

ANDHRA PRADESH STATE CIVIL SUPPLIES CORPORATION LIMITED

Sub: Enquiry for appointment of Chartered Accountants' firms as Pre Auditors

Andhra Pradesh State Civil Supplies Corporation Ltd. (APSCSCL) is a wholly owned State Public Sector Undertaking of the Government of Andhra Pradesh. Being the notified and authorized Agency of Government of Andhra Pradesh for Procurement & Distribution operations of Paddy and Rice and other essential commodities under Public Distribution System (PDS) the AP State Civil Supplies Corporation Ltd procures Paddy from farmers within the State, gets the same milled by the Millers and finally gets the rice transported via Buffer Godowns and Mandal Level Supply (MLS) Points to Fair Price Shops for distribution under PDS. The payments to Farmers, Millers and transporters are made by the corporation. The Corporation is mobilizing required finances from Banks and making claims for subsidy from GoI and GoAP. The Corporation receives interim payments from Govt of India, pending finalization of claim.

The Corporation has 26 District offices and five Zonal offices. The annual turnover of the Corporation for the year 2021-22 is Rs.24000 Crores (approx).The Corporation wishes to appoint Chartered Accountants' firms as Pre Auditors to carryout pre audit of payments being released from its District Offices & Head Office for a period of two (2) years 2023-24 & 2024-25, which can be extended up to another Two (2) years on mutual agreement. The District Offices have been grouped into 8 segments. The Segment wise, district wise Mandal Level Stock points, Buffer Godowns, LPG Points & Petrol Bunks are as under:

S.No	Segment	Name of the District	MLS points	Buffer Godowns	LPG Outlets	Petrol Bunks
1	I	Head Office				
2	II	Srikakulam	14	10	0	1
3		Vizianagaram	11	7	0	0
4		Manyam	8	5	0	0
5	III	Visakhapatnam	6	3	1	1
6		Anakapalli	16	1	0	0
7		ASR	14	1	0	0
8	IV	East Godavari	5	5	1	0
9		Konaseema	6	11	0	0
10		Kakinada	7	8	1	2
11	V	West Godavari	6	13	0	1
12		Eluru	8	8	0	0
13		NTR	7	4	0	0
14	VI	Krishna	7	12	0	0
15		Guntur	7	2	2	2
16		Palnadu	10	6	0	0
17		Bapatla	7	5	0	0
18	VII	Prakasam	10	1	1	1
19		Nellore	11	13	3	1
20		Chittoor	14	1	1	0
21	VIII	Kadapa	13	3	0	1
22		Tirupathi	12	4	1	0
23		Annamayya	12	1	0	0
24	IX	Nandyal	10	3	0	0
25		Kurnool	7	2	0	0
26		Ananthpuramu	12	2	1	0
27		Sri Satya Sai	11	12	0	0
		Total	251	143	12	10

General Guidelines and Selection Process:

1. Agencies are required to submit the proposal as per the guidelines and formats detailed out in the following paras:
 - i. The original and all copies of the Technical Proposal shall be placed

in a sealed envelope clearly marked “TECHNICAL PROPOSAL” Similarly, the original Financial Proposal shall be placed in a separate sealed envelope clearly marked “FINANCIAL PROPOSAL” and with a warning “DO NOT OPEN WITH THE TECHNICAL PROPOSAL.” The envelopes containing the Technical and Financial Proposals shall be placed into an outer envelope and sealed. This outer envelope shall bear the submission address, reference number and title of the Assignment, and be clearly marked “DO NOT OPEN, EXCEPT IN PRESENCE OF THE TENDER COMMITTEE”. The APSCSC shall not be responsible for misplacement, losing or premature opening if the outer envelope is not properly sealed and/or marked as stipulated. The proposals not in conformity with this are liable for rejection. If the Financial Proposal is not submitted in a separate sealed envelope duly marked as indicated above, this will constitute grounds for declaring the Proposal non-responsive.

- ii. The selected firm shall not sub let the audit work to any other firm.
- iii. A firm should submit only one proposal, irrespective of number of segment quoted. If a firm submits more than one proposal the latest (the proposal received last) only shall be considered.
- iv. The firms having experience in Audit of State/Central Public Sector Undertakings will be preferred.
- v. All agencies must comply with the Technical Specification, General Conditions and Format/Requirements for Technical and Financial proposal.
- vi. The Technical Proposal shall be marked “ORIGINAL” or “COPY” as appropriate. All required copies of the Technical Proposal are to be made from the original. If there are discrepancies between the original and the copies of the Technical Proposal, the details as mentioned as mentioned in the Original shall prevail.
- vii. Financial proposals submitted by the firm should be valid for three (3) months from the date of submission of the proposal by the firm.
- viii. Each page, Form, Annexure and Appendices of the Technical and Financial proposal must be signed by the Authorised signatory of the firm.

Financial Proposal: The financial proposal shall be submitted for an all inclusive fee per annum. Applicable taxes will be paid extra.

2. Selection of firms will be primarily based on the marks scored by the firms as per the scoring pattern given below:

Parameters to be considered while evaluating the offers submitted by the firms and other conditions are given below:

1. The firm should have atleast 4 partners as on 01/02/2023.
2. The firm should be in existence atleast for last 15 years.
3. The turnover of the firm during preceding 3 financial years shall not be less than Rs.60.00 lacs per annum.
4. The firms should have their Head office located in the State of Andhra Pradesh or should have their Branch office in the State of Andhra Pradesh.
5. The firm must have at least 40 staff including qualified/ semi- qualified/ Articled Clerks and others
6. The firm or any of its partners should not have been black listed by any State / Central PSUs or Govt. Co. or any other organization for any reason. [*Self attested affidavit*]

on Rs.100/- stamp paper to be given in this regard by the authorized person of the firm].

Technical Bid Evaluation criteria:

Sl.No.	Eligibility Criteria	Marks	Marking System
1	a). The firms having their Head office located in State of Andhra Pradesh.	5	
	b). The firms having their Head Office located in a State other than Andhra Pradesh, having a Branch office in the State of Andhra Pradesh.	3	
2	The Chartered Accountant Firm should have a minimum of 15 (Fifteen years) of standing in practice.	10	For 15 years – 5 Marks
			For 16--20 years - Additional 2 Marks
			For 21-25 years - Additional 2 Marks
			More than 25 years – Maximum 10 marks
3	The Firm should have minimum 4 (Four) partners as on 01.02.2023 of which 2 of the partners should be FCA with relevant audit experience. Of the total number of partners, at least Two partners of the firm should have been continuously associated with the firm as partner for a minimum of 10(Ten) Years.	10	4 Partners as on 01.02.2023 and 2 FCAs - 5 Marks
			5- 8 Partners as on 01.02.2023 and 4 FCA - 8 Marks
			More than 8 Partners as on 01.02.2023 and 6 FCA - 10 Marks.
4	The CA Firm must have at least 40 staff including qualified/ semi- qualified/ Article and other staff and must be able to depute 15- 20 people at any point of time.	15	40 Staff - 8 Marks
			41-60 staff - additional 3 marks
			>60 staff - additional 4 marks
5	The Firm must have minimum average gross receipts of at least Rs.60.00 lacs each in the last 3 years.	15	Annual Turnover of Rs. 60.00 lacs - 5 marks. For every additional Rs.10.00 lacs , 2 marks subject to maximum of 10 marks
Total Marks		55	

The Firm(s) which obtains minimum 60% of marks based on the technical criteria prescribed would be treated as ‘technically qualified’

Financial Bids:

The financial proposal(s) of only technically qualified Firm will be opened and will be evaluated following the Quality and Cost Based Selection (QCBS) with 70:30 ratio where, 70% weightage on technical score and 30% weightage on financial score. Further wherever more than one firm has got the highest marks, the firm having a branch in that particular segment will be given preference.

Firm quoting the lowest fee is awarded 100 marks. L2, L3, L4 firms are awarded marks based on the following formulae.

$$\frac{\text{Fee quoted by L1 firm}}{\text{Fee quoted by L2, L3, L4 ... firm}} \times 100$$

Minimum fee for each district:

Segment	Place	Minimum fee per Month	Minimum fee per annum	Minimum fee per annum per segment
1	Head office	65000	780000	780000
2	Vizianagaram	45000	540000	
2	Srikakulam	55000	660000	
2	P. Manyam	45000	540000	1740000
3	Visakhapatnam	35000	420000	
3	ASR	35000	420000	
3	Anakapalli	40000	480000	1320000
4	Konaseema	45000	540000	
4	Kakinada	45000	540000	
4	East Godavari	45000	540000	1620000
5	West Godavari	50000	600000	
5	Eluru	50000	600000	
5	NTR	40000	480000	1680000
6	Palanadu	35000	420000	
6	Krishna	50000	600000	
6	Guntur	35000	420000	
6	Baptala	40000	480000	1920000
7	Prakasham	45000	540000	
7	Nellore	55000	660000	
7	Chittor	40000	480000	1680000
8	YSR Kadapa	35000	420000	
8	Tirupathi	35000	420000	
8	Annamayya	35000	420000	1260000
9	Satya Sai	35000	420000	
9	Nandyal	40000	480000	
9	Kurnool	35000	420000	
9	Ananthapur	40000	480000	1800000
Total		1150000	13800000	13800000

The Tenderers are free to quote a lesser fee than what is prescribed in the table above.

3. The selected firms shall submit Pre Audit Report of the Segment allotted to them on a monthly basis. The Audit Report should reach the office of VC & Managing Director with a copy to Chief Audit Officer, District Manager, not later than 10th of succeeding month.

In case of delay in reaching of report the following penal provisions will apply

SI No	No of days of delay	Penal Provision
1.	0 -2 days	05 % of monthly audit fee
2.	3-5 days	10 % of monthly audit fee
3.	> 5 days	15 % of monthly audit fee

6. Appointment will be for 2 years initially to be extended for two more years by mutual consent.

7. Payment of fee shall be made on a monthly basis after receipt of the Reports for that month, duly accompanied with the Audit Certification from the District Manager.

8. Profile submitted by firms should, inter alia, include the following details.

- a) Name of the firm with Regn. No.
- b) Addresses of Head Office and Branch Offices (due proof to be enclosed).
- c) Names of the partners with Membership Regn. Nos.
- d) No. of FCAs & ACAs (showing partners and employees separately).
- e) No. of years of standing of the firm in practice.
- f) Names of the clients for whom Internal Audit and Statutory Audit was carried out and the period thereof.
- g) Copy of Empanelment Letter from CAG, if any.
- h) Details of PSU audit experience, if any

9. Only the students who are undergoing Article Clerk Training or those who have completed their Article Clerk Training are to be deputed for the Audit work, who are to be under continuous supervision of a Chartered Accountant / Partner. Adequate deployment is to be made based on the work.

10. The staff attending for Audit should carry an appropriate Identity Card issued by the Firm. For any replacement of an auditor, prior intimation to the District Manager concerned is to be given. The staff should be present on every working day. An attendance certificate to this effect is to be enclosed while claiming the Bill.

11. Corporation reserves the right to modify the qualifying criteria and / or cancel the tender without assigning any reasons thereof.

12. Interested firms may please send their offer for one or more segments duly understanding the scope of work to reach us on or before 23.03.2023 in two-bid system i.e., technical bid, giving the details for technical qualification and Price Bid giving clearly price, segment wise, in two separate sealed envelopes, duly super scribing as “Technical Bid” & “Price Bid” on the envelopes. The offer may be addressed to “VC & Managing Director, AP Civil Supplies Corporation Ltd., Head Office, Sri Sai Towers, Door No. 10-152/1, 4th & 5th Floor, Ashok Nagar, Beside SIRIS Company, Bandar Road, Kanuru, Vijayawada – 520 007.”

Scope of Pre Auditors

1. Daily Funds indents to be audited to ensure that the funds are indented for the works / supplies for which payments have been approved.
2. To ensure that payments are released for the purpose they were indented for.
3. To ensure that all payments released on any previous day have been pre audited.
4. To ensure that no transaction is made by District Office by means of Net Banking. This is to be checked with online bank statement with “View” option.
5. To ensure that payment which is being processed is supported with requisite approvals; enclosures, proper invoice etc. The physical copies of these are to be stamped as “Pre Audited”.
6. The bill along with documents which are stamped as “Pre Audited” will be uploaded in the system by the Maker of the bill, which are to be recommended for payment by the Pre Auditor using digital signature.
7. While recommending the bill for payment in centralized payment system, to ensure that the documents which are uploaded are relevant to the bill recommended for payment.
8. To ensure expenditure is booked to the appropriate Head of Account.
9. While releasing payment to ensure that all statutory recoveries are taken care, as per the relevant applicable sections of respective Acts. To ensure that all statutory recoveries that are made are remitted in time.
10. To ensure that while filing the quarterly / annual returns, credits have been given to the agencies from whom recoveries are made. A certificate to this effect is appended to the Audit Report.
11. To reconcile with cash book & bank statement every fortnight to ensure all payments made were subjected to pre audit. A confirmation to this effect is to be made in the Audit Report.
12. To verify the documents submitted by millers / vendors at the time of party registration are correct.

Above Scope is only indicative but not exhaustive. Pre Auditors may verify any other point which they feel is required to be brought to the notice of the Management. The Management may also add any other point during the course of Audit if felt appropriate.

Due to any unforeseen conditions, if the bills are to be recommended for payment in a mode other than Centralised Payment System, such payments are to be verified based on the specific instructions received from CAO / CFO / VC &MD in this regard.