Invitation of tenders for Appointment of Internal Auditors for hiring of qualified firm of chartered Accountants for Review, Maintenance, updating and monitoring of Accounting Records in all the Mandals and Districts where the MGNREGS - AP is being implemented" for the year 2015-16.

Commissioner,
Rural Development, Department.
2nd Floor, Hermitage Complex, Saifabad,
Hyderabad – 500 004, Andhra Pradesh, India.
Draft
GOVERNMENT OF ANDHRA PRADESH
OFFICE OF THE COMMISSIONER RURAL DEVELOPMENT DEPARTMENT
A.P., HYDERABAD.

Sub:- Tenders relating to “Internal Audit of MGNREGS Andhra Pradesh” for three packages for the year 2015-16 – Called for – Regarding.

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Mahatma Gandhi National Rural Employment Guarantee Scheme, Andhra Pradesh (herein after “MGNREGS-AP”), Department of Rural Development, Government of Andhra Pradesh promoted under National Rural Employment Guarantee Act, 2005 invites e-tenders for three packages through e-procurement platform for hiring of qualified firm of Chartered Accountants for Review, Maintenance, updating and monitoring of Accounting Records “in all the Mandals and Districts where the scheme is being implemented. Tender should be submitted for each package separately. The details of the offer are given below:

1. The detailed Terms of Reference (ToR) is enclosed as ANNEXURE – I.
2. The instructions for submitting the Tender may be seen at Paragraph (11) of ToR.
3. Procedure for selection criteria is mentioned at para no.9 of Annexure-1 and in Annexure II to Annexure IV.
4. Applications are invited on the e-procurement platform for appointment of Internal Auditors for hiring of qualified firm of charted Accountants. The Tender schedule time is as follows:

<table>
<thead>
<tr>
<th>Sl.No</th>
<th>Schedule time</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>From 17.02.2016 to 25.02.2016 up to 3.00 P.M</td>
</tr>
<tr>
<td>2</td>
<td>20.02.2016 at 11.30 A.M</td>
</tr>
<tr>
<td>3</td>
<td>25.02.2016 up to 5.00 P.M</td>
</tr>
<tr>
<td>4</td>
<td>27.02.2016</td>
</tr>
<tr>
<td>5</td>
<td>04.03.2016 at 11.30 A.M</td>
</tr>
</tbody>
</table>

5. Any tender received after closing date and time will not be considered.
6. The bid should be valid for a period of 120 days from closing date.
7. Commissioner PR & RD reserves the right to reject the bid without assigning any reason.
8. In case of any clarification, please contact:

Finance Manager (IA), Mobile No. 7702311663 O/o Commissioner, RD, MGNREGS-AP, Hyderabad.

Reputed Chartered Accountant Firms who are interested to undertake the Internal audit work for the year 2015-16 are requested to submit e-tender in the prescribed format given in TOR enclosed.

Yours faithfully

for Commissioner, PR & RD
e-Tender Notification:-Applications are invited for Invitation of e-tender for appointment of Internal Auditors" for hiring of qualified firm of Chartered Accountants for Review, Maintenance, updating and monitoring of Accounting Records in all the Mandals / MCCs and Districts where the MGNREGS - AP is being implemented”

1. Background

The following paragraphs briefly explain Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS AP) and its operations. MGNREGS –AP formed under National Rural Employment Guarantee Act, 2005 in rural areas by providing at least 100 days of guaranteed wages employment in financial year to every household whose adult members volunteer to do unskilled manual work. The work guarantee also can serve other objectives: generating productive assets, protecting the environment, empowering rural women and fostering social equity among others. Effective implementation and the employment generation under the act, has the potential to transform the rural poverty scenario.

Presently, the scheme is being implemented in 661 MCCs across 13 Districts and 77 DCCs 5 ITDAs and 3 Chenchu Projects in the state of Andhra Pradesh. The organization is having a three tier set up with the Commissioner, Rural Development at Hyderabad at State level, District Programme Coordinator (DPC) at District level and Mandal Parishad Development Officer (MPDO) at Mandal level.

For more details please visit the Website www.nrega.ap.gov.in

2. Implementation Arrangements :

State Level: The Commissioner, Rural Development (CRD) shall be the State Programme Coordinator (SPC). He / She shall be assisted by MGNREGS unit consisting of a Director, subject specialists and supporting staff.

District Level: The District Collector is the District Programme Coordinator (DPC) for implementation of the scheme in the District. There shall be a MGNREGS unit established in the office of the Additional Programme Coordinator / Project Director DWMA to assist the DPC.

Mandal Level: The Mandal Parishad is the Principal Authority for planning and implementation of the Scheme at the Mandal level. The Programme Officer / MPDO is primarily responsible for watching the demand in the works and ensure effective implementation of the scheme in accordance with the provisions of the Act and guidelines issued by the Government from time to time.
**Grama Panchayath level:** The Gram Panchayth is responsible for the identification of works in its area as per the recommendation of the Gram Sabha and ward sabhas for executing and supervision.

**3. Coverage:** The Programme is being implemented in 661 Mandal/ Mandal Computer Centers (MCCs) of the following 13 Districts including District Computer Centers (DCCs), ITDAs and Chenchu as follows:

<table>
<thead>
<tr>
<th>S.No</th>
<th>Name of the District</th>
<th>MCCs</th>
<th>DWMAs</th>
<th>DCCs</th>
<th>ITDAs</th>
<th>Chenchu Project</th>
<th>Total</th>
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<tbody>
<tr>
<td>1</td>
<td>Anantapur</td>
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<td>2</td>
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<td>8</td>
<td>--</td>
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<td>75</td>
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<td>3</td>
<td>East Godavari</td>
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<td>4</td>
<td>Guntur</td>
<td>57</td>
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<td>5</td>
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<td>5</td>
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<td>1</td>
<td>9</td>
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<tr>
<td>6</td>
<td>Krishna</td>
<td>49</td>
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<td>---</td>
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<td>7</td>
<td>---</td>
<td>1</td>
<td>62</td>
</tr>
<tr>
<td>8</td>
<td>Nellore</td>
<td>46</td>
<td>1</td>
<td>6</td>
<td>---</td>
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<td>53</td>
</tr>
<tr>
<td>9</td>
<td>Prakasham</td>
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<td>1</td>
<td>64</td>
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<td>10</td>
<td>Srikakulam</td>
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<td>Vizianagaram</td>
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<td>13</td>
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<td><strong>77</strong></td>
<td><strong>5</strong></td>
<td><strong>3</strong></td>
<td><strong>759</strong></td>
<td><strong>759</strong></td>
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</tbody>
</table>

The Programme is being implemented in convergence with departments like Engineering dept. of Panchayat Raj, Tribal welfare, Forest, Horticulture, Society for Elimination of Rural Poverty (SERP) departments. They are being represented as Departmental Computer Centers (DCCs) at divisional level in the Districts. The purview of Internal Audit includes MCCs, DCCs and DWMAs under the Programme.

**3. Purpose of TOR**

The Purpose of TOR is to conduct Internal Audit of MGNREG Scheme accounts comprising all transactions in accordance with NREG Act, Rules and guidelines issued both by Govt. of India and Govt. of Andhra Pradesh at Mandal and District level which includes review, updating of records including software generated books of accounts and BRS (Bank Reconciliation Statement) from time to time.
4. **Need for Accounting Review and Updation:**

The Scheme has been implementing with effect from 01.04.2006. Govt. of India and the State Govt. have been releasing funds for implementation of the MGNREGA, promulgated with the objective of providing 100 days of wage employment per household. The number of working days has been increased to 150 days in drought affected Districts. In accordance with section 21 (1) of MGNREGA, A.P State Employment Guarantee Fund (APSEGF) has been opened. Since, then both the Govt.of India (GoI) and Govt. Andhra Pradesh have been releasing funds directly to this account.

With a view to achieving transparency and optimum utilization of funds released for the development programmes, Govt., of Andhra Pradesh issued guidelines that the funds released by both Government of India and Government of Andhra Pradesh shall be routed through only one bank for a scheme and accordingly Central Fund Management system (CFMS) as a financial management package for MGNREGS has been developed.

Accordingly, Commissioner, Rural Development identified certain nationalized banks namely SBH as nodal bank at State level. For eFMS which agrees to transfer money electronically to wage seekers and system of disbursement to wage seekers and gross root level is paid through Post offices. The payment of wage is implemented through biometric system.

**The Procedure of transfer of money from central fund through nodal bank is as follows:-**

There shall be online transfer of funds as and when pay order is generated.

All pay orders shall be only ‘e-pay orders’ generated in electronic format.

Pay orders are electronically grouped as Fund Transfer Requisitions (FTR) following a concept of “one account holder – one FTR”. Each FTR shall have the name of the account holder, name of the bank and branch where to be deposited, amount to be deposited, and address of account holder, Bank IFSC code number and purpose of the payment.

In case of wage payment, all pay orders routed through one disbursing source is clubbed as one FTR and funds are transferred to the Head Post Master (for all payments being made through post offices) or smart card banker (where payments are made using smart cards) as the case may be.
Detailed guidelines have been issued for maintenance of financial records and accounting thereof through Operational Manual 2013, APREGS Accounting procedures Hand Book and Government orders. All the financial transactions are maintained through customized software application package developed for MGNREGS. The application package is being maintained at all Mandals where the scheme is being implemented. Each Mandal / (MCC) operating the scheme and Departmental Computer Centers (DCC) are to be treated as unit. At all levels, computer operators have been engaged by the scheme who are responsible for making data entry, maintenance of records as detailed in the operational manual of the scheme. Key Accounting records viz., Cheque Issue Register, Stock Register, Fixed assets Register, Cancelled and Missing Cheques Register, Rectification Register and Error Register are also being maintained manually.

In view of the voluminous transactions, dispersed accounting locations, number of bank accounts coupled with different level of accounting personnel employed by the scheme, MGNREGS desire to have a comprehensive review and accounting updating through Professional firm (hereinafter called as “CONSULTANT”) to ensure that its accounting processes are in place all transactions are in accordance with Act, Rules & Government Orders and constant updating of records is made promptly. In the first phase, CONSULTANT has to review the maintenance of account records 2015-16. Comprehensive review includes undertaking all necessary activities for updating of accounting books, records and rectification of errors by the firm. The firm has to take up administration audit of accounts and to report to Commissioner RD with special reports whenever they found any irregularities, misappropriations, deviations from procedures, rules and Government Orders for taking immediate remedial actions.

Nodal Banking system was introduced in all Districts. The Chartered Accountant Firms shall reconcile all the FTRs in addition to regular other work as stated above.

Designated officers will be responsible for all transactions done using their password.
1. All the FTOs shall be checked with approval order. Supporting with M.books, bills of suppliers, salary vouchers etc., as the case may be.
2. All the hard copies of approved pay orders shall be audited.
3. Updated FTOs register shall be checked with reference to payments actually made. In case of any discrepancies it should be pointed out. Review and updation of Fund Transfer Orders register, postal payment registers and records as prescribed in the scheme.
4. Internal Audit shall be conducted on all payments made each month.
5. The Internal Auditors shall check the reconciliation reports available on Website with reference to approved hard copies of pay orders and carry out the Internal Auditing if any discrepancy noticed. It shall be reported to the Commissioner, RD.
6. Reconciliation should be done on the basis of bank wise payments/transactions taken place with bank statements.

7. CONSULTANT has to employ personnel at District level for continuous monitoring of accounting work at Mandals and DCCs. These personnel should visit all MCC / Mandals, DCCs on regular basis, make an overall review and updating of accounting records be available to Mandal computer operators in case of any clarifications and ensure compilation of periodical reports at regular intervals.

8. MGNREGS feels the need to have a CONSULTANT to act as Comprehensive Reviewer of accounting function keeping in view the quantum of funds involved in the scheme, decentralized structure of accounting and the constraints involved in the present system of accounting. The detailed scope of service may be seen in paragraph 6 of the TOR.

Against the above background it is proposed to engage Chartered Accountant firm with expertise for review and advice MGNREGS regarding the functioning of the Accounts Department and maintenance of Accounting Records and adherence to the guidelines thereof at Districts, MCCs / Mandals and DCCs levels.

6. **Scope of Service of the Consultant**:

   The consultant is required to provide accounting review, updating and monitoring besides training to accounts staff at following levels:
   - **Mandal Level** - 661 MCCs/ Mandals.
   - **District Level** - 13 Districts.
   - **Departmental Computer Centres (DCCs)** – 77 i.e., Line Departments, 5 ITDAs & 3 Chenchu projects.

7. **An illustrative of Scope of the services required is given below:**

7.1 Mandals, Districts & DCC Services – 2015-16

   a. Checking of transactions to ensure that they have adhered to operational guidelines, Government Orders & Circulars issued from time to time.

   b. Ensuring preparation and validation of Reconciliation of Fund Transfer Accounts.

   c. Ensure preparation and validation of Bank Reconciliation Statement on monthly basis.

   d. Identify data entry errors and ensure the rectification of errors in consultation with TCS personnel.
e. In order to ensure completeness and accuracy of the accounting records, 100% check of vouchers / transactions will be required 2015-16.

f. Provide training and guidance to Mandal Computer Operators and District functionaries on Finance and Accounts procedures including Software related procedures. These would also include the need for specific training programmes, as per the needs of the department to the staff deployed under this contract. Training Hall and Furniture support to be provided by the Department.

g. To ensure the Rectification of errors detected during verification of records.

h. Review and maintenance of Fixed Asset Register and Fund Transfer.

i. Register (FTR) & other relevant registers and records as prescribed in the scheme.

j. Verification of records of all Mandals at least once in every quarter and submit reports.

k. Be accessible to the management for day to day consultation in respect of accounting related requirements.

l. Update accounting transactions in the District software.

m. The Internal Audit shall be conducted on all payments made each month.

8. Deliverables:
The Consultant will be responsible to provide the following deliverables during the engagement for the Scheme as a whole at all levels of implementation:-

I. Checking of transactions to ensure that they have adhered to the operational guidelines & accounting hand book and to the Government orders, circulars issued from time to time.

II. All the Fund Transfer Orders shall be checked with approval Orders, Bills of Suppliers, Salary Vouchers etc., as the case may be.

III. Updated Fund Transfer Orders Register shall be checked with reference to payments actually made. In case of any discrepancies it should be pointed out.
IV. Review and Updation of Fund Transfer Order Register, Fixed Assets Register and other relevant Registers and Records as prescribed in the Scheme.

V. To check the Reconciliation Reports available on Website with reference to approved Hard Copies of Pay Orders and if any discrepancy noticed, it shall be reported to the Commissioner, RD.

VI. Reconciliation should be done on the basis of MPDO/PO and also DCC Bank wise Payments (Post Office Payments) / Transactions taken place with Bank Statements.

VII. To ensure Rectification of errors detected during verification of Records.

VIII. Be accessible to the management for day to day consultation in respect of accounting related requirements.

IX. Ensuring preparation and validation of Reconciliation of Fund Transfer Accounts.

X. Identify the data entry errors and follow-up the rectification of errors in consultation with the TCS personnel.

XI. In order to ensure completeness and accuracy of the accounting records 100% checking of vouchers / transactions pertaining to Material, Wage, Admin shall be done for the years 2015-16.

XII. Provide training and guidance to the Mandal Computer Operators, District and Departmental Computer Centers (DCCs) functionaries on F&A procedures including Software related procedures. These would also include the need for specific training programmes, as per the needs of the department to the staff deployed under this contract. Training Hall and Furniture support to be provided by the Project Director, DWMA and DCCs concerned.

XIII. Verification of records of all Mandals / DCCs at least twice in current financial year and submit reports.

XIV. Report on consolidated Mandal & DCCS data after completion of 1st Phase of Audit.

XV. Verification accounting transactions in the District software.

XVI. Review of Error Register.

XVII. Any transaction contrary to the Govt. of India guidelines and the State Govt. orders shall be informed to the Commissioner, Rural Development immediately.
XVIII. Items purchased which are not related to the EGS or more than requirement will be informed to the Commissioner, RD with a Special Report.

XIX. To take up Internal Audit of Accounts and to report to the Commissioner, RD with Special Reports whenever they found any irregularities. Misappropriations, deviations from procedures, rules and Government Orders for taking immediate remedial actions.

XX. Submit report on Out of System expenditure (if any) incurred but not computerized.

XXI. Consolidated yearly report shall be furnished after completion of the financial year to the Commissioner, RD under copy to the Project Director, DWMA, MPDO / PO and DCCs concerned.

The Consultant will be responsible to provide the following deliverables during the engagement for the scheme as a whole at all levels of implementation.

8.1 Key deliverables

By the end of March provide the management a report with their general observation and specific defects / irregularities after verification of 100% FTOs pertaining to 1st Phase by April and final report should be submitted by June end.

They shall submit the 1st Phase Report comprising of:

I. Closure of all multiple accounts at MCC and DWMA level and remitting the closing balances to the Commissioner, RD Main fund account No.62093669573 and Finance Manager will issue the certificate that no multiple accounts other than closed are existing at MCC / DWMA / DCC level.

II. Verify the issue of advances given at the DWMAs & MCC / Mandal and also the settlement of such advances given and also Age analysis should be done on the Advances which were given in the MCC level, DWMA Office level and DCC level on Category wise, Person wise and Report should be given to the Commissioner, RD, Project Director, MPDO and DCC head concerned.

III. Report on Bank deposits whether they invested on proper authority and the interest received with rate of interest.
IV. Project Director / Finance Manager / DCC head should ensure that FTO reconciliation is completed at all Mandals and District by 10\textsuperscript{th} of March onwards and list out the deviation if any submit the Action Taken Report.

V. The Consultant shall examine all accounts, review the deviations and submit the report.

VI. The status report on the previous outstanding report observations in subsequent reports should be incorporated.

VII. The previous outstanding report observations should be incorporated in subsequent report and Consultant shall review the same.

VIII. The duties of the Consultants mentioned in the tender included in this agreement.

8.2 Other deliverables

I. Verify the exception report generated through Software and submit the details of verification to the Commissioner, RD.

II. Key management reports like Financial Reports, General and Journal Ledgers at MCC, DWMA and DCC level and provide key management reports exceptions along with a note on discrepancies.

III. Report on expenditure if any incurred out of system and unauthorized expenditure made in deviations of instructions from the Commissioner, RD office.

IV. Out of System Payments in deviation of eFMs are to be noticed.

V. Identify training needs for the Mandal Computer Operators, District and DCC Functionaries. Preparation of training plan for Mandals and Districts.

a) A minimum of two days training every month to the Mandal functionaries and DCC functionaries.

b) A minimum of two days training programme for District functionaries every Phase.

VI. Recommendations on improvement on the existing Financial & Accounting systems and procedures.

VII. Any other deliverable that may be required and mutually agreed upon from time to time.
Conditions :-

8.3 *Minimum professionals are deployed and other infrastructure related issues.*

I. The team should consist of minimum of 4 professionals CA inter / M.com. It is mandatory for each team to visit Mandal and audit for two days per quarter.

II. A team of minimum of 2 persons one CA inter with 3 years experience and one with MBA (Finance) / M.Com with 3 years Audit experience shall be visiting each District/ DCC.

III. The firm shall furnish names of the persons and qualifications who will visit MCC /Mandals, Districts and DCCs in advance at least by one week to the Finance Managers of DWMA office and the Finance Manager shall organize their inspection to the Mandal such a way that both Internal Auditors and Finance Manager are present at same time in a MCCs/Mandals / DCC and rectification will be done to a maximum extent.

IV. Provide infrastructure such as computers, stationary, computer peripherals to the professionals positioned at the Districts along with Telephone and Internet facility to the personnel positioned in the District.

V. Provide transportation / TA to professionals positioned in the District and other costs for carrying out visits.

VI. Provide copy of the Training material to the District and State authorities.

8.4 *Support from Department*

I. Office space and furniture will be provided at the District level by PD (DWMA).

II. Training Logistics such as Training Hall, furniture LCD’S OHP (over head projectors), payment to participants including cost of training materials will be provided by PD, DWMA.

8.5 *Reporting Arrangements :*
I. Phase-I Internal Audit reports on Finance and Accounts performance along with observations considering the contents of template to be submitted to the Commissioner, RD under copy to concerned District Collector MPDO & DCC head.

II. The reports pertaining to those Mandals which were audited during the 1st Phase may be furnished to the Commissioner, Rural Development Phase wise. The details, designation of professionals and their Phone Numbers engaged for the purpose of Internal Audit may be given to District level Officers (Project Director, DWMA / Finance Manger, DWMA / DCC Heads) for arranging the smooth conduct of Internal Audit under copy to the Commissioner, PR&RD.

9. **Selection Process / Eligibility criteria for bidding:**

All the bidding agencies shall possess the following eligibility criteria.

a) The Chartered Accountant firm shall have to enroll with C&AG and also registered in ICAI for the last 7 years continuously.

b) Should not have been cautioned or apprehended by ICAI in the past five years.

c) The Firm should have a minimum standing experience of 10 years and it should have at least 2 full time FCAs / FCA partners in Firm. Should have 4 CA Inter & 8 Post Graduates in Commerce / MBA (Finance). One of the FCA partners / FCA should be available at all time for monitoring and supervision including reporting to State Office.

d) The firm should have permanent establishment or Branch Office and registered in Andhra Pradesh State only to participate in tender process or otherwise the tender may be summarily rejected.

e) The firm should have the experience in conducting Audit of Government / Semi Government Organization for the past 5 years.

f) The Firm should have similar nature of audit experience in the past 3 years at least one work should be with a minimum fee of Rs.15 Lakhs and above.

g) The Firm should have minimum turnover of Rs.100.00 lakhs (Rs. one crore only) over the past 3 years.

h) The Firm should have to submit Income Tax Returns for past 3 years.

i) The firm should have to submit Service Tax Returns for past 3 years.
j) The firm should have to submit the Profit & loss accounts and balance sheet for past 3 years.

k) The contract will be considered for the bidder whose proposal is to confirm with the above eligibility criteria.

l) Those who qualify the above conditions alone will be considered for financial bid.

10. PACKAGE DETAILS:-

<table>
<thead>
<tr>
<th>Package No</th>
<th>Name of the District</th>
<th>Number of Mandals</th>
<th>Total Number of Mandals</th>
</tr>
</thead>
<tbody>
<tr>
<td>I</td>
<td>Srikakulam</td>
<td>38</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Vizianagaram</td>
<td>34</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Vishakapatnam</td>
<td>39</td>
<td></td>
</tr>
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<td></td>
<td>Prakasam</td>
<td>56</td>
<td></td>
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<td>S.P.S.Nellore</td>
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<td>Kurnool</td>
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<td></td>
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</tr>
<tr>
<td></td>
<td>East Godavari</td>
<td>62</td>
<td>216</td>
</tr>
</tbody>
</table>

The above Mandals of the DWMA districts are inclusive of all DCCs, ITDAs and Chenchu Projects including District Offices as mentioned in Para/ item No.3 of ToR (Annexure – I).

11. Tenders Submission & Instructions to Offer:

1. Applications are invited on the e-procurement platform for “Appointment of Internal Auditors for hiring of qualified firms for Chartered Accountants for Review, Maintenance, updating and monitoring of Accounting Records “in all the Districts (DWMA), Mandals (MCCs) and Departmental
Computer Centers (DCCs) where the scheme has been implemented. The details of Biding conditions and other terms can be downloaded from electronic procurement platform of Government of Andhra Pradesh i.e., www.eprocurement.gov.in

2. Bidders would be required to register on the e-procurement market place www.eprocurement.gov.in and submit their bids through e-procurement. On registration with the e-procurement market place they will be provided with a user id and password by the system through which they can submit their bids in e-procurement.

3. The bidders need to scan and upload the required documents as per the TOR Annexure I to IV .Such uploaded documents pertaining to technical bid need to be scanned and attached to the tender while submitting the bids through e-procurement. The attested copies (Hard Copies) of all these uploaded documents of technical bid, signed in each page of Tender application so as to avoid disclaim of contents undertaking of tenderer should be submitted to Commissioner, RD, Andhra Pradesh on 27.02.2016. The Department will consider only the bids submitted through e-procurement.

a) The participating bidder/s will have to pay tender processing fee (non-refundable) of Rs.3000/- in the form of Demand Draft drawn in favour of Commissioner, Rural Development, AP, Hyderabad. (Scanned copy of DD to be uploaded).

b) The participating bidder/s will have to pay Earnest Money Deposit of Rs.1,00,000/- (Rupees One lakh only) in the form of Demand Draft drawn in favour of “Commissioner, Rural Development, AP, Hyderabad”. (Scanned copy of DD to be uploaded) for each Package.

c) 2.5 % of the part bill amount (running bill) will be withheld by the client as Security deposit.

d) The above Security Deposit amounts will be released at the time of final payment. However EMD will be retained by the client from the final bill as RMD (Retention Money Deposit) for a period of 6 months from the date of final payment. The retention money shall be forfeited if there is any fault or error of any kind noticed in the
executed by the CA firm. In the event of no such findings, the RMD shall be released in favour of the Consultant after 6 months.

e) Action will be taken against the firm, if any mismanagement or engaging disqualified persons for audit purpose or deviation from TOR is noticed at any point of time during the course of agreement period besides recovery of damages.

f) Further all the participating bidders have to electronically pay a non-Refundable transaction fee to M/s. APTS, the service provider through "Payment Gateway Service on E-Procurement platform", as per the Government Orders placed on the e-procurement website.

g) The Commissioner, RD, AP will not accept the tenders from blacklisted companies.

While quoting the rate, the Tenderer shall clearly write the amount in ‘figures’ as well as in ‘Words’, without any corrections or overwriting. In case of discrepancy, the rate quoted in words only will be taken into consideration.

While quoting the rate, tenderer must quote inclusive of all Taxes.

Format for submission of Technical Bid is given in Annexure II to IV.

**12. Contract and Contract Terms:**

The lowest coated tenderer from among the 3 packages shall be allotted the State level Internal/Statutory Audit with the contract value fixed at Rs1,20,000/- including Service Tax.

If any lowest tenderer withdraws tender, their EMD shall be forfeited besides blacklisting their name duly informing to ICAI and C&AG.

The successful tenderer shall enter into contract / agreement with the Commissioner, Rural Development Department for the services to be performed. The term of the Contract/ agreement shall be initially for One Year.

**13. TERMS OF PAYMENT:** -

Payments will be made to the consultant firm by the Commissioner, Rural Development on the performance with regards to the deliverables and audit objections pointed out and rectifications made during the submission of last
report in MCC, and the District level and DCCs heads and on the submission of monthly reports based on the progress of the work.

a. Payment will be made in 3 instalments.

b. This will be paid in 3 instalments, 25% of the contract value as an advance will be paid within 15 days from commencement of the work, 40% of the contract value will be paid as 2nd instalment on submission of 1st phase report and 3rd on submission final report in April and June respectively.

13.1 **Penalty for Delay:** Penalty will be imposed in case of successful bidder fails to deliver the deliverables as per the time frame, the firm should be imposed a penalty of Rs.1000/- up to 15 days and Rs.2000/- for 15 days to 1 month, if delay is more than one month, Rs.2,000/- should be paid for each further month.

14. **General Instructions:**

1. The Commissioner, RD may reject any tender which is conditional or incomplete or which contains any alterations from the forms supplied or other defects or irregularities of any kind.

2. The award of the assignment shall be at the sole discretion of the Commissioner RD and no complaints shall be entertained in this regard.

3. Please be advised that the Commissioner, RD shall not be responsible or be liable in any manner for any risks, costs or expenses incurred by you in connection with the tender and that this TOR in no way obligates the Commissioner, RD to enter into a business agreement. The Commissioner, Rural Development shall not be liable or financially responsible for any obligations incurred unless a contract is executed between both the parties.

15. **Cancellation of Tender:** The Commissioner, RD Hyderabad may cancel the tender at any time without assigning any reason.

16. **Dispute resolution:** If any dispute arises it should be shorted out by mutual consultation. If necessary appeal can be made to Principle secretary to RD.

17. **Suits:** Notwithstanding anything contained herein above, if any dispute claim arises suits shall be limited to AP/ Hyderabad.

for Commissioner, PR & RD.
Annexure II

Package No.----------

(To be submitted along with supporting Documents for each package)

PROFILE OF THE FIRM

1. Name of the firm with full address (In Capital Letters) : 
2. ICAI registration No. of the Firm (Mandatory) enrollment for the last 7 years : 
2 (a). The Firm should not have been cautioned / apprehended for the last 5 years : 
3. The C& AG empanelment Registration Number enrollment for the last 7 years (renewal) (Mandatory) : 
4. Service Tax Registration number/Service tax return for three years : 
5. VAT Number latest VAT clearance certificate : 
6. Present Status: Sole Proprietorship /Partnership
   (It should be minimum of 2 full time FCAs/ FCA partners) : 
7. Complete Address of the Head Office and the Contact details of the Head of the Organization :
   Tele Phone No:       Fax No:          E-mail : 
8. Firm total experience
9. Details of Full time Partners of the Firm

<table>
<thead>
<tr>
<th>S.No.</th>
<th>Name of the 2 Full time Partner(s)</th>
<th>Membership No.</th>
<th>Date of joining the Firm as Partner</th>
<th>Date of Joining the Firm other than as partner</th>
<th>Specialization</th>
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</table>

10. Details of Part – time partners of the Firm.

<table>
<thead>
<tr>
<th>Name of the Partner(s)</th>
<th>Membership No.</th>
<th>Date of Joining the Firm as Partner</th>
<th>Date of Joining the Firm other than as partner</th>
<th>Details of Other Employment(s)/ Firm(S) Associated With</th>
<th>Specialization</th>
</tr>
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</table>
11. Details of Chartered Accountant Employees.

<table>
<thead>
<tr>
<th>S. No</th>
<th>Name</th>
<th>Membership No.</th>
<th>Date of Joining the Firm As Employee</th>
<th>Whether Employed Full-Time/ Part Time</th>
<th>Specialization</th>
<th>Mobil e No.</th>
</tr>
</thead>
</table>

12. No. of Audit Staff employed Full time with the Firm:
   (a) Articles/ Audit Clerks :
   (b) Other Audit Staff :
   (C) Other Professional Staff such as Lawyers, Values, ICWA, Engineers etc (mention distinctly) :

13. Particulars permanent establishment or Branches

<table>
<thead>
<tr>
<th>Station at which Located with registration no. in AP</th>
<th>Date of Opening of the Branch</th>
<th>Name of the Partner In-Charge of the Branch</th>
<th>Complete Address with Pin Code &amp; Telephone No</th>
</tr>
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</table>

14. Experience in conducting Audit of Government organization/ Institutions in the past 5 years

<table>
<thead>
<tr>
<th>S.No</th>
<th>Name of the client</th>
<th>Nature/Brief Description of the Assignment</th>
<th>Year</th>
<th>Assignment Handled by (Name of the Partner)</th>
<th>Is the Partner Continuing with the Firm</th>
</tr>
</thead>
</table>

15. The Firm should have similar nature rural schemes experience in the last 3 years at least one work should be minimum fee of Rs.15 lakh and above.

A
B
C

16. Turnover for last 3 years (Audited financial statements)

1. 2012-13
2. 2013-14
3. 2014-15

17. Income Tax returns for past 3 years :

Signature of Authorized Representative :
ANNEXURE – III
(To be submitted)
FORMAT OF CURRICULUM VITAE (CV) FOR PROPOSED KEY PROFESSIONAL STAFF

Proposed Position : 
Name of Staff : 
Profession : 
Date of Birth : 
Years with Firm : 
Nationality : 
Membership in Professional Societies : 
Detailed Tasks Assigned : 
Key Qualifications : 

(Give an outline of staff member’s experience and trading most pertinent to tasks on assignment. Describe degree of responsibility held by staff member on relevant previous assignments)

Education:
(Summarize professional/ college / university education of staff member)

Employment Record:

(Starting with present position, list in reverse order every employment held. List all position held by staff member since graduation, giving dates, names of employing organizations, titles of positions held, and locations of assignments. For experience in last ten years also give types of activities performed and client references, where appropriate)

Languages:

(For each language indicate proficiency, excellent, good, fair or poor; in speaking, reading and writing)
## ANNEXURE – IV

Package No.________

RELEVANT SERVICES CARRIED OUT IN THE LAST THREE YEARS
AT BEST ILLUSTRATE QUALIFICATIONS

<table>
<thead>
<tr>
<th>S.No</th>
<th>Name of the Assignment</th>
<th>Name of the Client Organization</th>
<th>Period of Assignment</th>
<th>Scope of Services</th>
<th>Jurisdiction for Scope of division</th>
<th>Senior Staff of the firm involved in Scope</th>
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