

Andhra Pradesh State 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.

REF: Lr.No.Accts/IA/19(B)

Date:05.11.2018

Sub: Enquiry for appointment of Chartered Accountant firms as Internal Auditors

Andhra Pradesh State Civil Supplies Corporation Ltd. (APSCSCL) is, a State Public Sector Undertaking, wholly owned by the Government of Andhra Pradesh. The Corporation undertakes various Government welfare schemes such as supply of food grains etc., under Public Distribution System, Supply of essential commodities to Anganwadi Centers, Supply of rice to welfare hostels & welfare institutions, procurement of paddy under Minimum Support Price (MSP) operations, Market intervention operations, etc.

The Corporation has 13 District offices and five Zonal offices. Consolidation of accounts will be done at Head Office. The Corporation wishes to appoint Chartered Accountant firms as Internal Auditors to carryout internal audit and physical verification of stocks.

You are requested to attend a presentation on the scope of work at Head Office of APSCSCL on **15 November 2018** at 11.00 a.m. and send your offer for any of the following segment/s after understanding the scope of work to reach us on or before **22 November 2018** in two-bid system i.e., technical details and fee shall be submitted in two separate sealed covers. Your 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.”

Details of your Representative/s (not more than two) attending the presentation may please be communicated to the undersigned through email to cao@apscsc.gov.in .

Details of Segments:

- Segment 1. : Head Office at Vijayawada
- Segment 2. : Srikakulam, Visakhapatnam Districts and Zonal Office at Visakhapatnam
- Segment 3. : Vizianagaram, East Godavari Districts and Zonal Office at Kakinada
- Segment 4. : West Godavari, Krishna Districts and Zonal Office at Vijayawada
- Segment 5. : Guntur, Prakasham and Nellore Districts
- Segment 6. : Ananthapur, Kurnool Districts and Zonal Office at Kurnool
- Segment 7. : Kadapa, Chittoor Districts and Zonal Office at Kadapa

Points/parameters considered while evaluating the offers submitted by the firms and Other conditions are given below:

1. The firms having experience in Audit of State/Central Public Sector Undertakings will be preferred.
2. Selection of firms will be primarily based on the marks scored by the firms as per the scoring pattern given below:

Technical Bids:

- a) Age of firm: Marks shall be awarded for no. of years of standing of the firm as per the Company's scoring pattern subject to a maximum of 50 marks.
- b) No. of Partners: Marks shall be awarded based on the no. of Partners subject to a maximum of 30 marks.
- c) Experience in audit: Marks shall be awarded basing on the no. of years of experience in PSUs (subject to a maximum of 20 marks.)

Financial Bids:

Financial bids of only those firms who have scored the minimum qualifying marks in Technical bid will be opened.

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

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

Weightage factors of 0.70 and 0.30 are applied to marks scored in Technical bid and Financial bids respectively. The firm scoring the highest marks (after applying the weightage factor) will be selected as the Internal Auditor for the segment.

- 3. The selected firms shall submit Internal Audit Report of the Segment allotted to them on a monthly basis.
- 4. Report on physical verification of inventory shall be furnished quarterly along with the Internal Audit Report.
- 5. Appointment will be for 2 years initially to be extended for one more year by mutual consent.
- 6. No firm engaged for Internal Audit shall be allowed to sub-contract their work to any other agency.
- 7. Amount of fee quoted shall include the fee for physical verification of stocks of the allotted segments. The quoted fee shall be inclusive of all other expenses like travelling, accommodation, conveyance, etc., but exclusive of GST. Payment of fee shall be made on a quarterly basis after receipt of the Reports for that quarter.
- 8. Profile submitted by firms should, inter alia, include the following details.
 - a) Name of the firm with Regn. No. of the firm
 - b) Addresses of Head Office and Branch Offices.
 - 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.

9. Corporation reserves the right to cancel the tender procedure (Limited Tender) without Assigning any reasons thereof.

Chief Audit/Accounts Officer
AP State Civil Supplies Corporation Limited.

ANDHRA PRADESH CIVIL SUPPLIES CORPORATION LIMITED

SCOPE OF INTERNAL AUDITORS AT DISTRICT LEVEL

1. Verification of all receipt vouchers, payment vouchers, purchase and sales Invoices on monthly basis.
2. Verification of Bank Receipts and Daily Transfers to Head Office and Bank Reconciliation of each Bank for financial accuracy in Cash Books. Verification of Intra Office Remittances (IOR) Out & IOR In, any deviation noticed in transfers alert should be made to DMO from time to time.
3. Head Office sends funds on daily basis to District Offices as per the Indents placed by the District Office. The accountability of Funds transferred and receipts of sale proceeds and other receipts should be verified on daily basis.
4. The District Office maintains consolidated reconciliation register of all Mandal Level Stockist (MLS) Points, Motor Spirit (MS) Outlets, LPG Outlets and K.Oil Outlets Accounts. Verification of all financial and stock transactions with relevant Purchase and Sales Invoices should be done every month. Necessary entries in the relevant Original Entry (OE) i.e., Purchase and Sales Day Books and Receipts and Payments Cash Books should also be verified through NIC accounts package.
5. They should also verify the Internal Transfer of Stocks from District to District and at the same time verification of Intra Office General Accounts (IOG)s received from Districts as well as from Head Office. Whether they are incorporated in the books of account or not also should be verified.
6. Conducting of Physical Verification of stocks both at MLS Points and Buffer Storage Points under intimation to the District manager.
7. Verification of Paddy, Custom Milling Rice (CMR) and other Gunny Accounts. To verify whether the District Office has booked all the purchases and released Funds Transfer Orders (FTOs) to Farmers are not. Paddy Purchasing Centre (PPC) & Rice

Miller-Wise accounts are to be verified. Reconciliation with purchases and receipts of CMR from Mills to be verified. Proper verification of paddy & CMR transactions should also be done with relevant Nation Food Security Act (NFSA) Paddy Procurement Module. To verify whether the rice millers have furnished Bank guarantee with reference to stocks of paddy they received. Verification of Bank guarantees with respect to validity and claim period.

8. Verification of payment of Stage – I & State - II Transport bills are being made with the approved rate. Verification of Security Deposit and Bank Guarantee furnished by the Transporter.
9. To verify whether all required provisions are made.
10. To verify whether capitalisation of Assets is done as per guidelines from Head Office.
11. To verify whether all statutory deductions like TDS are made as per the law and they are remitted in time. Also to verify whether proper Returns are submitted in time.
12. To verify whether GST is collected and remitted in time. Also to verify proper Returns are submitted in time.
13. Verification of other legal requirements like explosive licence, certificate from metrology dept, certificate fire department, etc.
14. Verification Fixed Assets Register, physical verification of fixed assets and verification of Depreciation calculation.

Above Scope is only indicative but not exhaustive. Internal Auditors may verify any other point which they feel is required to be brought to the notice of VC & Managing Director. Corporation may also add any other point during the course of Audit if felt appropriate.

Internal Auditors are required to send a monthly report on all transactions and their observations to VC & Managing Director with a copy to Chief Audit Officer, District Manager. Before submitting final report a draft report should be submitted and discussed with District Manager so as to obtain clarifications immediately.

Internal Auditors should also guide District Office in preparation of final accounts duly following the relevant Accounting Standards and the Companies Act.

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