



KARNATAKA TEXT BOOK SOCIETY (R)

Karnataka - Bengaluru

E-PROCUREMENT

Request for Expression of Interest to conduct Statutory Audit of the Accounts of Karnataka Text Book Society (R) and District Text Book Godowns for the year 2013-14, 2014-15 & 2015-16

Tender cost Rs 1,000/ for the firms

Address for communication

MANAGING DIRECTOR
KARNATAKA TEXT BOOK SOCIETY (R) - KARNATAKA
No.4, 100ft Ring Road, BSK III Stage, Bengaluru – 85

Phone No: 080 - 26422238

Fax No: 080 - 26421299

KARNATAKA TEXT BOOK SOCIETY (R)

No.4, 100ft Ring Road, BSK III Stage, Bengaluru – 85

O/o the Managing Director, No.4, 100ft Ring Road, BSK III Stage, Bengaluru – 85

Request for Expression of Interest to conduct Statutory Audit of the Karnataka Text Book Society (R) and DTBGs for the year 2013-14, 2014-15 & 2015-16

(Through e-tendering procedure)

TENDER SCHEDULE

Sl No	Particulars	Particulars
1	Bid Reference	A2/KTBS/SA/27/2015-16
2	Notification Date	05/09/2015 , 5.30 pm
3	Last Date for Receipt of Bids	19/09/2015 , 5:30 pm
4	Time and Date of opening Technical Bid Financial Bid	22/09/2015 , 11.00 am 25/09/2015 , 11.00 am
5	Opening of Bids	Online through e-procurement portal
6	Address for Communication	The Managing Director Karnataka Textbook Society® No.4, DSERT Building, 100 Ft Ring Road, BSK III Stage Bengaluru - 560 085 Karnataka State, India

Sd/-
Managing Director,
Karnataka Text Book Society(R) ,
Bengaluru.

KARNATAKA TEXT BOOK SOCIETY (R)

No.4, 100ft Ring Road, BSK III Stage, Bengaluru – 85
O/o the Managing Director, No.4, 100ft Ring Road, BSK III Stage, Bengaluru – 85

Request for Expression of Interest to conduct Statutory Audit of the Karnataka Text Book Society (R) and DTBGs for the year 2013-14, 2014-15 & 2015-16
(Through e-tendering procedure)

- (1) Request for Expression of Interest is invited from the C & AG /State AG Empanelled, Chartered Accountants for conducting Statutory Audit of the accounts of KARNATAKA TEXT BOOK SOCIETY (R) and DTBGs for the year 2013-14, 2014-15 & 2015-16.
- (2) The document is available in the website <http://www.eproc.karnataka.gov.in>. The bidders will be required to register themselves with the centre for E-Governance to participate in the bidding process and also get necessary digital signature certificates. The details of the process of registration and obtaining the digital signature certificates are available on the website: <http://www.eproc.karnataka.gov.in>. Necessary training and hands on experience in handling e-procurement system could be obtained from the centre for E- Governance. Necessary details could also be obtained over telephone at **080 - 26422238**.
- (3) The Completed document should be submitted on or before **19/09/2015 at 5.30 PM**
- (4) For further details contact the **Managing Director, KTBS (R)** during office hours Ph:080-26422238.

Sd/-
Managing Director,
Karnataka Text Book Society(R)
Bengaluru.

KARNATAKA TEXT BOOK SOCIETY (R) – KARNATAKA

O/o the Managing Director, No.4, 100ft Ring Road, BSK III Stage, Bengaluru – 85

A Brief information on” Request for Expression of Interest”

1. Under KTBS, Statutory Audit of the accounts Karnataka Text Book Society ® and District Text book Godowns has to be taken up throughout the state for the year **2013-14, 2014-15 & 2015-16**
2. C & AG /State AG Empanelled,Chartered accountants who are having Registered office or Registered branch office in Bangaluru,Karnataka can only apply.
3. For Expression of Interest of the C & AG /State AG Empanelled,C.A's are required to submit a detailed comprehensive proposal comprising the details of the audit of Government Agencies, Audit of Flagship Programme and other Centrally sponsored programme.
4. Financial proposals are invited from the C & AG /State AG Empanelled, Chartered Accountants for conducting Statutory Audit of the Karnataka Text Book Society ® and District Text book Godowns.
5. Technical proposals should accompany **EMD of Rs. 30,000/-**(Rupees Thirty thousand Only).
6. The Letter of Invitation, Terms of Reference and information for Chartered Accountants are enumerated in this notification.

LETTER FOR INVITATION

Sir,

Sub: Request for Expression of Interest to conduct Statutory Audit
of the Accounts Karnataka Text Book Society ® and District
Text book Godowns for the year 2015-16 pertaining to Karnataka
Text Book Society ®

1. You are hereby invited to submit Technical and Financial proposal for conducting Statutory Audit of the accounts Karnataka Text Book Society ® and District Text book Godowns State for the year **2013-14, 2014-15 & 2015-16**
2. The purpose of this assignment is, to obtain services of C & AG /State AG Empanelled, Chartered Accountants to conduct Statutory Audit for the year **2013-14, 2014-15 & 2015-16**
3. The request for proposal contains the following documents.
 - a. Terms of References
 - b. Financial Proposal
4. In order to obtain more information on the assignment, it is considered desirable that a representative of your firm visits the office of the Karnataka Text Book Society ®, Bengaluru before the proposal is submitted. Your representative may meet the following officer:- Managing Director, KTBS, No.4, 100ft Ring Road, BSK III Stage, Bengaluru – 85
5. The Financial proposal (Audit Fee) should be quoted separately as under.
 - a) For an expenditure amount of **Rs.1,000/- (One thousand Only)**

The Financial proposal should include TA/DA. However, Service Tax will be paid extra at applicable rate.

Mandatory List of Documents to be submitted for Technical Evaluation Criteria - ANNEXURE - 1

List of institutions subject to Statutory Audit is enclosed to this Letter of Invitation – ANNEXURE - 2

Format to quote the rates is enclosed to this Letter of Invitation. – ANNEXURE - 3

1. **Opening of Proposal:**

The Technical proposal will be opened by the Managing Director, KTBS, Bengaluru or his authorised representative in his office on **22/09/2015 at 11.00 am.**

After opening of the Technical Proposal evaluation will be conducted and successful chartered accountants names will be announced. Only chartered accountant whose technical proposal is successful their financial proposal will be opened.

The chartered accountant firm who has quoted least (computed on aggregate basis) will be considered.

2. You are requested to hold your proposal valid for 30 days from the date of submission without changing your proposed price. The Managing Director, KTBS, Karnataka, Bengaluru will make best efforts to select C & AG /State AG Empanelled, Chartered Accountants within this period.
3. The payment payable under this assignment will be subjected to normal tax liability in India.
4. We would appreciate if you inform us the following by Telex/E-mail.
 - a) Your acknowledgement of the receipt of this letter of invitation.
 - b) Whether or not you will be submitting a proposal.

Yours faithfully,

Sd/-
Managing Director,
Karnataka Text Book Society®
Bengaluru

Enclosures:

1. Terms of References
2. General conditions of Contract
3. Institutions subject to Statutory Audit.

General Conditions of Contract

1. General provisions

1.1 Definitions

Unless the context otherwise requires, the following terms whenever used in this contract have the following meanings;

- a) "Applicable Law" means the laws and any other instruments having the force of law in India, as they may be issued and in force from time to time;
- b) "Contract" means the contract signed by the parties, to which these general conditions of contract (GCC) are attached;
- c) "Effective Date" means the date on which this contract comes into force and effect pursuant of Clause GCC 2.1.
- d) "Contract Price" means the price to be paid for the performance of the services.
- e) "GCC" means these General conditions of contract;
- f) "Government" means the Government of Karnataka;
- g) "Local Currency" means Indian Rupee;
- h) "KTBS" means KARNATAKA TEXT BOOK SOCIETY (R)-Karnataka
- i) "M.D" means Managing Director
- j) "DTBG" means District Text Book Godown"
- k) "Party" means the client or the Chartered Accountants as the case may be, and parties means both of them;
- l) "Services" means the work to be performed by the Chartered Accountants pursuant to this contract as described in Terms of Reference.

1.2 Law Governing the contract

This contract, its meaning and interpretation, and the relation between the parties shall be governed by the Applicable Law.

1.3 Language

The contract has been executed in English language, which shall be the binding and controlling language for all matters relating to the meaning or interpretation of this contract.

1.4 Notices

Any notice, request or consent made pursuant to this contract shall be in writing and shall be deemed to have been made when delivered in person to an authorized representative of the party to whom the communication is addressed, or when sent by registered mail, telex, telegram or facsimile to such party at the address specified.

1.5 Taxes and Duties

The C & AG /State AG Empanelled, Chartered Accountants taxes, duties, may be levied under the applicable law, the amount of which is deemed to have been included in the contract price.

2 Commencement, Completion, Modification and Termination of contract

2.1 Effectiveness of Contract

This contract shall come into effect on the date the contract is signed by both parties or such other latter dates as may be stated by the clients.

2.2 Commencement of Services

The C & AG /State AG Empanelled, Chartered Accountants shall begin carrying out the services within Ten (10) days after the date the contract becomes effective, or at such other date as may be specified by the clients.

2.3 Modification

Modification of the terms and conditions of this contract, including any modification of the scope of the services or of the contract price, may only be made by written agreement between the parties.

2.4 Force Majeure

2.4.1 Definitions

For the purpose of this contract "Force Majeure" mean an event which is beyond the reasonable control of a party, and which makes a party's performance of its obligations under the contract impossible or so impractical as to be considered impossible under the circumstances.

2.4.2 No Breach of contract

The failure of a party to fulfill any of its obligations under the contract shall not be considered to be a breach of, or default under this contract insofar as such inability arises from an event of force majeure, provided that the party affected by such an event (a) has taken all reasonable precautions, due care and reasonable alternative measures in order to carry out the terms and conditions of this contract, and (b) has informed the other party as soon as possible about the occurrence of such an event.

2.5 Termination

2.5.1 By the Client

The client may terminate this contract, by not less than thirty (30) days' written notice of termination to the C & AG /State AG Empanelled, Chartered Accountants and sixty (60) days' in the case of the event referred to in (b):

- a) If the C & AG /State AG Empanelled, Chartered Accountants do not remedy failures in the performance of their obligations under the contract, within thirty (30) days of receipt after being notified or within such further period as the client may have subsequently approved in writing;
- b) If the client, in its sole, discretion and for any reason whatsoever, decides to terminate this contract.

2.5.2 By the C & AG /State AG Empanelled, Chartered Accountants

The C & AG /State AG Empanelled, Chartered Accountants may terminate this contract, by not less than thirty (30) days' written notice to the client, such notice to be given after the occurrence of any of the events specified in paragraphs (a) and (b) of this clause.

- a) If the client fails to pay any money due to the C & AG /State AG Empanelled/ Chartered Accountants pursuant to this contract within forty-five (45) days after receiving written notice from the C & AG /State AG Empanelled/Chartered Accountants that such payment is overdue;
- b) If the client is in material breach of its obligations pursuant to this contract and has not remedied the same within forty-five (45) days (or such longer period as the consultants may have subsequently approved in writing following the receipt by the client of the C & AG /State AG Empanelled, Chartered Accountants notice specifying such breach;

2.5.3 Payment upon Termination

Upon termination of this contract pursuant to clauses GCC 2.5.1 or GCC 2.5.2 hereof, the client shall make the following payments to the C & AG /State AG Empanelled, Chartered Accountants (after offsetting against these payments any amount that may be due from the C & AG /State AG Empanelled, Chartered Accountants to the client.

- a) Remuneration pursuant to clause GCC 6 hereof for services satisfactorily performed prior to the effective date of termination.

- b) Reimbursement expenditures pursuant to clause GCC 6 hereof for expenditure actually incurred prior to the effective date of termination; and
- c) Except in the case of termination pursuant to paragraphs (a) through (b) of clause GCC 2.5.1 hereof, reimbursement of any reasonable cost incident to the prompt and orderly termination of the contract.

2.5.4 Disputes about events of termination

If either party disputes whether an event specified in paragraphs of clause GCC 2.5.1 or in clause GCC 2.5.2 hereof has occurred, such party may, within forty-five (45) days after receipt of notice of termination from the other party, refer the matter to arbitration pursuant to clause GCC 7 hereof, and this contract shall not be terminated on account of such event except in accordance with the terms of any resulting arbitral award.

3. Obligations of the C & AG /State AG Empanelled, Chartered Accountants

3.1 General

The C & AG /State AG Empanelled, Chartered Accountants shall perform the services and carry out their obligations here under with all due diligence, efficiency and economy, in accordance with generally accepted professional techniques and practices. The C & AG /State AG Empanelled,Chartered Accountants shall always act, in respect of any matter relating to this contract or to the services, as faithful advisers to the client, and shall at all times support and safeguard the client's legitimate interests.

Confidentially

The C & AG /State AG Empanelled,Chartered Accountants, their personnel or either of them shall not, either during the term or within two (2) years after the expiration of this contract, disclose any proprietary or confidential information relating to the project, the services, this contract or the client's business or operations without the prior written consent of the client.

Documents prepared by the C & AG /State AG Empanelled,Chartered Accountants to be the property of the client.

All reports, other documents and software prepared by the C & AG /State AG Empanelled, Chartered Accountants for the client under this contract shall become and remain the property of the client, and the C & AG /State AG Empanelled,Chartered Accountants shall not later than upon termination or expiration of this contract, deliver all such documents to the client.

4 Payment

The payment to the Statutory Auditors will be paid only after the audit report is approved by E.C & G.C of Karnataka Text Book Society®

5 Payments to the C & AG /State AG Empanelled,Chartered Accountants

Cost Estimates:

- a) For an expenditure amount of **Rs.1000/- (Rs. One Thousand Only)**
- b) To take up the audit of One DTBG (Which receives more than **Rs.100000/- (One Lakh Only)** Grant)
- c) Consolidation at the State Level all the Audit Reports, preparation of consolidated Receipts & Payments Account, Income & Expenditure Account and Balance Sheet and issue an Audit Report on consolidated accounts.

5.1 Currency of payment:

All payments (Remuneration and Reimbursable) shall be made in India Rupees.

6 Settlement of Disputes

Amicable settlement

The parties shall use their best efforts to settle amicably all disputes arising out of or in connection with this contract or the interpretation thereof.

Dispute Settlement

Any dispute between the parties as to matters arising pursuant to this contract which cannot be settled amicably within thirty (30) days after receipt by one party of the party's request for such amicable settlement may be submitted by either party for settlement.

The CA should visit the O/o the Managing Director, Karnataka Text Book Society® Bengaluru and take up the audit.

The CA has to vouch every details of transactions of respective offices.

Please note that the Managing Director, Karnataka Text Book Society® Bengaluru, is at full liberty to reject the Contract without assigning any reason. Further, as quality is the principal selection criterion, the Managing Director, Karnataka Text Book Society® Bengaluru is not bound in any way to select the firm

offering the lowest price. The CA appointed through this tender should sign an agreement for the audit period with Karnataka Text Book Society ®

The quoted rates should include all types of fees and allowances. No Extra Fees & Allowances will be given by Karnataka Text Book Society ® for this work.

TERMS OF REFERENCE FOR APPOINTMENT OF AN STATUTORY AUDITOR FOR THE AUDIT OF ACCOUNTS OF KARNATAKA TEXT BOOK SOCIETY (R) AND DTBG'S PERTAINING TO KARNATAKA TEXT BOOK SOCIETY (R) FOR THE YEAR 2013-14, 2014-15 & 2015-16

1. BACKGROUND

The KARNATAKA TEXT BOOK SOCIETY (R) is a registered society which is implementing the distribution of free textbooks to all the government school students of standard 1 to 10, and sale books to unaided schools across the state of Karnataka.

2. OBJECTIVES

The objective of the audit of the KTBS Accounts, DTBG's Accounts is to enable the auditor to express a professional opinion on the financial position of KTBS at the each fiscal year and of the funds received and expenditure incurred for the accounting period ended mm/dd/yy, as reported by the Programme Financial Statement.

The programme accounts (books of accounts) provide the basis for preparation of the PFS and are established to reflect the financial transactions in respect of the project, as maintained by the project implementing agency.

3. SCOPE

Expenditure is incurred against various activities of KTBS from funds released by the Government of India and the State Government covering the programme cost. A Statement of expenditure based on actual amounts spent under various activities is sent to Governing Council of the KTBS. The Audited Report is placed before the G.C. of the KTBS. Hence, the Statutory Auditor's firm is required to exercise such tests of accounting records, internal checks and control and other necessary measures of audit of the accounts as per general principles and standard of audits of the Institute of Chartered Accountant of India. In conducting the Audit, attention should be given to the following:

- a) All funds have been used in accordance with the condition of the relevant financial norms and financial regulations with due attention to economy and efficiency and only for the purpose for which the financing was provided.
- b) Generally accepted accounting principles are followed by all entities who are authorised to incur expenditure under KTBS & DTBS.

- c) Goods, works and services financed have been procured in accordance with relevant provisions of the procurement procedure prescribed for the purpose. Proper documents, namely, purchase orders, tender documents, invoices, vouchers, receipts, pay bills. TA bills etc. are maintained and linked to the transactions and retained till the end of the programme.
- d) All necessary supporting documents, records and accounts have been kept in respect of all programme expenditure including expenditure covered by statement of expenditure. Clear linkages should exist between the books of accounts and reports presented to the G.C. of KTBS.
- e) Expenditure incurred under KTBS & DTBG'S is strictly in accordance with the financial norms prescribed in the KTBS frame work or any other clarifications issued from time to time. The expenditure statements/ financial statements included in the statement of expenditure of the relevant period represent a true and fair view or implementation and operations of the programme at the end of the financial year and of resources and expenditure for the year ended on that date.
- f) Expenditure is incurred with reference to the budget allocation approved by the Govt. In case the budget allocation is exceeded proper re-appropriation duly approved by the competent authority has been obtained. The CA should point out expenditures activity wise that exceeded the budget allocation.
- g) KTBS funds are used efficiently and economically to the purpose for which they are intended.
- h) Reconciliation of Bank statements and accounts is regularly carried out on a monthly basis.
- i) The C.A. firm appointed for the audit should also look into the position of audit compliance of previous audit objections raised, if any. The audit report should include a separate Para in this regard.
- j) The C.A. firm appointed for the audit should be required to give Audit Certificate, utilization certificate and any other certificate required from time to time.
- k) The audit should cover the accounts of KTBS & DTBG's in order that, all are covered by the Internal Auditors.
- l) C.A should examine comment & rectify the errors if any in the books of accounts prepared according to Double entry system by the C.A's appointed by Karnataka Text Book Society®

PROGRAMME FINANCIAL STATEMENTS

Programme Financial Statements should include:

- a) A summary of funds received from State Government
- b) Any other receipt accruing separately;
- c) A summary of expenditure shown under the main programme heading both for the current fiscal year and accumulated to date; and
- d) A Balance Sheet showing accumulated funds of the programme, bank balances, other assets of the programme and liabilities if any.

AUDIT OPINION

The primary audit opinion should include the Programme Financial Statements and the annual audit report of the Programme Accounts. The financial statement including the audit report should be received by the State Implementing Society not later than (three to six) months after the end of the accounting period to which the audit refers. The auditor should submit the report to MD of the Society well in advance who will take further action to have two copies of the Audited Accounts and report forwarded to Government.

MANAGEMENT LETTER

In addition to the audit reports, the auditor will prepare a "management letter", in which the auditor will:

- a) Give comments and observations on the accounting records, systems and internal controls that were examined during the course of the audit;
- b) Identify specific deficiencies and areas of weakness in systems and internal controls and make recommendations for their improvement;
- c) Report on the degree of compliance of each of the financial covenants of the financing agreement and give comments, if any, on internal and external matter affecting such compliance;
- d) Communicate matters that have come to the attention during the audit which might have a significant impact on the implementation of the programme; and
- e) Bring to the Implementing Agencies' attention any other matters that the auditor considers pertinent.

KEY PERSONNEL

The key personnel in the audit team, their minimum qualification, and their anticipated inputs are indicated below:

- a) The audit team should be led a Chartered Accountant with a minimum 5 years experience in audit.
- b) The audit team should include sufficient number of appropriate staff (Articles /Audit Clerks and other audit staff), commensurate with the size and scope of the assignment.

4. GENERAL :

The auditor should be given access to all legal documents, books of accounts, procurement documents, correspondence and any other information associated with the programme and deemed necessary by the auditor.

ANNEXURE – 1

Mandatory List of Documents to be submitted for Technical Evaluation Criteria

1. CAG Empanelled Certificate for the year 2013-14,2014-15 & 2015-16.
2. List of Government institutions audited for the last 3 years with Supporting Documents.
3. Volume of Accounts Audited in terms of Money/year with supporting documents.
4. Registration of Firm i.e.,Head office and Branch office details with staff strength and qualifications of the staff.

ANNEXURE – 2

INSTITUTIONS SUBJECT TO STATUTORY AUDIT

Office of the Managing Director, KTBS, Bengaluru, & DTBG.s in the State audited by Internal Auditors.

ANNEXURE – 3

FORMAT TO QUOTE RATES

Sl. No.	Criteria to quote rates	Amount
a)	For an expenditure amount of Rs.1000/- (KTBS Expenditure) per year	