statements for the years 2018-19 of KMU fund:-

* Appropriative Accounts
* Statement of Assets and Liabilities
* Statement of sources and uses of fund
* Cash flow statement
* **Scope of Audit**

7.1 The Audit shall be carried out in accordance with the International Standards of Auditing (ISA) and shall include such test and control as the Auditor considers necessary under the circumstances. The financial audit of the KMU shall be undertaken to cover all areas of activities to ensure that:-

* Transactions are properly authorized;
* Transactions have been recorded under proper object of expenditures/receipts;
* Funds have been utilized for the purposes for which they were made available;
* Goods and Services have been procured in accordance with Khyber Pakhtunkhwa Public Procurement Regulatory Authority (KPPRA) Rules,2014.
* Transactions are duly supported by the relevant documents.

7.2 The Auditors shall also consider the adequacy of controls necessary to secure propriety, economy, efficiency, and effectiveness in all areas.

* **Financial Statements**

The compilation of Financial Statements of KMU Fund and their audit for F.Y 2018-19.

* KMU Fund
* PLA Account
* Strengthening of KMU Account
* Endowment Fund Account
* Contractor’s Security Account
* GP Fund Account
* Benevolent Fund Account
* Group Insurance Account
* Pension Contribution Fund Account
* CP Fund Account

**9. Deliverables**

9.1 The audit firm shall compile and deliver audited Financial Statements for the Fiscal Year. 2018-19 of KMU Fund.

9.2 **Audit Opinion**

The audit firm shall give its opinion on the Financial Statements of University Funds with regard to the maintenance of accounting record in accordance with the Generally Accepted Accounting Principles (GAAP). The Annual Audit Report of the KMU Accounts should include an opinion commenting on accuracy and propriety of expenditures incurred together with the internal controls involved.

9.3 **Time Schedule**

The audit assignment shall be completed within one (01) month positively. The report alongwith certified accounts shall be sent to the Vice Chancellor Khyber Medical University within 15 days after completing the assignment.

**10. General**

The Auditor’s will be given access to all legal documents, and any other information associated with the KMU Fund (Receipts and Expenditures).

**SELECTION PROCEDURE OF CHARTERED ACCOUNTANT FIRM**

* **Task**

Selection of a Chartered Accountant Firm for conducting the audit of the accounts of KMU Fund for the Financial Year 2018-19 .

* **Selection Criteria**

Following criteria will be used for the selection of the Chartered Accountant Firm:

* **Assignments undertaken;**

Similar assignments undertaken by the audit firm shows the experience of the firm. The firm with better and relevant experience will be awarded more points and this will give them an edge during the final selection.

* **Reputation of the Firm in the market;**

The reputation and experience of the Audit Firm in the market will be considered for appointment.

* **Capabilities and Credibility of the Firm;**

The KMU desires to select the Audit Firm with relevant human resources having proven practical experience of qualified staff.

* **Financial Evaluation**

Technical and financial proposals should be submitted separately in sealed envelopes. The firms should mention cost separately showing breakup of the activities and their associated costs.

* **Documents Required**
* Firm’s profile showing all information outlined above.
* Copy of NTN of the firm or Chartered Accountant concerned in office providing services.
* Certificate/Material evidence of audits carried out at three previous client companies mentioning duration and names of the auditors engaged in audit activities.
* Proof of company establishment.
* Detailed technical skill level (CVs) of available principal/lead and associate auditors on board. The CVs should mention the nationality and status of the auditors that is registered/coordinator/lead auditor/associate.
* Provide sealed and signed financial bids separately that must contain the audit methodology, audit fee and period of conducting and submitting complete audit reports.
* **Disqualification**
* In case where the Audit Firm does not have three registered coordinators, lead auditors each having at least 2 years of auditing experience.
* Firm failing to provide documentary evidence/regional 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 region. An affidavit to this effect should be provided when asked.
* **Payment to the Audit Firm**

Payment shall be made within 30 days after the delivery of audit report, financial statements and management letter (includes suggestion and discussion with the top management of KMU on improving internal controls and financial system of KMU) by the audit firm.

**ALL PROPOSALS SHOULD ACCOMPLISH THE ABOVE REQUIRMENTS.**

Form of Contract

**Agreement**

This agreement made and entered into this day\_\_\_\_of\_\_\_\_ by and between the Khyber Medical University, Peshawar Islamic Republic of Pakistan (hereinafter referred to as the “The University”) and M/S\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ having its principal office of business at (No.\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_) Pakistan (hereinafter referred to as “The Firm”)

Whereas the Vice Chancellor on the recommendation of Purchase Selection Committee KMU on the basis of lowest rates in response to Expression of Interest (EOI) for Project Fund for Selection of **Chartered Accountant Firm for Compilation & Audit of KMU accounts for F.Y.2018-19** select the M/S\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, who have agreed to provide services for the task as per detail in Term of Reference (TOR) in the consideration of the mutual covenants hereinafter contained, the parties agree as follow:

**Terms & Conditions:**

* The audit assignment shall be completed within one (01) month.
* The report alongwith management letter and certified accounts shall be sent to the Vice Chancellor, Khyber Medical University within 15 days after completion of audit.
* Payments will be made within 30 days after the delivery of audit report, financial statements and management letter.

IN WITHNESS WHEREOF, the parties hereto have caused this agreement to be signed their respective name and duplicate, each party retaining one (1) copy thereof.

\_\_\_\_\_day of 2020 as of the day and year first herein before written.

For and on behalf of The University

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| Witness | (The University) |
| Signature\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ | Signature\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ |
| Name\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ | Name\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ |
| Title\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ | Title \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ |
| NIC\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ | NIC \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ |

For and on behalf of The Firm

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| Witness |  |
| Signature\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ | Signature\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ |
| Name\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ | Name\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ |
| Title\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ | Title \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ |
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(Seal)