



Andhra Pradesh Industrial Infrastructure Corporation Ltd.
(An Undertaking of Government of Andhra Pradesh)

Invitation of bids from Chartered Accountants/Cost Accountants firms for conducting Internal Audit for the FY 2014-15 and 2015-16.

Andhra Pradesh Industrial Infrastructure Corporation Ltd is the premier organization in the state of Andhra Pradesh, vested with the objective of providing industrial infrastructure through the development of industrial areas. APIIC is a wholly owned Undertaking of Government of Andhra Pradesh. The corporation has so far developed more than 300 industrial parks spreading over an extent of about 1,21,655 acres (including allotted area). Besides, the corporation is also developing sector focused parks like apparel park / food processing parks / leather parks, Special Economic Zones in the state.

With the advent of economic liberalization the Corporation has reoriented itself to the changing needs of economy and assumed the role of facilitator. To its credit the Corporation has developed Hi-Tech city with a private promoter.

APIIC is inviting the Bids from the interested Chartered Accountants / Cost Accountant firms for conduct of internal audit in all 8 Zonal Offices and APIIC – IALA Units in Andhra Pradesh for the Financial Years 2014-15 and 2015-16. The Chartered Accountants / CA firms who have submitted expression of interest and technical bid should also submit the expression of interest and technical bid, to consider their expression of interest.

Scope of Work:

The selected Chartered Accountant/Cost Accountant firm should conduct the internal audit of all 8 Zonal Offices and all the APIIC-IALA Units in Andhra Pradesh for the Financial Years 2014-15 and 2015-16.

Eligibility Criteria:

Terms & Conditions:

1. The period of audit is for the Financial Years 2014-15 and 2015-16 only, subject to review after six months from the date of appointment.
2. The scope of audit is at Annexure I and II

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3. The audit firm shall be selected region wise in the following manner:
 - I. Srikakulam, Vizianagaram and Visakhapatnam districts with Head Quarters at Visakhapatnam.
 - II. East Godavari, West Godavari, Krishna and Guntur districts with Head Quarters at Kakinada or Vijayawada.
 - III. Kadapa, Kurnool and Ananthapur Districts with Head Quarters at Ananthapur or Kadapa.
 - IV. Chittoor, Prakasam and Nellore Districts with Head Quarters at Nellore or Tirupathi.
4. The audit firm shall have the option to select the Head quarters as stated above or in the district at which their Audit office/Branch is situated.
5. The audit firm shall consist of one Senior Qualified Chartered Accountant or a Cost and Management Accountant having post qualification experience of not less than 10 years. If necessary more than one audit team may be engaged to complete the work assigned in time.
6. The audit firm shall have 5 years experience in the audit of Public Sector Undertakings. The Corporation has the right to relax the above condition in case of non availability of the qualified audit firms.
7. The audit firm should have an experience in Management work such as verification of Assets.
8. The audit team shall consist of one qualified chartered accountant/cost accountant having at least 5 years experience and two semi-qualified Chartered accountants or Cost and Management accounts. If the partner is not member of the audit team, one senior partner shall associate with the audit team to finalize the audit programme and to supervise the audit work/finalize the internal audit report.
9. The audit team shall conduct audit for a minimum period of 30 days in a year or 7 days in a quarter. If the audit team fails comply with this condition, the remuneration shall be reduced proportionately.
10. Audit programme will be finalized in consultation with the Head of finance who will coordinate all the work relating the Internal audit.

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11. The audit shall be conducted as per the internal audit standards and shall cover all areas without any omission as per the standard. Important items of work to be covered by the audit are as per the prescribed format and the report shall invariably cover all the items of work mentioned in Annexure I & II including Schedule of Party wise balances, Amount due from allottees, loss of revenue on account delay in issue of notices, due to non adherence to APIIC allotment regulations and loss of revenue due to deviations or discrepancy in the layouts or site plans.
12. Any other point which auditors would like to cover during their audit may be mentioned in the report.
13. The audit team shall submit audit reports for APIIC activities Zone wise separately. As APIIC - IALA units are independent units with the Commissioner, APIIC - IALA concerned. The audit firm shall submit audit report for each APIIC – IALA units separately. Further the internal auditors shall certify the Balance Sheet of APIIC- IALA units.
14. The audit team shall suggest necessary rectifications in accounting aspects if any.
15. The internal audit report should be finalized after discussion with the concerned Zonal Manager and audit report shall be submitted to Zonal Office concerned under copy to the Head Office.
16. The reports may please be made within the time specified.
 - I. For the FY 2014-15 the report shall be submitted by 30th April, 2015.
 - II. For the FY 2015-16 the report shall be submitted quarterly within one month from the end of each quarter.
17. Reports shall not only point out defects / irregularities but also give positive suggestions to overcome defects.
18. The audit team shall attend to the review / discussion of Audit Reports submitted with Finance Wing / Local Authority Department for suggestion and action to be taken on the points brought in the report and if required they have to attend audit committee meetings.
19. A minimum remuneration of Rs. 2,00,000/-per year per region excluding out of pocket expenses and service tax shall be paid. The audit firm may quote at higher remuneration than the minimum remuneration depending upon the size and nature of the transactions.

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20. No out of pocket expenses and conveyance expenses shall be paid for conducting audit at Head Quarters, selected by them.
21. Out of pocket expenses in respect of conveyance shall be paid at actual not exceeding AC2 tier Fair and Boarding and lodging expenses shall be paid at the rate of Rs. 750/- per day for each of the assistants and Rs.1000/- per day for partner for conducting audit at outstations.
22. Remuneration shall be paid quarterly i. e 20% of the total remuneration shall be paid at the end of each quarter for the first three quarters and balance 40% of remuneration shall be paid at the end of the 4th quarter on submission of the internal audit report up to the satisfaction of the Corporation.
23. The Corporation has the right to cancel the assignment if the work is not satisfactory.
24. In case of discontinuance of the work, the fee will be paid proportionately for the period of audit work.
25. The Local audit firm/team will be selected region wise as mentioned Para no. 3. The firm of Chartered Accountants/Cost Accounts should be located in the region or should have a branch office in that region where they have expressed their interest to conduct audit.

The interested Chartered accountants / Cost Accountants firms are requested to submit their expression of interest and technical bid stating the compliance of the above eligibility criteria in a sealed cover on or before 6th March, 2015 to the Chief General Manager (Finance), APIIC Ltd., 4th Floor, Parishramabhavan, Basheerbagh, Hyderabad-500004. The technical bids are evaluated and the short listed Chartered accountants / Cost Accountants firms will be communicated the volume of work for submitting the financial bid in sealed cover.

Date: 13-02-2015


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VICE CHAIRMAN & MANAGING DIRECTOR
APIIC Ltd., 5-9-58/B, Parishrama Bhavan, 4th Floor
Basheerbagh, Hyderabad – 500 004
Email: vc&md@apiic.in
Ph: No.040 23210553; Fax: 040 - 23233251



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ANNEXURE – I

SCOPE OF INTERNAL AUDIT IN RESPECT OF ZONAL OFFICES for the F.Y.2014-15 & 2015-16.

General Scope of Work:

The purpose of Auditors' presence is to provide a second look on the operations of the Corporation. The Internal auditors have to essentially see whether the transactions or decisions are within the policy parameters of the Corporation and that they are within the delegated authority and in compliance with the terms and conditions for exercise of such an authority. The internal auditors shall mainly focus on the core activities of the Corporation i.e transactions relating to the allotments, agreements and sale deeds. 100% Scrutiny of every transaction in relation to the allotments, agreements and sale deeds, interest and penalty calculations etc. with reference to the APIIC allotment regulations, delegation of powers and provisions.

Areas of Audit, Scope and Periodicity of Audit:

I. Finance Related:

1. 100% Physical verification of Cash Books with supporting vouchers of Operative Bank and Non Operative Bank accounts of the Zone and Subzones.
2. Verification of variations in utilization of funds released from Head Office and weekly transfers of Collections to Head Office.
3. 100% verification of cash and bank books personnel claims, civil works, bank vouchers, journal vouchers etc. with reference to delegation of powers and provisions. Verification of Transactions properly recorded, documented and vouched.
4. Verification of Income and expenses vouchers, bills for services rendered to ensure of statutory compliances like TDS (salaries & others), service tax, VAT and other statutory recoveries.
5. Review of schedule of Misc. Liabilities Stale cheques and Forfeiture of Stale Cheques account
6. 100% Physical verification of Assets at the beginning of the year, additions and deletions and reconciliation of the same with the books of accounts once in every quarter.
7. Review of imprest account and temporary advances to staff.
8. Review and Scrutiny of Deposit Works and account of centage charges recovered from deposit works.
9. 100% Scrutiny of agreements with contractors in respect of Engineering works, scrutiny of measurement books, work bills, completion reports for the works completed substantially. Review whether the works executed are in line with the administrative sanctions and Technical sanctions.
10. Review of capital expenditure incurred with reference to the administrative approval and technical sanction.
11. Quarterly review of Trial balance and general ledger, and review of Schedules once in a year.



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12. Verify the adequacy and accuracy of accounting, internal and financial controls including application of accounting standards.

II. Asset Management Related:

1. Preparation of party-wise (estate wise) schedule of arrears due from allottees, subsidiary (party wise ledgers for sale deeds, rentals, water charges, Hire purchase, outright sale of land etc.
2. 100% review collection and remittance statements, review of receipts relating to rentals, water (plot & Shed), water (housing), HP (Housing), maintenance charges, cost of additional facilities, interest, penalty etc were properly recorded, documented and vouched.
3. 100% verification of allotments in respect of SEZs was properly accounted.
4. 100% scrutiny of allotments, agreements and Sale Deeds. Review of interest and penalty calculations etc. with reference to APIIC allotment regulations, delegation powers and provisions.
5. Report on loss of revenue on account of delay in issue of notices, loss of interest due to non adherence of allotment regulations and loss of revenue due to deviations or discrepancy in the layouts or site plans.
6. Review of collection of service tax and remittance to the department.
7. Verification of Legal and taxation matters.
8. Review and analysis of the Age Wise Debtors report.

III. Establishment:

1. Random check of LTC, sanction of increments, payroll, updation of Service Registers.
2. Verification of other employee benefit related matters.
3. Verification of HR & Administration related processes and decisions.

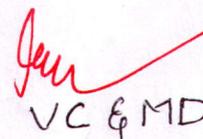
IV. Land Acquisitions:

1. Review of deposits with land acquisition officers, receipt of utilization certificates and copy of acquaintances and adjustment of amount deposited against the utilization.
2. Review of Utilization Certificates from the Departments with Capitalization of land cost.
3. Preparation of Schedule of deposits with Land Acquisition Officers at the end of every quarter.

V. Any other item:

1. The Corporation has the right to include any item in addition/change the above as per the requirement of the Corporation from time to time.


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ANNEXURE – II

**SCOPE OF INTERNAL AUDIT IN RESPECT OF INDUSTRIAL AREA LOCAL AUTHORITY (IALA) for
the F.Y.2014-15 & 2015-16**

General Scope of Work:

The purpose of Auditors' presence is to provide a second look on the operations of the Industrial area local authority Units. The Internal auditors have to essentially see whether the transactions or decisions are within the delegated authority and in compliance with the terms and conditions for exercise of such an authority. The internal auditors shall mainly focus on the core activities of the IALAs.

Areas of Audit, Scope and Periodicity of Audit:

I. Finance Related:

1. 100% Physical verification of Cash Books with supporting vouchers of IALA Revenue Accounts and IALA Expenditure Accounts.
2. 100% Verification of Receipt Books, Bank remittance slips, DCB Registers, Tax assessment register, Building plan approval register, Mutation register, Trade license register, Administrative sanction register, Technical Sanction register etc.
3. Verification of Bank Reconciliation Statements.
4. Verification property tax demand, collection and DCB statements.
5. Verify whether the demand of property tax is levied and collected as per the layout plan and the allotment orders.
6. Verify whether building plan approval fee is levied and collected as per building plan and check whether proceedings are issued as per guidelines.
7. Verify whether the mutation orders are in conformity with the guidelines and the required mutation fee is collected.
8. Verify whether the due share of IALA Revenue to the respective local bodies are properly calculated and transferred as per the guidelines.
9. Verify whether the share amount from the registration department is properly collected.
10. 100% verification of bank vouchers, journal vouchers etc. with reference to delegation of powers and provisions. Verification of Transactions properly recorded, documented and vouched.
11. Verification of Income and expenses vouchers, bills for services rendered to ensure of statutory compliances like TDS (salaries & others), service tax, VAT and other statutory recoveries.
12. 100% Physical verification of Assets at the beginning of the year, additions and deletions and reconciliation of the same with the books of accounts once in every quarter.

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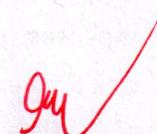
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13. Verify the schedule of Property tax defaulters.
14. Review of imprest account.
15. Review and Scrutiny of works in relation to maintenance of civic amenities in the Industrial Parks and annual maintenance works. Verify whether the expenditure is properly accounted.
16. Review of capital expenditure incurred with reference to the administrative approval and technical sanction.
17. Quarterly review of Trial balance and general ledger. And review of Schedules once in a year.
18. Verify the adequacy and accuracy of accounting, financial controls including application of accounting standards.
19. Review of updation of IALA Software from time to time and Certification of Balance Sheet at the end of the year.

II. Non Finance Related:

1. Review whether the overall functioning of the IALA and Service Society are conducted as per the guidelines.
2. Review the minutes of the review meeting, Managing Committee meeting, general body meetings and sub committee meetings.
3. Review the MOUs entered with Local Bodies regarding garbage collection, sharing of central/state government grants.
4. Review whether the functions of the Management Committee, works committee, resource committee, Human resource committee and Environment Sub Committee are in line with the guidelines issued by APIIC from time to time.
5. Whether the elections of the Service Society are conducted as per the guidelines.
6. Verify whether the IALAs are properly graded.
7. Review the staffing pattern of IALAs.
8. The Corporation has the right to change the above as per the requirement of the Corporation from time to time.


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