

**Corrigendum with regard to "Tender"**  
 Published in Local Newspaper for "Hiring of Chartered Accountant Firm for Internal Audit"  
 in Bihar State Food & Civil Supplies Corporation Limited

As mentioned in the Tender Notice in the Local newspaper for "Hiring of Chartered Accountant Firm for Internal Audit" pre bid meeting held on 12.03.2019. During the pre bid meeting different queries made by the CA firms. In the light of the queries following decisions have been taken.

SN	Queries	Decision Taken
1	Request to include Cost Accountant Firms as Internal Auditor vide letter no. CMA/PD/2018-19/February 28, 2019	Accepted and Cost Accountants Firms are eligible to participate in the tender.
	R R Bajaj & Associates	
	Whether Auditor has to visit district & godown level for conducting internal audit.	Yes. Auditor will have to visit all districts and Godowns for internal audit work.
	(a) If visit is required kindly provide nos. of district as well as godown offices in the Bihar.	There are total 38 districts and 534 godowns. List of districts and godowns is mentioned on page no-31 of RFP.
	(B) Kindly mention minimum no. of days required in each district and godown offices	As mentioned in the RFP, selected agency need to carry audit of financial years 2014-15, 2015-16, 2016-17 and 2017-18. Further agency is required to carry audit of ICMs for financial year 2013-14 also.  It should be noted that selected firm have to carry audit of all 38 district office and 534 godown offices in due time line. To complete the task on time it is required that at least 6 teams should be framed containing one chartered/ cost accountant and 2 commerce graduates. Further it is required that one team should provide at least 10 working days at each district office for each financial year hence at least 2 months are required for each team one district office.
	(c) Whether chartered accountant visit is required in each district and block office	In case of godowns it is required that at least 2 man-days time should be given by the graduates staff and CA can monitor the same from district office.  It should be noted that above mentioned requirements are minimum according to management and Bidders need to evaluate requirement of team according self understanding.

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<p>(d) Whether financial statements are finalized for all the years which are covered under internal audit</p>	<p>Bihar State Food Corporation has already appointed CA firms at district level for financial management consultancy and they are responsible to prepare financial statements of district as well as godown offices.</p> <p>It should be noted that financial statements for the year 2014-15 and 2015-16 is already completed. Financial statements for FY 2016-17 and 2017-18 is under process.</p>
<p>(e) Whether last year audit reports are available at district and block offices</p>	<p>This is first time internal audit hence no reports are available with BSFC.</p> <p>Following Documents/Register are available at district office</p> <ol style="list-style-type: none"> <li>1. Ro Purchase register</li> <li>2. Stock Issue Order(SIO) Register</li> <li>3. Central R.O Register</li> <li>4. Cheque Issue Register</li> <li>5. Party / Miller Register</li> <li>6. Cash Book Register</li> <li>7. Grain statement</li> <li>8. Acquittance Register</li> <li>9. Guiny bag Register</li> </ol>
<p>(f) Provide list of all documents available at District and godowan office for audit</p>	<p>Auditors are required to visit at District and Godowan offices.</p>
<p>If Auditors are not required to visit at District and Godowan offices than kindly specify how audit will be carried by CA firm.</p>	<p>Internal Audit report need to be submitted on annual basis with separate section of KMS.</p>
<p>(1) Frequency of submission of Internal Audit report by Auditor- whether quarterly or annually.</p>	<p>Audit firm is required to submit district wise audit report and a consolidated report for all district offices and HQ. In consolidated audit report, summary of the individual district wise reports and highlighting the critical issues which require the immediate attention of the management</p>
<p>(2) Whether separate audit reports are required for each district or only one consolidated report is required.</p>	<p>KMS means is Kharif Marketing Season. Each financial year covers 2 KMS season for eg financial year 2014-15 covers to KMS one is KMS for 2013-14 (Period April 13 to July 13) second KMS is for 2014-15 (period is Nov 15 to March 2016).</p>
<p>(3) What is the mean of KMS wise report? Kindly elaborate it in detailed manner.</p>	<p>24/6 19.3.19 SM. France</p>

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<p>(4) As per RFP, CA firms are required to quote fee for each year separately but if audit reports are need to be submitted district wise than in which proportion payment will be released for completed districts.</p>	<p>The payment will be made on the basis of submission of Annual report of the Financial year. Payment will be proportionately disbursed on the submission and approval of district wise audit report. Final payment for the period will be disbursed after submission &amp; approval of complete audit report for a Financial Year.</p>
<p>(5) What will be happen if auditors face non-cooperation from district and block offices during the audit? Is there any mechanism to resolve the same?</p>	<p>Proper to operation will be provided by the all districts. In case of non cooperation modal officer will be appointed by the BSFC Ho to resolve issues. The payment of internal auditor will not be withheld for non co operation of particular districts.</p>
<p>(6) What will be the mechanism for approval of the reports submitted by the auditor.</p>	<p>Selected agency will discuss the Internal Audit report at district level and after discussion it will be submitted at Head Quarter.</p>
<p>As per attached ICAI notification, tender issuing authority is required to mention minimum fees in tender floating for hiring of only Chartered Accountants for the purpose of internal audit. In the mentioned tender minimum audit fee is not prescribed.</p>	<p>It should be noted that this tender is now open for cost accountant firm also hence there is no need to mention minimum fees.</p>
<p>Please specify, whether auditors need to carry physical verification of stock or not?</p>	<p>No. There is no need to carry physical verification of stock by the internal auditor.</p>
<p>Kindly provide complete scope of work of internal auditors, status of existing accounting and auditing at district as well as block offices and manpower visit and due timeliness for submission of the reports. It will help us to participate in the above tender in more efficient manner.</p>	<p>General Scope of work of internal audit is mentioned on page no. 32. The scope of work may vary according to the work during internal audit work.</p>
<p><b>K. Hari Ji &amp; Company</b></p>	
<p>Request to allow firm to participate in tender. as K. Hari Ji &amp; Co. had only provided district level consultancy in Gaya &amp; Aurangabad district only for the FY 2015-16, 2016-17 &amp; 2017-18 and completed all assignments on due date as mentioned by them. K. Hari Ji &amp; Co. was not State Level Consultant for the FY 2015-16, 2016-17 &amp; 2017-18.</p>	
<p>Not Accepted</p>	

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S. M. Bhanu

<p>Will conflict of interest in case of two districts will impact their eligibility for appointment as Internal Auditor.</p>	<p>Not Filigible</p>
<p><b>Rohatgi Ashish &amp; Company &amp; Arvind Arpan &amp; Associates:</b></p>	
<p>Will organisation consider the eligibility criteria 5 (Five) partners to only partners firm of Chartered Accountants?</p>	<p>Not Accepted</p>
<p>Will organisation consider the eligibility criteria of average annual turnover of Rs 50 lacs to 20 lacs?</p>	<p>Not Accepted</p>
<p>Will organisation clarify the schedule of submission of Internal Audit report &amp; Payment of Audit fees?</p>	<p>Please refer Serial No.2 as above</p>
<p>Will organisation clarify that how many maximum district would allotted to successful bidders for conducting internal audit?</p>	<p>As mentioned in the RFP, only one firm will be selected for audit of all district offices and godown offices.</p>
<p>Is Joint Venture allowed as per page no.4 of RFP?</p>	<p>Yes, allowed</p>
<p>Will organisation consider the eligibility criteria of experience of 3 assignment of Internal Audit to 3 assignments of Internal/Statutory Audit of PSUs/Government sector?</p>	<p>No Change</p>
<p>Will organisation consider/condone the value of financial management or internal audit with govt. deptt./PSU with value more than 5lacs from 1 crore?</p>	<p>No Change</p>
<p>Will organisation consider the audit assignment should be allotted to more than 10 chartered accountant firms after grouping the whole 38 district into 10 groups?</p>	<p>No Change</p>

*Signature*  
 Dy. Manager Finance

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 19/8/19  
 General Manager Finance