



Gujarat Secondary & Higher Secondary Education Board
Gandhinagar

TENDER NO:- 08/I.AUDIT/2018

APPOINTMENT OF CHARTERED ACCOUNTANT FIRMS
FOR
INTERNAL AUDIT OF F.Y 2017-18 AND 2018-19

Bid Start Date: 12 /Feb/2018

Bid Submission Last Date: 05/Mar/2018

Opening Date: 08/Mar/2018 at 11=30 hours

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Scope of work of Internal Auditor

The Gujarat Secondary & Higher Secondary Education Board, Gandhinagar wants service of a Chartered Accountant Firm to work as an Internal Auditor. This Scope of work is for Internal Auditor.

The details of the scope of work are as follows:-

- 1) **Name of the Organization:** Gujarat Secondary & Higher Secondary Education Board, Gandhinagar. The Board has one regional office at Vadodara.
- 2) **Nature of work of the Board:** The Board is a Non-Profit making Educational Institution. The main object of Gandhinagar office is to conduct the examination of Std. 12 (Science and General Stream) Whereas the regional office conducts the examination of Std. 10
- 3) **Sources of Income:** The main source of the income of the Board is the Examination fee that it receives from the students through the schools. The secondary source of income of the Board is other fees which include New School Registration fees, New Classroom Registration fees, Kramik Class fees, fees for change in school name, fees for change in school administration, fees for duplicate marksheet, duplicate certificate, equivalent certificate etc. The Board also receives government grant as a loan for the payments of salary and allowances of the employees and officers of the Board.

- 4) **Major Expenditures:** The payments which are given to the answer sheet verifier as a remuneration and T.A./D.A. is the main expenditure with the approximate size of Rs. 8 Crores Per Year. To handle all the exams properly and to deliver and recollect the stationery and answer books etc., there are almost 51 zonal offices created temporarily at the examination time. There is also a big amount of approximately 3 to 4 Crores for different expenses at zonal offices. The expenditure of printing of question papers, answer books, OMR Sheets is also in a sizable amount. The transportation expenditure during examination is also in a sizable amount.
- 5) **Description of Receipt side transactions:** There are almost 10000+ schools for Std. 10, 2000+ schools for Std. 12 (Science and Commerce Streams). These schools deposit the examination fees directly into the Board's Bank Account. Apart from this, there are almost six to eight thousand students per year who apply for rechecking and reassessment in various Std., Streams and subjects. The fees for the same is either directly deposited into Bank Account or submitted through demand draft. More than 100 students daily deposit cash for various purposes like duplicate marksheet, duplicate certificate, equivalent certificate at the Board office. Almost more than 100 schools annually submit various kind of fees like fees for New School Registration, New Classroom Registration, fees for additional classroom, fees for change in school name or school administration. All these fees are submitted through demand draft also at the Board office. Thus, there are thousands of receipt side transactions taking place annually.
- 6) **Description of Payment side transactions:** There are almost 275+ Central Assessment Centers for verification of answer sheets. Each center has almost 100 examiners. These examiners are given remuneration and T.A./D.A. for examining the answer sheets. Each center submits voucher file individually. Each voucher file contains more than 300 sub vouchers. There are more than 275 files for the vouchers submitted annually. Therefore there are 50,000 sub vouchers submitted annually. In Para-4, we discussed about the utility of the zonal offices. For various kinds of exams, these zonal offices submit more than

150 voucher files annually. Each voucher file contains more than 10 sub vouchers. The exams are conducted in more than 2000 school buildings which are known as exam centers. Each of these schools is paid their exam remunerations by Electronic Clearance System. The Board arranges 2000+ teachers as a Vigilance Squad Member for the surveillance over the exam centers. Each of them are paid their remuneration and T.A./D.A. by ECS. In this way there are 5000+ vouchers submitted for the Building Conductor and Vigilance Squad. There are almost 500+ sub vouchers submitted for the result processing center works annually. The same volume of vouchers and sub vouchers for all the above mentioned works for Std. 10 are submitted at Vadodara Regional Office of the Board. By more than 4000+ cheques, all the contingency charges are paid annually. The salary and allowances of the employees and the officers of the Board are paid by 400+ vouchers submitted at Pay and Accounts Office. The grant for the same is reimbursed to the govt. at the year end. This is because all the officers and employees are appointed by government. Thus Board is managed, controlled and run by State Government.

- 7) **Description regarding Investments:** The Board deposits its surplus money in Fixed Deposit at the highest interest rate giving Nationalized Bank.
- 8) **Bank Reconciliation:** Inter Office transfers and Bank reconciliations have been carried out on a monthly basis. Auditor should also verify adjusting entries for cancellation of cheques or for other reasons.
- 9) **Coverage and Standards for the Audit:** The Audit would cover Regional office at Baroda also. The audit would also cover all consultancies or other contracts that may be entered into by the implementing agencies. The internal audit should be carried out in accordance with the Auditing & Assurance Standards prescribed by the Institute of Chartered Accountants of India and will include such tests and controls, as the auditor considers necessary under the circumstances.

- 10) Functional Area of Internal Audit:** The transactions pertaining to receipts and payments are described above in Para 5 and 6. The Board seeks an independent and majorly covered audit for Loans and Advances Part especially in the area of Central Assessment Expenses and Zonal Expenses. Both of these expenses contain highest vouchers and sub vouchers with a sizable amount of expenditure. Expenses are required to be audited as per auditor's discretion.
- 11) Function of Income Audit:** The Income side transactions shall be audited as per auditor's discretion. However more area of Examination fees income is to be covered comparatively. For the audit of income side transactions, please refer to the description of Para 5.
- 12) Time Period for Internal Auditor:** The Auditor Firm shall audit the receipts, payments, investments of the Board and its Regional Office for the F.Y. 2017-18 and 2018-19.
- 13) Audit of Government Grant:** The Internal Auditor shall audit and examine the accounting of government grant. Internal Auditor shall be free to audit and examine all the supplementary documents and registers like grant register. The Internal Auditor shall audit government cash book and government vouchers also.
- 14) Audit of Financial Statement:** The Internal Auditor shall examine and certify all the financial statements. To audit and to certify the financial statement, the internal auditor shall be free to audit and examine all the supplementary documents and registers like Cheque Register, Advance Registers, Fixed Deposit Registers, Tender files, Demand Draft Registers etc.
- 15) Method of remedying weak controls or creating them where the controls do not exist.**

- 16) An assessment of compliance with provisions of financing agreements, especially those relating to procurement, accounting and financial matters.
- 17) Adequate records are maintained regarding the assets created and assets acquired by the Board, including details of cost, identification and location of assets and verification of assets created and comment on its utilization.
- 18) The auditor is expected to obtain and satisfactorily document audit evidence to support audit conclusions.

19) Terms & Conditions:

- The Chartered Accountant Firm must have turnover of more than Rs. 7 Lacs for the last Financial Year.
- Conduct audit as per scope of work and to be conducted as per revised scope if any.
- The Chartered Accountant Firm shall deploy minimum one internal auditor at Gandhinagar office and one at Baroda. The Firm may deploy more auditors at its discretion depending upon the volume of transactions and size of the Board.
- The Firm must have experience of audit of atleast one organization as internal auditor in government office/semi-government office, Board, Corporation, Nigam.
- The auditors who are deployed at Board's office must have educational qualification of Chartered Accountant or Inter C.A. / M.Com. And must have working experience of atleast one year of audit of government/semi-government office.
- The Firm shall start internal audit work so as to complete it before 30th June of the Next Financial Year. And Internal Auditor shall submit Internal Audit Report on or before next month at the end of the quarter. If the audit report is not submitted within the stipulated time, as above, a cut of 5% will be made from the fees payable to you. The powers to condone delay in submission of audit report will however rest with Chairman of the Board. The Firm shall mention in each report the name of the month,

name of audit person in team with qualifications and records verified along with extent of checking.

- The Firm shall give Internal Audit Report on quarterly basis in one hard copy and soft copy also. However any material fact shall be reported immediately by auditor to Account Officer.
- The Chartered Accountant Firm shall be paid audit fees at the end of each quarter by the head office, subject to satisfactory audit work certificate given by Accounts Officer.
- Quotation of Audit fees will be reconsidered every year and the lowest one will be selected on yearly basis. Accordingly, work order will be issued to the Chartered Accountant Firm which has quoted lowest fees in each year.
- Board has right to cancel the appointment after giving 3 months notice to the Firm if the Board feels that the audit work performed by the Firm is not satisfactory and inefficient.
- The Chartered Accountant Firm should quote the audit fees in '**Annexure-A**' which is attached herewith. And also give details in '**Annexure-B**' and '**Annexure-C**'.
- Any Chartered Accountant Firm should quote the audit fees only for one type of audit i.e. either Pre Audit or Internal Audit. The firm can't quote for both type of audit work.
- The firm will not give job work to other firm of Chartered Accountants without permission of the Board.
- The firm should have its Head Office (HO) in Gandhinagar / Ahmedabad.

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Annexure – A

COMMERCIAL BID FOR INTERNAL AUDIT

- 1 Name of Firm:-
- 2 Registered Address:-
- 3 Address of Branch Office (if any):-
- 4 I.C.A.I Firm Registration No.:-

<u>Sr</u> <u>No.</u>	<u>Particular</u>	<u>Internal Audit Fee</u> <u>Rs.</u>
1	Internal Audit as per Scope of Work for F.Y 2017-18 (Excluding Taxes)	
2	Internal Audit as per Scope of Work for F.Y 2018-19 (Excluding Taxes)	

Date:-

Signature of Authorized Person

Place:-

Stamp of the Chartered Accountant Firm

Gujarat Secondary & Higher Secondary Education Board

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Annexure-B

Sr No.	Particular	Details
1	Name and Address of Chartered Accountant Firm	
2	Registration No. and Date:	
3	Name and Address of Head Office and Branch Offices	
4	Details of Qualified Staff (C.A)	
5	Details of Paid Staff	
6	Details of Article Clerk and Article Assistant	
7	Experience of Internal Audit of Govt. Offices / Semi Govt. Offices and details of it	

8	Details of Continued Audit of Govt. Offices / Semi Govt. Offices	
9	P.A.N of the Firm	
10	Tender Fee (In Favor of Secretary, Gujarat Secondary and higher secondary education Board, Gandhinagar)	Rs.1500/- DD No. _____ Date:- _____ Bank:- _____
11	Earnest Money Deposit (In Favor of Secretary, Gujarat Secondary and higher secondary education Board, Gandhinagar)	Rs.12000/- DD No. _____ Date:- _____ Bank:- _____

Date:-

Signature of Authorized Person

Place:-

Stamp of the Chartered
Accountant Firm

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Annexure-C

(Declaration on Stamp of Rs.100/-)

I, _____ Partner of _____ Chartered Accountant firm, having Office at _____ and practicing as chartered accountant as under ;

I, _____ Solemny affirm and say that our firm or any partner of our firm is/are not debarred/blacklisted by state government, its PSU's, Central Government /PSU's or by income tax department.

I Know that wrong, false or concealing of an affidavit is an offence.

Date:-

Signature of Authorized Person

Place:-

Stamp of the Chartered
Accountant Firm