

# **TIRUMALA TIRUPATI DEVASTHANAMS: TIRUPATI**

## **Request For Proposal.**

On behalf of the Executive Officer, T.T.Devasthanams, Tirupati sealed R.F.P.s are invited by the Office of the Chief Audit Officer, TTD, Tirupati for availing the services of Chartered Accounting Firms for undertaking Internal Audit activities of **TTD** on contract basis, for a period of one year renewable if required on yearly basis on evaluation by TTD and in any case not exceeding three years.

### **Essential criteria to be fulfilled:-**

- a) The Firms must be Category 1 Firms. The firms having their Head office located in a state other than Andhra Pradesh, should have their Branch office in the State of Andhra Pradesh.
- b) The Chartered Accounting Firm should have a minimum of 25 (Twenty Five) years of standing in practice.
- c) The Chartered Accounting Firm (here in after referred to as Firm) should have minimum 10(Ten) partners as on 1.1.2020 of which 50% of the partners should be FCA with relevant audit experience. Of the total number of partners, at least Three partners of the firm should have been continuously associated with the firm as partner for a minimum of 15(Fifteen) Years and Two partners should have been continuously associated with the firm as partner for a minimum of 10 (Ten) Years.
- d) The CA Firm must have at least 50 staff including qualified/ semi-qualified/ Article and other staff and must be able to depute 15- 20 people at any point of time.
- e) The applicant must have had the exposure to minimum 20 Government audits (Statutory or Internal) of large entities out of which 3 entities should have a gross revenue in excess of Rs. 500 crores, over the preceding five financial years.( If in the case of audit of a branch/ division of an entity, such branch/ division shall alone have turnover more than Rs.500 crores)
- f) The Firm must have minimum average gross receipts of at least Rs.200 Lakhs each in the last 3 years. The revenue consideration of the firm should also include revenues from associate firms (including PAN INDIA and OVERSEAS), provided the main firm holds/ controls a minimum of 70%. Both firms should have same line of activity only.
- g) The Firm must have exposure of handling the audit of at least 20 Non-profit Organisation/ Institutions who are registered under Sec 12AA and sound knowledge of statutory compliances (Proof shall be enclosed).

- h) The Category1 Firm must have empanelment with C&AG and during last 5 years at least 4 audits must have been executed.
- i) The Firm who have carried Internal Audit of TTD and any allied Trusts/institutions in preceding three years are not eligible for applying for this proposal.
- j) If close relatives (parent or children) of any partner of the firm are employed in TTD, the firm is not eligible to participate in the RFP.

### **Additional Conditions**

- a) All firms shall file an undertaking and declaration that they shall not outsource or sublet the audit work allotted to them. If at any time such instance of outsourcing comes to the knowledge of TTD, the services of the firm shall be terminated forthwith.
- b) Other than the approved protocols, no firm or its members shall seek any favour from TTD either directly or through its staff which may compromise their independence as internal auditor.
- c) After appointment as internal auditor, if any disciplinary proceedings are initiated against the firm by any regulator including NFRA or ICAI, the firm shall stand disqualified and their services shall stand terminated immediately.
- d) Canvassing in any form to secure the appointment of internal auditor will disqualify the firm in participating in any services of TTD and their application will not be considered for further.
- e) None of the partner at any stage should have been indicted for any professional misconduct and no disciplinary proceedings should have been initiated or pending against the partners by the ICAI or any other competent authority.

### **Scope of the Work:**

#### **The Chartered Accountancy firm is expected to undertake the following:**

1. Audit on Income and Expenditure and identification of leakages
2. Income, Expenditure, Stores, inventory and material reconciliation
3. Verification of all note files for evaluation of process
4. Audit of accounts w.r.t recording of transactions against the transactions done at the institution level. Audit of transactions on the basis of classification of heads of Income and expenditure account and balance sheet.
5. Identification of Risk areas and its effect on financial transactions
6. Auditing and evaluation of missing internal controls
7. Comment over documentation procedure
8. Transactional analysis on the basis of data available for each type or mode of transaction and exceptional issues

9. Performance audit
10. System sophistication and improvement measures and their helpfulness to financial prudence.
11. Revelations of fraudulent , abnormal, suspectful and exceptional transactions
12. Any other Audit assignment as given by the management from time to time in relation to their area of work.

**The selection process and Evaluation criteria for this work will be as follows:**

Firms which met the minimum criteria as mentioned above are evaluated further as detailed below:

**SCORING TERMS**

| <b>Sl. No.</b> | <b>Item</b>   | <b>Total Score</b> |
|----------------|---|--------------------|
| 1              | Cumulative Years of Experience of partners in the firm who have minimum 15(Fifteen) years & 10 years of experience in case of each partner as on 01.01.2020. Partners, whose experience is either outside of applicant firm or less than Ten years in the said firm, are not considered for scoring.  | 20                 |
| 2              | The Firm must have minimum average gross receipts of at least Rs.200 Lakhs each in the last 3 years. The revenue consideration of the firm should also include revenues from associate firms (including PAN INDIA and OVERSEAS), provided the main firm holds/ controls a minimum of 70%. Both firms should have same line of activity only | 20                 |
| 3              | Total number of years of experience in Auditing Services that includes Statutory/Internal/Tax audit in Government sectors combined with coverage of number of Trusts and Non Government sectors having registered under Sec.12AA. The services with consultancy nature are not considered.  | 20                 |
| 4              | Total number of organizations in which the firm audited (Statutory/Internal ) during the last five years have the revenue more than Rs. 500 cr.   | 20                 |
| 5              | The firm's having more than 50 employees excluding partners.  | 10                 |
| 6              | Number of employees and Partners/employees with CISA/DISA qualification.  | 5                  |
| 7              | The Category1 Firm must have empanelment with C&AG and during last 5 years at least 4 audits must have been executed.   | 5                  |
| <b>Total</b>   |   | <b>100</b>         |

## Scoring Methodology:

The scoring methodology for the six scoring items listed above is as follows:

| Sl. No. | Item   |
|---------|--|
| 1       | Cumulative experience of all partners above 65 years of standing should be eligible for marking. 1 mark for every 5 years of cumulative standing experience in the said firm of all partners subject to maximum of 20 marks. In computing cumulative experience of partners, experience outside the applicant audit firm as well as of those partners whose experience falls below 5 years are excluded. Experience Details of each partner in the firm is to be given to support value entered in this field. |
| 2       | The firms Revenue above Rs.200Lakhs should be eligible for marking. If firms Revenue crosses the requirement of eligible criteria,. 1 mark for every Rs. 50 lakhs earning of the total revenue on the current year 2019 audited statement subject to maximum of 20 marks. The firm showing the combined revenue of branches and associates, the criteria of associate is required to be fulfilled. The audited statement of Standalone and group consolidation is to be submitted.                             |
| 3       | The firm's experience of above 20 Government Sector organization including Trust and NGOs registered under Sec. 12AA should be eligible for marking. 1 Mark for every Government sector experience or Trust/ NGO with 12AA registration, experience subject to maximum of 20 marks.  |
| 4       | The experience of firm conducting audit of 3 Large entities whose turnover should be more than Rs.500 crores should be eligible for marking. 15 marks for 3 entities, 1 Mark for every additional entities subject to an overall maximum of 20 Marks.  |
| 5       | The firm's employee strength more than 50 employees excluding partners should be eligible for marking. If the firm crosses the requirements of eligible number of employees then for every employee 0.5 marks will be given up to a maximum of 10 marks.   |
| 6       | The firm's partner or employee having qualification in Technology enabled audit should be marked with 2 Marks for every partner holding CISA/DISA and 1 mark for employees subject to a maximum of 5 Marks.  |
| 7       | The Category1 Firm must have empanelment with C&AG and during last 5 years at least 4 audits must have been executed..(5 Marks)  |

Note: In all computation, the fractional values (i.e. fractional years of experience or value below Rs. 10 lakhs or Rs. 1 lakh) are ignored.

**Interested firms who have met eligible conditions need to submit their details in the attached form and enclose relevant documents listed in the form.**

Clarifications on the document submitted by the Firms can be called from them and the same shall be furnished by them with in a stipulated time which shall not be more than a week from the date of receipt of such clarification letter issued by TTD in any form i.e., through speed post/ mail which is given by the applicant Firm in their proposal document, whichever is earlier.

## **Fee for the Internal Auditing Services**

The fee for the scope of work assigned to an audit firm will be ranging from a minimum of Rs.50,000/- for six months to a maximum of Rs.80,000/- per month on the basis of “**Reporting Period**” assigned to each Internal audit area. The internal Audit in TTD is distributed “**Audit area wise**” among the selected Audit firms. The “**Reporting Period**” means the period of audit for which the report need to be submitted and each audit firm will get multiple “**Audit areas**”. No single audit firm will be given the entire work so as to ensure functional efficiency and diversified reporting.

### **INVITATION FOR RFP**

The interested CA Firms may obtain the R.F.P. documents from the O/o Chief Audit Officer, TTD, Tirupati- 517 501 during the working hours from 10:30 AM to 5.00 PM on the dates give below or can be downloaded from the TTD website [www.tirumala.org](http://www.tirumala.org). In case, any further information is required, the applicants are requested to contact: The Chief Audit Officer, Room No. 79, II floor, TTD Administrative Building, K.T.Road, Tirupati during office working hours.

R.F.P. Notice vide Roc No : **TTD-69021(32)/6/2020-CAUO SEC -TTD**

|                                       |  |
|---------------------------------------|--|
| Office of Issue                       | : Office of the C.Au.O.,<br>Room No. 79, II floor,<br>TTD AdministrativeBuilding,<br>K.T.Road, Tirupati –517501. |
| Due date & time of Receipts of R.F.P. | : 22/06/2020 up to 2.00 PM   |
| Data & time of opening of R.F.P.s     | : 22/06/2020 @ 3.00 PM.  |
| Venue for opening of R.F.P.s          | : Meeting Hall ,<br>T.T.D. Admn. Building,<br>K.T.Road, Tirupati – 517501  |

# TIRUMALA TIRUPATI DEVASTHANAMS: TIRUPATI

## Request For Proposal for Internal Audit Services in TTD

### Part A: Basic Firm Details

|   |   |  |
|---|---|--|
| 1 | Name of the Audit Firm  |  |
| 2 | Address of Registered Office  |  |
| 3 | Address of the branch office in South India (In the case of firms whose registered office is located in North India.  |  |
| 4 | Date of Registration of Firm  |  |
| 5 | Date of Registration at C&AG for empanelment  |  |
| 6 | Number of Partners (please provide the details of partners in Annexure 1)   |  |
| 7 | Total Cumulative experience of the eligible partners as mentioned at Sl.No.1 under the scoring terms (please provide the latest firm constituency certificate issued by ICAI) |  |
| 8 | Total Number of employees other than partners as on 01/01/2020 and the expenditure incurred on payment of their salaries.   |  |
| 9 | Number of Government entities that are having more than Rs.500 crores of gross receipts and   |  |

|  |   |  |
|--|---|--|
|  | audited by the applicant firm.( If in the case of audit of branch/ division of an entity, such branch/ division shall alone have turnover more than Rs.500 crore) |  |
|--|---|--|

## Part B: Scoring Details

Please enter the values on the following items which are used for scoring. The values entered in this have to be accurate and support document should be provided after short listing. Firms which provided incorrect information shall be disqualified.

| Sl. No. | Item   | Enter your value |
|---------|--|------------------|
| 1       | Cumulative experience of all partners above 65 years of standing should be eligible for marking. 1 mark for every 5 years of cumulative standing experience in the said firm of all partners subject to maximum of 20 marks. In computing cumulative experience of partners, experience outside the applicant audit firm as well as of those partners whose experience falls below 5 years are excluded. Experience Details of each partner in the firm is to be given to support value entered in this field. |                  |
| 2       | The firms Revenue above Rs.200Lakhs should be eligible for marking. If firms Revenue crosses the requirement of eligible criteria,. 1 mark for every Rs. 50 lakhs earning of the total revenue on the current year 2019 audited statement subject to maximum of 20 marks. The firm showing the combined revenue of branches and associates, the criteria of associate is required to be fulfilled. The audited statement of Standalone and group consolidation is to be submitted.                             |                  |
| 3       | The firm's experience of above 20 Government Sector organization including Trust and NGOs registered under Sec 12AA should be eligible for marking. 1 Mark for every Government sector experience or Trust/ NGO with 12AA registration, experience subject to maximum of 20 marks.   |                  |
| 4       | The experience of firm conducting audit of 3 Large entities whose turnover should be more than Rs.500 crores should be eligible for marking. 15 marks for 3 entities, 1 Mark for every additional entities subject to an overall maximum of 20 Marks.  |                  |
| 5       | The firm's employee strength more than 50 employees excluding partners should be eligible for marking. If the firm crosses the requirements of eligible number of employees then for every employee 0.5 marks will be given up to a maximum of 10 marks.   |                  |

|   |   |  |
|---|---|--|
| 6 | The firm's partner or employee having qualification in Technology enabled audit should be marked with 2 Marks for every partner holding CISA/DISA and 1 mark for employees subject to a maximum of 5 Marks. |  |
| 7 | The Category1 Firm must have empanelment with C&AG and during last 5 years at least 4 audits must have been executed..(5 Marks)   |  |

The CA firm shall furnish the following documents

- (i) Certificate of Registration of firm / Certificate by ICAI.
- (ii) Individual membership/ certificate of practice issued by ICAI.
- (iii) Individual CISA/ DISA certificates of partners/ employees of the firm.
- (iv) Relevant experience certificate for Accounting and Audit works handled.
- (v) Last 3 years Audited Statements and Income Tax returns with Acknowledgment of CA firms.
- (vi) The CA firm shall furnish PAN number and GST Registration Number.
- (vii) The CA firm shall submit the latest Firm constituency certificate.
- (viii) C&AG registration for empanelment as category1 Firm.
- (ix) Copies of appointment letters issued by C&AG along with fee details determined for each audit.
- (x) Proofs of letters of appointment and agreements by Government organizations/ Trusts/ NGOs for carrying out Statutory/ Internal/ Tax Audits.



## **GENERAL TERMS AND CONDITIONS OF THE CONTRACT**

1. The contract period will be for one year from the date of awarding of the contract renewable if required on yearly basis on evaluation by TTD and in any case not exceeding three years. Date of commencement of this contract will be as per the schedule prescribed by the TTD.
2. Time is the essence of the contract and accordingly all endeavors should be made to complete the work within the stipulated time and any extension beyond the given date should be by way of proper approval.
3. Tirumala Tirupati Devasthanams being a religious Institution and a place of public religious worship also having sub shrines, utsavams, mantapams, tanks and other necessary appurtenant structures is desirous to have personnel only from Hindu Community.
4. This Contract is a contract for execution of services and it shall be the endeavour of the Chartered Accountancy Firm to provide the appropriate personnel to execute the services and in case if the performance or behavior of any personnel is not up to the expectation of TTD or found inappropriate, the Firm shall replace the personnel immediately on the intimation from TTD
5. Without the knowledge of the Chief Audit Officer, the person deployed for this work should not be replaced and alternate arrangement should be made within 24 hours in the absence of regular staff and their output should match with the outputs given by regular personnel and should not lead to day to day work getting affected.
6. TTD and Allied Trusts are having right to postpone or cancel the assignment and/or shorten the extension of its duration if necessary. However, every effort will be made to give early notice of such charges. In the event of termination the amount shall be paid for the services rendered for carrying out the assignment till the date of termination or parts thereof, and any other information and documentation gathered under this contract prior to the date of termination shall be handed over to TTD and Allied Trusts.
7. The Chartered Accountancy Firm will be responsible for staff compensation, employment liability, and insurance for the candidates during this assignment. The Chartered Accountancy Firm may also maintain comprehensive general liability insurance including contractual liability coverage adequate to cover the indemnity of obligation against all damages, cost and charges and expenses for injury to any person or damage to any property arising out of, or in connection with, the services which result from the fault of its staff.
8. The Chartered Accountant firm has to place one of its senior partners as Incharge of the Internal Audit in TTD. Such Senior partner shall be assisted by a team of minimum 5 Audit staff comprising of one CA qualified

person with three years of experience as Team head and at least two members shall be with qualification of CA inter. The remaining members shall be a graduate in Commerce and Accounting faculty.

9. The Chartered Accountancy Firm shall indemnify and hold harmless TTD and TTD and Allied Trusts against any/and all claims, demands and/or judgments of any nature brought against TTD or TTD allied Trusts arising out of the services by the consulting firm and its staff under this contract. The obligation under this paragraph shall survive even after the termination of this contract.
10. Obligation on the part of Service Provider: The Chartered Accountancy Firm during the term of this contract and after its termination shall not reveal any information or provide data directly or indirectly to any agency. Any breach of this condition is liable to be sued in the jurisdictional court of law and damages are chargeable as decided by the TTD.
11. **Prohibited Sub Contracting:** The Chartered Accountancy Firm shall not assign this contract to a sub contractor fully or any portion of it. Further the contract or any part, shares or interest of the contract is not to be transferred or assigned by the contractor directly to any person whomsoever.
12. **Disclosure of information:** The Chartered Accountancy Firm also agree that, all knowledge and information not with in the public domain which may be acquired during the carrying out of this contract, shall be for all time and for all purpose, regarded as strictly confidential and held in confidence, and shall not be directly or indirectly disclosed to any person whatsoever, except with the written permission of TTD.
13. **Payment: No advance payment of Fee will be made.** Agreed Fee of contract is valid during the currency of the contract. The renewal of contract after one year will be based on evaluation by TTD. The payments are made by TTD and Allied Trusts through online transfers. The contractee chartered Accountant firm is responsible in discharging all liabilities under various acts applicable to the transactions made by it during the currency of this contract. All statutory liabilities shall be born by the Chartered Accountancy firm only.
14. The payments will be processed only on submission of the Audit report duly signed by the senior partner for every such and such period as prescribed and after acceptance of such report by the TTD.  
Documents required:
  - A) Periodical Bills
  - B) Periodical Audit report

The above documents required are not exhaustive and it is to be specifically noted that without the above documents, the bills of the firm shall not be processed by respective TTD and Allied Trust.

15. The Chartered Accountancy Firm shall be responsible for the payment of wages, salary allowances and any statutory contributions on behalf of the personnel employed and for others in pursuance of the contract with TTD and Allied Trusts. The TTD and Allied Trusts are not liable on this count. The agency shall also hold and renew such of the licenses, registration, permit etc., and maintain/furnish such of the records as may be required under any Law or relevant rules from time to time on demand.
16. TTD reserves the right to give preference to any Agency in the interest of the Organisation at any time before the acceptance of the R.F.P. and the decision of the TTD is final and binding on R.F.P.s without any recourse.
17. TTD reserves the right to charge any penalty or withhold payment for any unsatisfactory service rendered by the agency without prejudice to its other rights. The Chartered Accountancy Firm is further liable to reimburse/compensate the respective TTD and Allied Trusts or third party for any loss, damage, injury, harm etc., caused or arisen out of the negligence, rashness or any other act of its personnel employed or breach of contract. The order of the Executive Officer in this regard under this clause is final. The Executive Officer may enhance or reduce the penalty leviable or cancel the penalty.
18. TTD and Allied Trusts reserves the right to terminate/amend/modify the contract without assigning any reason or advance notice to the Chartered Accountancy Firm. Similarly, the terms of the R.F.P. may be amended/modified by TTD and Allied Trusts, if necessary, to ensure competitiveness and quality of service. The terms and conditions of the contract include R.F.P. Rules specified in this document.
19. TTD reserves the right to add/delete/change/modify any or all the conditions mentioned in the R.F.P. document including its annexures if any and the said addition/deletion/changes/modifications can also be incorporated in the agreement to be entered in to with the R.F.P. at a later date irrespective of R.F.P. conditions mentioned in the notice inviting R.F.P. or in the R.F.P. document and further if required the same can be incorporated in a form of codicil as the case may be and the same will be binding on the contract without any recourse.
20. If the Chartered Accountancy Firm in the opinion of TTD and Allied Trusts, fails or neglects to comply with any of the terms and conditions of the contract or with any orders issued, then in such a case, TTD and Allied Trusts shall without prejudice to any other right or remedies under this contract as a right and be entitled to cancel the contract by giving a notice in writing to the CA Firm without being liable to pay any compensation for such cancellation.
21. **Force Majeure:** If, at any time, during the continuance of this contract, the performance in whole or in part by either party of any obligation under

this contract is prevented or delayed by reasons of any war or hostility, acts of the public enemy, civil commotion, sabotage, fires, floods, explosions, epidemics, quarantine restrictions, strikes, lockouts or act of God (hereinafter referred to as events) provided notice of happenings of any such eventuality is given by either party to the other within 21 days from the date of occurrence thereof, neither Party shall by reason of such event be entitled to terminate this contract nor shall either party have any claim for damages against other in respect of such non-performance or delay in performance, and deliveries under the contract shall be resumed as soon as practicable after such an event come to an end or cease to exist, and the decision of TTD and Allied Trusts as to whether the deliveries have been so resumed or not shall be final and conclusive.

22. In the case of failure by the Chartered Accountancy Firm to take up the work within the period specified. The Executive Officer, or any other Officer authorised by him shall have the powers to reject such contract and to engage any other Chartered Accountancy Firm and excess of cost so incurred by the concerned officer, TTD, over the contract price together with all charges and expenses attached to the provision of service shall be recoverable from the failed Chartered Accountancy Firm.
23. The interested Chartered Accountancy Firm shall submit the R.F.P. duly signed in each and every page and should also mention that the conditions of the R.F.P. are thoroughly studied by them and they are agreeable to the conditions. Otherwise the R.F.P. will not be accepted.
24. In the event of any breach of agreement at any time by the audit, the Contract will be terminated by the TTD without any compensation payable to the firm. The contract may also be put to an end at any time by the TTD, on giving (7) seven days notice to the Chartered Accountancy Firm. Further any dispute arising will be subject to the jurisdiction of courts of law at Tirupati only.
25. The participants for the sake of uniform comparison should not add any condition in R.F.P and such of those R.F.P.s, which stipulate any condition, are liable for rejection.
26. During the period of the contract, the prevailing Income Tax/ GST (inclusive of surcharge on IT), Education cess on IT/GST and taxes as applicable from time to time will be deducted from the gross payment of each bill of the contract as per the applicable provisions of the respective acts.
27. TTD and Allied Trusts reserves the right to reject any R.F.P. or any items in the R.F.P. or all the R.F.P.s without assigning any reason therefore.
28. TTD and Allied Trusts reserves the right to accept or reject any R.F.P. and to cancel the process and to reject all R.F.P.s at any time prior to the

award of the contract without assigning any reasons and also under no obligation to inform the affected bidders the ground of acceptance or rejection of the same. In this regard, the decision of the TTD Allied Trusts is final and binding on the CA Firms without any recourse.

29. Further, it is to specifically be accepted by the CA firm when the R.F.P. is filed before T.T. Devasthanams that the acceptance or rejection of the R.F.P. by TTD and allied Trusts or methodology adopted by TTD and allied Trusts in short- listing the Firms for the supply of R.F.P. requirements shall not become a cause of Action or Ground for the bidder to initiate any legal action before any Court or Courts of Law for obtaining any order, Injection, direction etc., from the Hon'ble Court or Courts to stall the proceedings in TTD .
30. It is specifically accepted by the Chartered Accountancy Firms that no employee of the said firm shall under no circumstances be treated or deemed to be an "Employee" of TTD OR TTD Allied Trusts and TTD shall not have or be asked to or expected to accept or accepted any responsibility or liabilities as an "Employer" to any of the employees of the Chartered Accountancy Firm for the reason of making any payment continuously or extending any facility under this contract.

I / We read and accept the above Terms and conditions of this proposal.

Place :

Date:

Authorised Signatory of the CA FIRM.