



KERALA STARTUP MISSION(KSUM)

**INVITATION OF EXPRESSION OF INTEREST FROM CHARTERED ACCOUNTANT'S
FIRMS FOR CONDUCTING INTERNAL AUDIT**

NOTICE INVITING EXPRESSION OF INTEREST

EOI NO: KSUM/IA/EOI/01/2024-2025

Date : 28/05/2024

EOI TO BE ADDRESSED TO:

**The Chief Executive Officer,
Kerala Startup Mission,
Thejaswani Building
Technopark, Kazhakoottam PO, Trivandrum**

EOI SUBMITTED BY:.....

About Kerala Startup Mission

Kerala Startup Mission (KSUM) (Formerly Technopark -Technology Business Incubator (T-TBI) is the state nodal agency of the Government of Kerala founded in 2006, with a goal to promote technology-based entrepreneurship activities and to create the infrastructure and ecosystem required to support high-end technology-based startup businesses. Looking back, the organization has been able to build a vibrant ecosystem allowing technology entrepreneurs to pursue their goals and dreams by providing them complete support in the areas of Incubation space, Seed loans & Grants, Business Investor connections & networking events/exhibitions, Fab labs and R&D facilities. Currently KSUM along with sector-specific partner organizations, can boast of 2200 + registered startups, 3 Lakh+ sq. feet of incubation space, 30+ incubators and 280+ innovation cells across various State cities and districts. KSUM has also branched out to support women entrepreneurs, Medical & Cancer Research, Driving Entrepreneurship for students by setting up IEDC cells in academic institutes and other state CSR activities. KSUM is registered as a Society under Travancore-Cochin Literary, Scientific and Charitable Societies Registration Act, 1955.

Objective of this EOI

The objective of this EOI is to invite interests from the qualified bidders for conducting Internal Audit of KSUM.

EOI Issuing Authority

This EOI is issued by the Kerala Startup Mission (KSUM) and selection through this EOI shall be final and KSUM reserves the right to reject any or all the EOI received without assigning any specific reason thereof.

EOI Initiator Details:

The Chief Executive Officer,
Kerala Startup Mission
G3B, Thejaswnini, Technopark Campus,
Kariyavattom Trivandrum- 695581
Phone: 0471- 2700270
Email: ceo@startupmission.in
Website: www.startupmission.kerala.gov.in

Tentative Calendar of Events

SI No	Milestone	Date & Time
1	Release of EOI	28. 05. 2024
2	Last date for submission of EOI	11. 06. 2024 @ 05pm
3	Opening EOI	12. 06. 2024 @ 11am

Kerala Startup Mission invites applications on the undernoted prescribed format from Practicing Chartered Accountants who fulfill the eligibility criteria as mentioned hereunder and are willing to have their Firms empaneled as Internal Auditor in the Society for conducting Internal audit from the FY 2024-25.

1. Eligibility Criteria:

- a) The firm shall have a standing of at least 8 (Eight) years in the profession with at least 5 years of experience in internal audit/statutory audit and should have handled internal and/or statutory audit of at least 5 (five) Nonprofit making entity/Societies/Companies in India during the last 3 years.
- b) The Annual turnover of the Chartered Accountant firm shall not be less than Rs 50 Lakhs in each of the last three financial years.
- c) The CA firm have a minimum of 3 full-time partners and 2 of them should be FCA.
- d) The Chartered Accountant firm should have conducted either statutory audit and/or Internal audit in the previous years of following organizations:
 - i. Statutory audit /Internal Audit of at least one PSU having turnover of 75 Crore or more, during the last 2 years.
 - ii. Conducted statutory audit /Internal Audit of Five (5) PSUs with multi-Locations/Offices / branches/units.
 - iii. Conducted internal audit of state Government organizations.
 - iv. Three (3) statutory bodies/Autonomous bodies with Annual Turnover of Rs 5 Crores each.
- e) The firm should not have been debarred/ blacklisted from audit of any Government company /PSU.
- f) The Chartered Accountant firm should have at least one of its offices in Thiruvananthapuram.

g) Please complete the **Annexure- I**.

2. Scope of Work.

As detailed in **Annexure -II**.

The firm shall submit a copy of the Internal Audit report to the management of KSUM on a quarterly basis. The scope mentioned in the Annexure -II is not exhaustive. Any other item of work in the domain of audit/ accounts as may be assigned by KSUM is to be undertaken by the firm.

3. Terms and Conditions

The detailed terms & conditions of EOI for CA Firms for Internal Audit in our organization is as under: -

- a. The appointment shall be for a period of 1 year. The firms shall be appointed for internal audit of the Society by giving separate appointment orders in turn from the selection.
- b. CA Firms applying must submit along with application, the Copy of partnership deed, copy of registration certificate issued by the ICAI certifying the constitution of the Firm, their branches & date from which it is continuing as a Partnership Firm.
- c. The periodicity of internal audit assignment (if any) will be for one year with quarterly review of performance and would be extended for a further period of TWO YEAR (Overall 3 years), based on the "Satisfactory Performance" of the CA firm.
- d. Mere submission of application does not, in any way, constitute a guarantee for allotment of the audit job of any nature from the Corporation.
- e. Incomplete Application or Application without Requisite Enclosures will not be entertained.
- f. The Internal Audit Firm will undertake that they will not subcontract/ sub assign the audit assignment.
- g. Only those applications which are received between the date of notice and the last date of receipt of applications will be considered.
- h. KSUM reserves the right to accept or reject any application at any time without assigning any reason.
- i. KSUM will not accept any claim other than professional fee/ charges etc specified.
- j. Each page of the application & Tender document is required to be signed by the Partner of CA Firm. The documents/ Certificates in support along with the application shall also be signed by the Partner.

- k. If any date mentioned above happens to be a holiday, then the next working day will be the relevant date.
- l. Application shall be submitted in the given format only. If submitted in any other form, the same shall be summarily rejected.
- m. The Selection of the firms shall be based on different parameters like experience, exposure to audit of PSUs/Companies, quality of audits earlier done etc. The decision of the KSUM will be final.
- n. Errors or omissions or commissions noted during the course of internal audit may be rectified on the spot.
- o. While conducting internal audit in a subsequent phase, the auditor will ensure that the compliance report on audit observations pointed out in the reports relating to earlier audit is made and corrective actions taken on those points are furnished in the Audit Report of the subsequent phase.
- p. The Financial Proposal as per **Annexure-III** should be in a separate sealed envelope while submitting the application.
- q. The minimum monthly fees for providing the required service of internal auditing will be Rs. **17,000+ GST**.

4. Documents to be enclosed with bid.

- a. Attested copy of Partnership Deed
- b. Certificate in proof of experience in internal audit as per eligibility criteria (copy of appointment letter of Auditee Organization.) and proof of turnover of Auditee Organization
- c. Copy of Audited financial statements for last 2 financial years certified by 2 Partners.
- d. Declaration that the firm is not debarred/ blacklisted by Government/PSU. **Annexure -IV**
- e. Brief profile of the Audit firm & its Team
- f. GST certificate & PAN Card
- g. All other documents relating to earlier clauses which are not mentioned in the above a to e .

5. Selection Process

Selection Procedure:

The procedure for the selection of the agency will be carried out as detailed below, by a committee constituted by KSUM.

(a) Minimum Pre-Qualification Process: Only the firm that satisfies the eligibility criteria after initial screening will be considered. Others will be summarily rejected.

(c) Bidding Process

i) Technical Bid: Technical bid shall carry 70% weightage. The Technical Bids will be opened by the evaluation committee and marks will be given based on the criteria detailed in the technical bid document. The Technical Marks obtained will be referred to as Technical Scores (St). Agencies will be ranked on the basis of the Technical Score (St), and only agencies who have scored 70 or more marks, will be qualified for financial evaluation. Individual element of the technical qualification will be decided by KSUM based on the tender document.

(ii) Financial Bid: Financial bid shall carry 30% weightage. Financial bid is the amount in Indian Rupees which is being sought by a bidder from the Dept. for the internal audit assignment in the Financial Bid Proposal.

$$S_f = 100 \times F_m/F;$$

in which S_f is the Financial Score, F_m is the lowest Financial Proposal, and F is the Financial Proposal under consideration.

(iii) Combined Technical and Financial Score

For final evaluation, the Agencies will be ranked in accordance with their combined Technical (St) and Financial (Sf) scores with weightage. The Technical Score (St) will be given 70% weightage, and Financial Score (Sf) will be given 30% weightage, so that the combined Score will be:

$$S = S_t \times T_w + S_f \times F_w;$$

Where S is the Combined Score, and T_w and F_w are weights assigned to Technical Score and Financial Score that will be 0.70:0.30.

Selection of the agency

- (a) The firm with the highest Combined Technical & financial Score (S) will be selected, based on the above QCBS System. In the event of two or more agencies obtaining the same highest Combined Technical & financial Score (S), the agency with maximum technical score will be selected.

6. Sealing & Marking of Application

The sealed proposal containing Expression of Interest (EOI) should be submitted in two parts ie., Technical bid and Financial Bid (Annexure III). The technical bid envelope must be sealed and superscribed with "KSUM - EOI for conducting Internal Audit - Technical bid" and the financial bid envelope must be sealed and superscribed with "KSUM - EOI for conducting Internal Audit - Financial Bid". The name and address of the Applicant must

also be mentioned on the body of the envelopes. Both these envelopes has to be put in a single cover after affixing proper seal and should the superscribed as “ KSUM - EOI for appointment of Internal auditor” and should reach the KSUM undersigned on before the time and date fixed, at the address mentioned above.

ANNEXURE -1

General Information

1	Name of the Chartered Accountants Firm	
2	Registered/Main Office Address	
3	Registration No (FRN)	
4	Name of Partners	
5	Contact no. of Partners	
6	No. of branches in India (Attach a list along with address)	
7	PAN & GST registration number	

Eligibility Criteria

1	Whether the firm meets all the eligibility criteria (Yes/No)	
2	No. of years of experience	
3	Date and year of registration of Chartered Accountants firm (dd/mm/yyyy)	
4	Whether firm is empaneled with C&AG (Yes/No)	
5	C&AG empaneled no.	
6	Whether firm has peer review by members of ICAI for any financial year (Yes/No). The year of peer review shall be mentioned.	
7	No. of Partners (as on closing date of application)	
8	No. of Chartered Accountant Employees (as on closing date of application)	
9	No. of Article/ Audit Clerks (as on closing date of application)	
10	Whether the Chartered Accountants firm have its office at Thiruvananthapuram.	

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Expression of Interest (EOI)

11	Declaration regarding for Non- Blacklisting by State/UT/Central Govt./PSU	
12	Whether the Chartered Accountants firm have an experience of conducting requisite no. of statutory and/or internal audit of eligible clients/organization (Provide list of eligible clients/organization along with their turnover financial year wise and enclose their appointment letters)	
13	Annual turnover of CA firm for	
	a. FY 2019 -20	
	b. FY 2020 -21	
	c. FY 2021 -22	
	d. FY 2022 -23	

Note: Use additional sheets wherever necessary.

Annexure- II**The scope of work of Internal auditor shall include:**

1. Examination and evaluation of adequacy and effectiveness of the controls and management system at various operations and activities of the Organization.
2. Review of the accuracy and reliability of the accounting records and financial reports.
3. Evaluation of adherence to legal and regulatory requirements and approved policies and procedures.
4. Evaluation of effectiveness of existing policies and procedures and give recommendations for improvement.
5. Suggest measures to add value, improve operational efficiency, risk management and internal control systems.

The following functional/ operational areas shall be covered by the internal auditor:

SL No	Area	Broad Audit Coverage
1	Finance & Accounts	Payments are duly authorized and supported by receipts issued by Recipients and accounted in the books of Accounts without delay.
		Receipt of money are duly acknowledged by issue of Receipts which are serially numbered and accounted in the books of Accounts without delay.
		Cash Book is written on a day-to-day basis, balanced at the close of the day with balance physically verified and certified
		Ledger is updated daily, scrutinized quarterly and necessary adjustment entries made.
		Payments to contractors are against Bills and strictly in accordance with the terms and conditions of the contract.
		In the preparation of Financial Statements, the Institution has complied with various applicable Accounting Standards issued by ICAI.
		Whether grants received are properly accounted and utilized in accordance with the terms and conditions contained in the Govt Order.
		Whether medical reimbursement, telephone reimbursement and travel reimbursement are in line with organisational standard polices.
Whether honorarium payments are made within the limits prescribed.		

		Whether bank accounts are properly maintained, reconciled monthly and confirmation obtained at the year end, including Fixed Deposit.
		Whether Invoices are duly raised properly, and Receivables are duly collected, accounted, and deposited in the bank without delay.
		Whether capital and revenue budgets are prepared in the beginning of the year and variance analysis is made at year end.
		Whether reports required for Managerial decision making are generated and transmitted.
		Whether all Sponsorships/donations/CSR funds/ Registration fees are accounted and Income, if any, recognised on a timely basis.
		Scrutiny of annual accounts prepared by the management.
		Verification while finalizing the annual accounts.
		Verifying the contractor's ledger at our location at Technology Innovation Zone, Kalamassery once in 3 months or so.
		Verify the bills raised for License fee on monthly basis with agreement.
		Review of all FDs receipts
		Verify the fixed deposits and it's TDS with 26AS.
		Ledger Scrutiny, General management of payables and receivable.
		Check whether advances to employees and suppliers are settled on time.
		Check whether advances to employees and suppliers are settled on time.
		Check whether investment made under fund of fund (FoF) scheme are complied with the terms and conditions of agreement signed.
2	Human Resources & Administration	Check whether appointment letters / renewal letters are available on the HR files.
		Whether contract agreements are keeping up to date.
		Check whether salary register maintained properly including statutory deductions, EL calculations etc.
		Check whether all employees are covered under the Group insurance policy of the organisation.
		Check travel, accommodation and reimbursements are in line with organization's policies.
3	Statutory compliance	Whether Institution has complied with the provisions of, EPF Act, ESI Act, Income Tax Act, GST Act, and other relevant Acts.
		Whether all foreign payments are done after compliances of all applicable laws.
		Give necessary suggestions for GST, TDS, IEC and Income Tax and its return filing.
		Whether the organization is complied with CSR receipts and spent.
4	Grant/ Seed assistance/ Other assistance	Whether all grants, seeds and other assistance are supported by agreement.
		Tranche disbursements are in line with agreement terms and

		conditions.
		Collection mechanism of seed fund assistances.
		Whether sanctioned grants are disbursed in fully with in the financial year.
		Whether sanctioned grants are utilised and collected utilisation certificates timely before release of next tranches.
		Review of the documentation for all grant/seed supports.
5	Contract/ Work/Service/Purchase order Management	Whether the institution has a proper purchase procedure for acquisition of capital and revenue items.
		Check the Adherence of contract terms and conditions in respect of release of advance payment,
		Check the transparency of system of Selection and appointment/award of consultants/contractors and is supported by agreements duly executed.
		Check whether all contract agreements to which payments are made is live.
6	Processing / passing of running bills	Review of sanction and approval process of bills
		Review of system of adjustment on account of material, advance amount etc.
		Compliance of statutory requirement - Deduction of TDS, Work contract tax
		Review of process of recovery / waiver off of L.D charges
		Review of process of settlement of deviations - increase in scope of work, increase in quantity etc.
7	Fixed assets	Review of Fixed Assets Register maintained by the organization.
		Whether there is a Control register maintained for Fixed Assets owned.
		Whether assets are acquired is timely capitalised.
		Review of capitalisation of assets acquired out of Grant.
		Review of capital work in progress and its timely capitalization.

Annexure-III Financial Proposal Submission Format

Date

To
The Chief Executive Officer,
Kerala Startup Mission
G3B, Tejaswini, Technopark Campus,
Kariyavattom Trivandrum- 695581

Dear Sir/Madam,

Sub: Selection of Internal Auditor of KSUM.

We, the undersigned, offer to provide the Internal Audit services for KSUM. In accordance with your EOI dated 28.05.2024, we offer to provide the aforesaid services for the sum of _____ [Insert amount in words and figures] per annum. This amount is exclusive of GST but inclusive of out-of-pocket & all other costs and is the maximum amount payable to us from Financial Year 2024-25, in pursuance of this assignment.

We hereby accept to provide the Internal Audit services to KSUM as per the terms and conditions for a further period of 2 years with a nominal hike in fee and understand that such extension is at the sole discretion of KSUM., depending upon our performance during the Financial Year 2024-25.

We understand you are not bound to accept any proposals you receive.

Yours sincerely,

Authorized Signature [In full and initials]:

Name and Title of Signatory:

Name of the Firm:

Address:

Annexure-IV - Declaration of ineligibility

(In the Letter head of the Partnership Firm / LLP)

We, M/s
hereby certify that, we have not been banned/de-listed/de-barred/ blacklisted/disqualified by any
PSU/Govt. Department / statutory body for corrupt or fraudulent practices.

(Signature and seal of the firm)

Annexure - V
Declaration

(In the Letter head of the Partnership Firm / LLP)

I, _____ Partner of the Firm _____, hereby certify that all information furnished by our Firm is true & correct and I shall abide by the terms & conditions set by the organization and in the event that the information is found to be incorrect/untrue or found violated, then your organization shall without giving any notice or reason thereof summarily reject the bid or terminate the contract.

(Signature and seal of the firm)