

ANDHRA PRADESH STATE CIVIL SUPPLIES CORPORATION LIMITED

Sub: Enquiry for appointment of Chartered Accountants' firms as Pre Auditors for the period 01/07/2023 to 30/06/2025

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 bills being processed from its District Offices for subsequent release of payment from Head Office. The Head office situated at Vijayawada will release the payment for bills processed at various districts apart from processing bills and releasing thereof at Head Office. The Head Office is identified as Segment 1.

The Corporation wishes to appoint Pre Auditors to verify the bills / payments being released from its District Offices and Head Office, for a period of two (2) years from 01/07/2023 to 30/06/2025, which can be extended up to a maximum of another Two (2) years on mutual agreement. The Segment wise, district wise Mandal Level Stock points, Buffer Godowns, LPG Points & Petrol Bunks are as under:

Sl.No	Segment	Name of the District	MLS points	Buffer Godowns	LPG Outlets	Petrol Bunks
1	I	Head Office	Nil	Nil	Nil	Nil
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

The entire work is divided into two parts as under:

General Guidelines & Eligibility Criteria:

- a. The Head Office of the Firm shall be located in the State of Andhra Pradesh /Telangana. A copy of extract from ICAI portal to this effect is to be enclosed.
- b. The Firms should meet the eligibility criteria given below to participate in the tender. The Firms shall satisfy themselves w.r.t. eligibility criteria before quoting for the tender.
- c. A firm should submit only one proposal, irrespective of number of segment quoted under Part B. If a firm submits more than one proposal the latest (the proposal received last) only shall be considered.
- d. The Firms quoting for the tender shall enclose all necessary documents in support of their eligibility along with the technical bid. Bids not supported with the requisite documents are liable to be rejected. No correspondence shall be made w.r.t. deficiency / non-submission of documents.
- e. Financial bids submitted by the firm should be valid for three (3) months from the last date of tender submission.
- f. Each page, Form, Annexure and Appendices of the Technical and Financial proposal must be signed by the Authorized signatory of the firm.
- g. The selected firm shall not delegate the work to others.
- h. The firms should deploy minimum Nine and Two auditors on every working day for each district in Part A & Part B respectively.
- i. The firms quoting for Part A are not entitled to quote for Part B.
- j. The firms can quote for any number of segments under part B but maximum 2 segments only will be allotted to any firm under Part B.
- k. The firms having experience in Audit of State/Central Public Sector Undertakings other than Banks & Insurance Companies will be preferred.

Eligibility Criteria

Sl No	Parameter	Eligibility Criteria		Mandatory Documents to be submitted
		Part A	Part B	
1.	Location of Head office	In the State of Andhra Pradesh / Telangana. The Firm should have a Branch in Andhra Pradesh	In the State of Andhra Pradesh / Telangana. The firm should have a Branch in Andhra Pradesh	Relevant extract from ICAI website
2.	Minimum Experience	30 years	20 years	Relevant extract from ICAI website
3.	No of Partners as on 31/03/2023	8	4	Relevant extract from ICAI website
4.	Minimum No. of FCAs associated with firm for last 10 years	4	2	Relevant extract from ICAI website
6.	Empanelment with CAG under Category 'A' continuously	8 years	4 years	Acknowledgement from C&AG about empanelment.
7.	Professional Manpower (qualified CAs other than partners, semi qualified CAs, Article /Audit assistants, paid assistants who have completed article ship etc) strength	Minimum 35	Minimum 15	Full particulars of manpower with ICAI membership no /SRO No., qualification engaged by the firm full time at respective branches to be furnished.
8.	Minimum Annual Turnover for last 3	Rs.300 lacs	Rs.100 lacs	Income Tax Acknowledgement

years		or equivalent.
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The proposals not in conformity with above are liable for rejection.

Bidding System:

- The bids are to be submitted under Two Bid System i.e. A. Technical Bid & B. Financial Bid. These bids are to be submitted in two separate sealed covers clearly mentioning as “Technical Bid” & “Financial Bid”
- These two sealed covers shall then be put in a separate cover clearly super scribing the cover as “EoI for appointment as Pre Auditors”. The cover should also contain the sender’s address & contact no.
- If the Technical Bid & Financial Bid are not submitted in a separate sealed covers duly marked as indicated above, this will constitute grounds for declaring the Proposal invalid and is liable to be rejected.
- The APSCSC shall not be responsible for any misplacement, losing or premature opening if the outer envelope is not properly sealed and/or marked as stipulated.

Bid Evaluation:

- The Technical Bids will be evaluated based on the criteria given above and will be evaluated awarding the marks for the following parameters as under:

Sl.No.	Eligibility Criteria	Marks	Marking System	
1.	The Chartered Accountant Firm should have a minimum of 20 (Twenty years) of standing in practice.	20	Part A 30 years – 10 Marks 31-35 years – 15 Marks >35 years 20 marks	Part B 20 years – 10 Marks 21-25 years – 15 Marks >25 years 20 marks
2	No of Partners as on 31/03/2023	15	Part A 8 Partners – 10 Marks 9-12 partners – 12 >12 partners - 15	Part B 4 Partners – 10 Marks 5 -6 partners – 12 >6 partners - 15
3	Minimum No. of FCAs associated with firm for last 10 years	15	Part A 4 Partners – 10 Marks 5-6 partners – 12 >6 partners - 15	Part B 2 Partners – 10 Marks 3-4 partners – 12 >4 partners - 15
4	Professional Manpower (qualified CAs other than partners, semi qualified CAs, Article /Audit assistants, paid assistants who have completed article ship etc) strength	25	Part A 35 Manpower - 15 Marks 36-40 Manpower - 20 marks >40 manpower - 25 marks	Part B 15 Manpower - 15 Marks 16-20 Manpower - 20 marks >20 Manpower - 25 marks
5	Minimum Annual Turnover for last 3 years	25	Part A Rs 300 Lacs -10 Marks Rs 301 – 400 lacs -20 marks >400 lacs 25 marks	Part B Rs 100 Lacs -10 Marks Rs 101 – 150 lacs -20 marks >150 lacs 25 marks
Total Marks		100		

A firm should get atleast 60 marks to get technically qualified.

Financial Bids of only such agencies, which have qualified in the Technical Bid will be opened.

Financial Bid:

- The financial bid shall be submitted for an all inclusive fee per month. Applicable

- taxes will be paid extra.
- The financial bid(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.

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

Based on the quantum of work involved, the minimum fees for each segment are indicated as under.
The Tenderers are not to quote fee less than what is indicated below for each segment.

Minimum fee for each district:

Segment	District	Proposed Minimum fee per Month excluding Taxes	Segment wise total per month excluding Taxes
1	Head office	150000	
Segment Total			150000
2	Vizianagaram	40000	
2	Srikakulam	60000	
2	P. Manyam	40000	
Segment Total			140000
3	Visakhapatnam	35000	
3	ASR	35000	
3	Anakapalli	40000	
Segment Total			110000
4	Konaseema	40000	
4	Kakinada	45000	
4	East Godavari	40000	
Segment Total			125000
5	West Godavari	60000	
5	NTR	50000	
5	Eluru	60000	
Segment Total			170000
6	Palanadu	35000	
6	Krishna	55000	
6	Guntur	40000	
6	Baptala	40000	
Segment Total			160000
7	Prakasham	45000	
7	Nellore	60000	
7	Chittor	45000	
Segment Total			150000
8	YSR Kadapa	40000	
8	Tirupathi	35000	
8	Annamayya	35000	
Segment Total			110000
9	Satya Sai	35000	
9	Nandyal	40000	
9	Kurnool	40000	
9	Ananthapur	40000	
Segment Total			155000
Grand Total			1280000

Other Conditions:

- i. Payment of fee shall be made on a monthly basis after receipt of the Reports for that month, duly accompanied with the Audit Certification along with attendance report of pre auditors from the District Manager.
- ii. 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.
- iii. Appointment will be for 2 years initially to be extended for two more years by mutual consent. The appointed pre auditors should abide with all the terms and conditions w.r.t. scope of work, deployment of manpower as indicated above, timely submission of report etc.
- iv. The contract / work can be terminated from either side by giving a notice of atleast 45 days.
- v. 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
- vi. 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.
- vii. 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.
- viii. Corporation reserves the right to modify the qualifying criteria and / or cancel the tender without assigning any reasons thereof.

Interested firms may please send their offer for one or more segments duly understanding the scope of work to reach us on or before **17.30 hrs on 20/06/2023** 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 superscribing 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.”

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Scope of Pre Auditors for Part A

1. Maintain a Log book, District wise recording the payment approvals received from each district.
2. Verify the bills received with respect to correctness, adequacy of approvals, documents etc.
3. Verify the bills being processed at Head Office for its correctness, adequacy of approvals & documents.
4. Verify whether the Invoices, approvals and other enclosures are stamped as “Pre Audited”.
5. If found to be in order in all respects, process the bill duly signing with Digital Key and forward the file to Checker. If not, send back the bill to the concerned District Civil Supplies Manager.
6. Update the log book accordingly.
7. 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”. For all payments to be released, approval of Competent Authority.
8. The bill along with documents which are stamped as “Pre Audited” will be uploaded in the system by the Maker of the bill. The Pre Auditor has to ensure that no payment has been released earlier on the particular bill and an endorsement “Certified that no payment has been released on this bill earlier” is to be made on the original hard copy of the bill. This bill will then, along with its enclosures will be uploaded by the Maker, checked by the Checker and then has to be signed with the digital key by the Pre Auditor.
9. 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.
10. To ensure expenditure is booked to the appropriate Head of Account. In case there are more than one Debit Heads of Account in the bill, ensure that amounts have been booked appropriately.
11. To ensure that all payments released on any previous day have been pre audited.
12. While releasing payment to ensure that all statutory recoveries and contractual 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.
13. To ensure that while filing the quarterly / annual returns of Income Tax, credits have been given to the agencies from which recoveries are made. A certificate to this effect is appended to the Audit Report.
14. 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.
15. To ensure that no bill which is received from District is pending for payment for more than 48 hrs, except for the reason of fund availability.

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 revise the guidelines 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.

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Scope of Pre Auditors for Part B

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. The Pre Auditor has to ensure that no payment has been released earlier on the particular bill and an endorsement “Certified that no payment has been released on this bill earlier” is to be made on the original hard copy of the bill. This bill will then, along with its enclosures will be uploaded by the Maker, checked by the Checker and then has to be signed with the digital key by the Pre Auditor.
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. In case there are more than one Debit Heads of Account in the bill, ensure that amounts have been booked appropriately.
9. While releasing payment to ensure that all statutory recoveries and contractual 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 of Income Tax, 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 revise the guidelines 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.

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