

Society for Elimination of Rural Poverty (SERP), Dept of Rural Development, GoAP

Letter No.

Dated:

Expression of Interest (EOI) from Chartered Accountants (CA) Firms for selection of Auditors to Conduct Internal Audit of FY 2024-25 & External Audit of DPMUs and CBOs.

Society for Elimination of Rural Poverty (SERP), Dept of Rural Development, Government of Andhra Pradesh was established in 2000 year with a mission primary objective is to reduce poverty in rural areas by promoting diversified and gainful self-employment and wage employment opportunities for sustainable increase in incomes. In this connection, with the support of NRLM, SERP would provide a combination of financial resource and technical assistance to state such that they could use the comprehensive livelihoods approach. To achieve this, the Rural Women organized into SHGs to SHG Federations like Village Organizations (VOs), Mandala Samakhyas (MSs), Zilla Samakhyas (ZSs). For the past 25 years, SERP is offering sensitive support to strengthen these SHGs Federations socially, economically.

SERP invites Expression of Interest (EOI) form Chartered Accountants (CA) Firms to conduct internal audit of SERP for FY 2024-25 and external audit of 10% of MSs, 10% of FPOs and 10% of VOs in selected MSs including all 26 ZSs and 26 DPMUs since FY 2020-21. The applicant CA firms should possess the following qualifications:

1. Empanelled with C&AG of India
2. Having good experience (in years) of firm
3. Having experience of statutory audits of corporate entities (including Govt. Bodies, PSUs)
4. Having experience of audit assignment in Social Sectors
5. Local Presence in Andhra Pradesh State
6. Having Good Audit Strength
7. Having annual turnover of Rs.10 Lakh pa for last 3 years

The method of selection will be on least cost selection process (Two bid system)For details regarding requirements of the assignment, Terms of Reference (TOR), Technical & Financial Proposal format etc., please visit www.serp.ap.gov.in/SHGAP/ .

The bid document may be downloaded from the SERP web site www.serp.ap.gov.in/SHGAP/ or may be obtained from the office of the Chief Executive Officer, Society for Elimination of Rural Poverty (SERP), 2nd floor, NTR Administrative Block, APSRTC-PNBS, Vijayawada during working hours. The application (Duly signed hard copies of Technical Proposal and Financial Proposal in separate sealed envelopes and put together in one envelop) may please be sent to reach SERP office on or before 9th June, 2025 (till 4.00 pm) by hand/speed post/courier.

Sd/-

Chief Executive Officer, SERP

Expression of Interest (EOI)

(From Chartered Accountants (CA) Firms to select Statutory Auditors for SERP of the FY 2024-25 & External Auditors to audit 10% of MSs & FPOs and 10% of VOs in 10% MSs and 26 ZSs, 26 DPMUs for 4 years since FY 2020-21.)

Mailing Address: The Chief Executive Officer,
Society for Elimination of Rural Poverty (SERP),
2nd floor, NTR Administrative Block, APSRTC-PNBS, Vijayawada.
Phone: 7337383877 Email: apserp.finance2@gmail.com

Introduction:

Society for Elimination of Rural Poverty (SERP), Dept of Rural Development, Government of Andhra Pradesh was established in 2000 year with a mission primary objective is to reduce poverty in rural areas by promoting diversified and gainful self-employment and wage employment opportunities for sustainable increase in incomes. In this connection, with the support of NRLM, SERP would provide a combination of financial resource and technical assistance to state such that they could use the comprehensive livelihoods approach. To achieve this, the Rural Women organized into SHGs to SHG Federations like Village Organizations (VOs), Mandala Samakhyas (MSs), Zilla Samakhyas (ZSs) and Farmer Producers Organisations (FPOs). For the past 25 years, SERP is offering sensitive support to strengthen these SHGs Federations socially, economically.

Funding & Accounting Arrangements:

Now, in Rural Areas of Andhra Pradesh, 87.64 Lakh women organized into 8.49 Lakh SHGs. The SHGs in turn formed as 27,434 Village level Federations (VOs), 660 Mandal Level Federations (MS), 519 FPOs and 26 District Level Federations (ZS) including 26 DPMUs. All these federations registered with APMACS Act 1995 and have been carried their operations for more than 15 years to meet their financial needs with their own funds as well as grants received from SERP under NRLM.

Under the umbrella of the program SERP, being separate entities, the DPMUs, ZSs, FPOs, MSs, VOs have various bank accounts, maintains separate book of accounts and other financial records as per the requirements and acting as implementing agencies of SERP to implement various GOI sponsored NRLM, MKSP and SVEP Programs.

Terms and Conditions to select Auditors to Appoint for Internal Audit of SERP & for external audit of DPMUs and CBOs:

The following are the terms and conditions to select the Chartered Accountants Firms for Internal Audit of SERP for FY 2024-25, external audit of 10% VOs, 10% MSs, 10% FPOs, 26 ZSs and 26 DPMUs since 2020-21 as per the norms prescribed by the ICAI:

A) Technical Proposal:

The CA firms are expected to work closely with SERP, DPMUs, SHGs Federations (VO, MS & ZS) and FPOs. The Technical Proposal (in the attached suggested format) should contain the following information:

- I. A brief note on background of Chartered Accountant firm
- II. Details of Partner/Proprietor with associated CA firm as on 31.03.2025
- III. Audit experience in Statutory audit of corporate entities/Projects
- IV. Audit assignment in Social Sector
- V. Details of Staff
- VI. Comments, if any on TOR of the Statutory Audit

B) Financial Proposal:

No extra payments (other than the payment as per the contract) would be made to the CA firm. The selected technical and financial proposals (in separate sealed covers put in on cover) are remain valid or 90 days and are to be sent at the above address.

C) Evaluation of the Technical Proposal:

The evaluation of the proposals shall be done through Least Cost Method (LCM) & carried out in Two stages: first the quality and then cost. The minimum qualifying points are 75% for evaluation of technical proposal. The technical proposals received will be evaluated only for those firms who submit proposals in complete shape in time.

Financial Proposals of all technically disqualified (those not scoring minimum 75% marks will be return un-opened).The financial bids of these shortlisted Chartered Accountant Firms would be opened at the above address of SERP office, Vijayawada.

The Technical Proposals will be evaluated using the following criteria:

Technical Evaluation Criteria

S.No.	Criteria	Max. Points
1	Experience/Existence of Firm: 1. Up to 10 years of Experience: 10 Points 2. 10-15 years of experience: 5 points additional 3. 15-20 years of experience: 5 points additional 4. Above 20 years of experience: 10 Points additional	(30)
2	Experience in Statutory Audit in Govt Bodies / PSUs/ Corporate entities in the last 3 years.	(10)
3	Experience in Audit assignment in Social Sector	(10)
4	Local Presence in Andhra Pradesh State	(20)
5	Staff Strength (1 fellow CA & 2 Audit staff is minimum required): 1. Up to 10 Staff strength - 5 points 2. 10-15 staff strength - 8 points 3. Above 15 staff Strength - 10 points Note: if number of "full time fellow CA" associated in the Audit team is more than 2 then additional points will be given.	(20)
6	Turnover per year (Minimum requirement is 10 Lakh per year) 1. Up to 10 lakh turnover - 5 points 2. 10-14 lakh turnover - 8 points 3. Above 14 lakh turnover - 10 points	(10)
	Total	100

Note: The technical proposal evaluation format is given in Annexure-2

Payments:

50% Payment will be made by SERP directly after submission of the draft reports of the internal audit of SERP and external audit of CBOs, FPOs and DPMUs. The balance payment will be made after submission of final reports to the satisfaction of the Client (SERP). All payments will be made after deduction of "Tax Deducted at the Sources (TDS)" as per Income Tax Act.

Important Dates:

Last date of submission of EOI : 9th June 2025
Date of opening of Technical Bid : 10th June 2025
Date of opening of Financial Bid : 10th June 2025

- a) It may be noted that SERP has power to select any Chartered Accountant Firm submitted the proposals and CEO, SERP shall reserve the right of rejection of any/all proposal without assigning any reason.
- b) In case of any dispute CEO, SERP will be the sole authority for finalizing the dispute.
- c) For any financial dispute arising under this contract will be addressed to district judiciary of respective SERP Head Office belonging district.
- d) Liquidated Damages: If selected CA firm does not complete the awarded work as per conditions / time period given in EOI/Work Order, then SERP will have right to deduct upto maximum 10% amount from the total contract amount.
- e) Initially work order will be for One Year. Based on quality and performance of CA firms, it may renew on yearly basis up to maximum 3 years.

The Enclosures include:

- a) Annexure 1 is letter of Transmittal
- b) Annexure 2 is the format of Technical Proposal
- c) Annexure 3 is the format of Financial Proposal
- d) Annexure 4 indicates the abstract of District wise 10% MS, 10% FPOs, 10% VOs in 10% MSs and ZSs/DPMUs.

The selected CA firm should be ready to commence the work immediately on being awarded the work and complete it within the stipulated time frame as mention in EOI/Work Order. For any queries on the EOI document and attached TOR interested CA firm may contact:

Director – Finance/ DDO

SERP, Vijayawada

Contact No: 9154073937 / 7337383877

Detailed Information for EOI (i.e., Expression of Interest)

1. Background

Government of Andhra Pradesh designated Society for Elimination of Rural Poverty (SERP) of Department of Rural Development as State Mission Management Unit (SMMU) for rolling out of National Rural Livelihoods Mission (NRLM) in the State. SERP is a Society of Rural Development Department to promote Livelihood and Skill /Capacity Building programme for the poor and disadvantage section of the rural community in the State. As part of this, it is providing sensitive support through 26 District Project Management Units (DPMU/DRDA) to SHGs, VOs, MS, ZSs and FPOs who are registered under cooperative laws

2. Area of Operation

The area of operation of the authority is whole of Andhra Pradesh.

The aims and objectives for which the SERP is established are to promote:

- To bring all the poor and vulnerable households into the CBOs fold
- To have strong and viable institution of the poor to influence the local decision-making process and to bargain for the betterment of their own community.
- To create an environment to enable all the poor household to have access to different financial products and services like savings, micro finance, insurance, remittances etc.,
- To strengthen the livelihoods portfolio of the rural poor leading to enhanced sustainable income.

3. Objectives of the Audit

- I. The objectives of the internal & external audit is inter-alia to review and audit the operations in the SERP and its nurturing institutions like VO, MS, ZS, FPO and DPMU to ensure that:
 - a. The expenditure has been incurred for the approved activities.
 - b. It is according to the prescribed norms and procedure and has been properly accounted for.
 - c. The prescribed internal control systems are operating satisfactorily across the program
- II. The objectives of the audit of financial statements is to enable the auditors to express a professional opinion on the financial position and final accounts of the SERP for FY 2024-25 and of the VO, MS, ZS, FPO and DPMU since 2020-21 and of the funds received, followed business rules and expenditure incurred till 31st March 2025.
- III. The audit should be carried out in accordance with the Standard Auditing Practices (SAP) prescribed by the Institute of Chartered Accountants of India (ICAI).

- IV. The auditor while auditing the financial statements of SERP and its implementing agencies should indicate the basis of accounting applied by the implementing units and SERP while paying special attention to:
- a. Check whether the funds received have been used in accordance with the conditions stipulated for the purpose for which the financing was provided.
 - b. Form an opinion as to the preparation of programmed accounts in accordance with consistently applied accounting practices and give a true and fair view of the financial status of Implementing Units (VO, MS,ZS, FPOs and DPMU) at the end of financial year and resources and expenditure for the year.

Management Letter:

- a) The CA firm will be selected by the SERP at State Level as per procurement norms.
- b) CA firm will be selected for SERP internal Audit for the financial year 2024-25 while external audit of implementing agencies (10% of MSs & FPOs and 10% of VOs in 10% MSs; 26 ZSs & 26 DPMUs) will be provided work assignment to CA Firms.

4. Audit Fees:

The firms those are interested to be appointed will have to quote consolidated audit fees giving a break-up of profession fees and expenses on TA/DA separately. The firm quoting the minimum consolidated fees including the TA/DA expenses will be awarded the work of audit. Expenditure on TA/DA will be reimbursed only on submission of actual bills subject to the maximum amount as quoted by the said CA firm. In case the audit team request with the state for stay arrangement etc., then const to the state for such stay arrangements etc., will be adjusted against the consolidated fees quoted.

5. Scope of Work:

The internal & external Audit will be carried out in accordance with the Generally Accepted Auditing Principles and will include tests and controls, as the auditors feel necessary under the circumstances. The major areas to be covered are as under:

Internal Audit for FY 2024-25:

- Internal audit for consolidated financial statements of SERP for the financial year 2024-25 at SERP Head Office, Vijayawada.

External Audit of implementing agencies from FY 2020-21 to FY 2024-25:

- 10% VOs in 10% MSs (i.e., 330 VOs @5 VOs in each 10% MSs) and 10% FPOs (i.e, 53 FPOs out of 519) and 10% MSs (i.e., 67 MSs out of 660) at respective Mandal Samakhya Head Quarters.
- 26 Zilla Samakhya & 26 DPMUs at ZS/DPMU Office, District Head Quarters.

1. Statutory Audit to cover the areas ensuring that,

- a) Transactions are recorded as per principles of Generally Accepted Accounting Principles and are booked to proper accounting heads.
- b) Utilization of funds in accordance with appropriate (Project/Federation) guidelines.
- c) To check all statutory records, registers including minute books and to see that accounting effects of all the decisions taken at General Meeting/Governing Body Meeting/AGM are given in the Books of Account.
- d) Goods and Services have been procured in compliance with the financing agreement.
- e) Transactions are duly supported by proper supporting documents.
- f) Checking the maintenance of books of accounts and records
- g) Checking the bank reconciliation statements
- h) Checking of component wise, category-wise and account head wise expenditures.
- i) Checking of investments, short term deposits etc., made from time to time.
- j) Checking of various taxes/ statutory compliance.
- k) Verification of fixed deposit registers and checking of interest received.
- l) File of Income tax return of the institute if any applicable.
- m) To give executive summary incorporating all points/matters, which are of very important nature.

2. Financial Books:

- a) Verification of Bank Book Journal, Vouching of Imprest Cash.
- b) Scrutiny of all General Ledger, Staff/ Office Bearers Advance Registers, Commenting on Loan Outstanding entries etc.,
- c) Verification of Cash, cheques on hand etc., as on 31st March every year.
- d) Verification of all compute vouchers/bills and sheet ensure correct coding and accounting head.
- e) Scrutiny of general ledger and verification of income and expenditure statement and balance sheet and other schedules as per the norms of ICAI
- f) Verification of Fixed Assets / Stocks registers and check the reconciliation of physical verification report.
- g) Verification of all financial information completely, promptly and after the necessary authorization was recorded.

3. System Improvement:

- I. The Selected Auditor(s) will report any lacunae noticed in the existing procedures and suggest improvement. Any duplication of work noticed or work or unnecessary data noticed will be highlighted and reported.
- II. The Chartered Accountant firms so appointed would be required to give:
 - a) The Chartered Accountant firm so appointed would be required to look into the compliance of previous audit objects raised (if any) and have to verify or

comment on the supporting documents/ vouchers submitted at latter stage, to settle the audit qualifications in the Statutory Audit report of this assignment.

4. Period of Audit & Report:

- a) The period of audit would be financial year 2024-25 in case of internal audit of SERP and in case of external audit of implementing agencies, the period of audit would be 4 years since FY 2020-21.
- b) And after finalization of Audit, shall be certified by CEO, SERP & CA firm for internal audit and shall be certified by PD of DPMU/DRDA for external audit.
- c) The assignment of Audit work includes consolidation of accounts, report finalization, reports approval by DPMU/SERP.
- d) The audit team shall have 3 members per SERP/District consisting at least one fellow CA, one Senior Staff (at lease CA inter or above) and one Junior Staff to complete internal/external audit.
- e) The Selected CA firms should be in position to carry out the audit in 67 locations for covering 67 MSs, 53 FPOs and 330 VOs in addition to 26 District Head Quarters
- f) The financial proposal should be submitted keeping in mind the rates recommended by ICAI/market rates as prevailing the market presently so as to give a quality report and not just to get the audit assignment.
- g) The Audit Report is to be submitted in 3 copies (Spiral Bound) and also soft copy in MS Excel/MS word and Scanned (Both) is also to be submitted in mail of the audited financial statements and audit report along with the final utilization certificates to CEO, SERP within 31 days from the date of award of assignment.
- h) Audit assignment work includes consolidation of accounts & report finalization and discussion with PD, DRDA/DPMUs or CEO, SERP & Officials. As the statutory audit work is to be completed within 31 days of awarding of the assignment.
- i) If the services are found satisfactory, the CA firm may be considered for the audit work into next year also.

Additional instructions to Auditors:

- I. Audit Report of the SERP (SPMU) shall include audit of all the transactions at the State Level as well as all the transaction in the DPMUs within the State.
- II. Audit for the financial year will include all the components under SERP (SPMU)
- III. The auditor will specifically mention in the audit report about the coverage of audit (SHOULD MENTION THAT AUDIT OF ALL THE DISTRICTS HAS BEEN COMPLETED BY HIM) on those components and also will ensure that the releases and expenditure are duly separately reflected in each program financial statements.
- IV. The auditor appointed shall be required to issue separate Audit report for each district and prepare a consolidated report also for the state and all the districts (with accounting policies, notes to accounts and management letter)

- V. The Chartered Accountants firm is required to permit the SERP to inspect if necessary their accounts, records and documents related to the bid submission and contract performance. The provision, shall require the firms bidders, suppliers, contractors, and consultants to
- a. Maintain all documents and records related to the SERP financed works/activities for three years after completion of the work contemplated in the relevant contract, and
 - b. Require the delivery of any document necessary for the investigation of allegations of fraud or corruption and the availability of employees or agents of the bidders, suppliers, contractors, sub-contractors or consultants with knowledge of the SERP financed works/activities to respond to questions from SERP personnel or any properly designated auditor, contractor, sub-contractor or consultant relating to review or audit of the document. If the bidder, supplier, contractor or consultant fails to comply with the SERP, in its sole discretion, may take appropriate action against the bidder, supplier, contractor, sub-contractor or consultant including the imposition of sanctions in accordance with the SERP administrative procedures.

Annexure 1

Letter of Transmittal

To
Chief Executive Officer
SERP, Vijayawada,
Andhra Pradesh.

Dear Sir/Madam,

We, the undersigned, offer to provide the audit services for SERP, in accordance with your EOI (i.e., Expression of interest) dated:_____. We are hereby submitting our proposal, having details about the firm and proposed audit fees. We hereby declare that all the information and statements made in this proposal are true and accept that any misinterpretations contained in it may lead to our disqualification. The fee quoted by us is valid till 90 days from the date of submission of the proposal. We confirm that this proposal will remain binding upon us and may be accepted by you at any time before the expiry date. Prices have been arrived independently without consultation, communication, agreement or understanding (for the purpose of restricting competition) on submission of the proposal and to bear any further pre-contract costs.

We understand that SERP, Vijayawada is not bound to accept the lowest or any proposal or to give any reason for award, or for the rejection of any proposal.

I confirm that I have authority of (insert Name of the C.A. Firm) to submit the proposal and to negotiate on its behalf.

Yours faithfully,

(Name with duly signed)
Full address of the firm.

Annexure – 2**Technical Bid (to be include in envelope-I)**

S.No	Particulars	Firms have to fill this column	Supporting Documents required to be submitted along with this form
1	Name of the CA Firm		
	Address of CA Firm		
	Phone Number		
	Email. Address		
2	Date of establishment of the firm		Partnership/ Proprietorship firm proof
3	Total no of experience in years		
4	Experience in Statutory audit in Govt Bodies/ PSUs/ Corporate Entities in last 3 years	YES/NO	Provide Supporting Proof
5	Experience in Audit Assignment in Social Sector	YES / NO	Provide Supporting Proof
6	Local Presence in Andhra Pradesh	YES / NO	Provide Supporting Proof
	Firm Income Tax PAN No		Attach Copy of PAN Card
	Firm GST Tax Registration No		Attach Copy of Registration
	Firms Registration No. with ICAI		
7	Empanelment No. with C & AG		Attach Proof of Empanelment with C& AG for the year 2024-25
	Annual Turnover of Firm in Last 3 years (Statutory Turnover per year minimum requirement is 10 Lakh per year)	AY 2022-23 AY 2023-24 AY 2024-25	Attach A Copy of Balance sheet and P&L Account of Last 3 years
9	Staff Strength (1 fellow CA & 2 Audit Staff minimum required)		
	Total No. of Staff Strength (including fulltime Fellow CA)		
10	Security Money in Form of Bank FDR (will be return after completion of Tendering Process)		
	a) Name of Bank		
	b) Amount (Rs.5000/-)		
	c) FDR No.		

Note: Consortium with only one CA firm is allowed. CA firm shall have to disclose about its intent to take services from other CA firm. Once the bid is submitted, no subletting will be allowed thereafter. Assessment shall be made on the basis of combined resources of consortium of CA firm (i.e. Partnership / proprietorship).

Authorized Signatory

Place:

Date:

Seal of the CA Firm

Name:

Annexure – 3**Financial Proposal (to be included in envelope –II)**

Items of Activity	Total Amount (in Rs.)
1. Fee for State Office (SPMU)	Rs.
2. DPMU, ZS & 10% of CBOs	Rs.
a. Fee for one District & one ZS Office & 10% of MS, 10% VOs in 10% MSs & 10% FPOs in that particular selected MS – as Unit	
b. Consolidation & Finalization of Reports etc	

Authorized signatory

Place:

Name:

Date:

Membership No.

Status:

Seal of the CA firm

Mobile No:

Annexure – 4

Details of Abstract of District wise CBOs (SHGs Federations)

S.No	Name of the District	No. of DPMUs/ DRDAs	No. of ZS	Total No. of Mandals	Total No. of VOs	Total No of FPOs	10% of MS	10% of VOs of 10% of MS	10% of FPOs
1	Alluri Sitharama Raju	1	1	22	1108	21	2	11	2
2	Anakapalli	1	1	24	1277	26	2	12	3
3	Anantapuramu	1	1	31	1330	21	3	16	2
4	Annamayya	1	1	30	1058	24	3	15	2
5	BAPATLA	1	1	25	1032	17	3	13	2
6	Chittoor	1	1	31	1247	23	3	16	2
7	DR. BR AMBEDKAR KONASEEMA	1	1	22	1087	13	2	11	1
8	East Godavari	1	1	18	898	12	2	9	1
9	ELURU	1	1	28	1355	23	3	14	2
10	Guntur	1	1	17	582	4	2	9	1
11	Kakinada	1	1	20	1123	14	2	10	1
12	Krishna	1	1	25	1108	13	3	13	1
13	Kurnool	1	1	25	966	25	3	13	3
14	Nandyal	1	1	28	1095	19	3	14	2
15	NTR	1	1	16	765	15	2	8	2
16	PALNADU	1	1	28	1051	25	3	14	3
17	Parvathipuram Manyam	1	1	15	565	15	2	8	2
18	Prakasam	1	1	38	1543	32	4	19	3
19	SPSR NELLORE	1	1	37	1215	33	4	19	3
20	Sri Sathya Sai	1	1	32	1311	25	3	16	3
21	Srikakulam	1	1	30	1294	32	3	15	3
22	Tirupati	1	1	33	1280	22	3	17	2
23	Visakhapatnam	1	1	4	170	4	1	2	1
24	Vizianagaram	1	1	27	1023	28	3	14	3
25	West Godavari	1	1	19	851	9	2	10	1
26	YSR	1	1	35	1118	24	4	18	2
Total		26	26	660	27452	519	67	330	53