

NTPC LIMITED
(A Govt. of India Undertaking)

**NOTICE INVITING EXPRESSION OF INTEREST (EOI) FOR EMPANELMENT OF
FIRMS OF CHARTERED / COST ACCOUNTANTS FOR CONDUCTING INTERNAL
AUDIT IN NTPC LIMITED AND ITS SUBSIDIARIES FOR THE FINANCIAL
YEARS 2017-18, 2018-19 & 2019-20**

EOI NO: CC/IA/ EOI/2017-20

Date: 02.06.2017

EOI NO.	CC/IA/ EOI/2017-20
EOI Date	02.06.2017
EOI Beginning Date & Time	02.06.2017 9.00.00 Hrs
EOI Close Date & Time	22.06.2017 16.00.00 Hrs
Source of EOI	Corporate Internal Audit, New Delhi

A complete set of EOI documents as attached below can be downloaded which may be filled and submitted under sealed cover to the General Manager (Finance)-Internal Audit, NTPC Limited, Core -7, Scope Complex, Lodhi Road, New Delhi – 110 003 so as to reach latest by 22.06.2017 (4.00 p.m.)

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FORMAT OF APPLICATION

1. Name of the Firm:
2. Registration No. of the Firm:
3. Date of Registration of the Firm:
4. Details of Head Office & Branch Office(s):

Head Office:

Address	Date of Establishment	Contact Person/Mobile number/other contact Nos./Fax	E- mail

Branch Office 1:

Address	Date of Establishment	Contact Person/Mobile number/other contact Nos./Fax	E- mail

Branch Office 2:

Address	Date of Establishment	Contact Person/Mobile number/other contact Nos./Fax	E- mail

(Insert information for additional Branch office(s), if any)

5. Details of Partners:

Sl No	Name of the Partner(s)	Membership No.	Membership Status ACA/ACMA/ FCA/ FCMA/CISA/ DISA	Date of joining the firm as Partner
1.				
2.				
3.				
...				

6. Details of Qualified Assistants:

Sl. No.	Name of the Assistant	Membership No.	Whether ACA/ACMA/FCA/ FCMA/CISA/DISA	Date of joining the firm as Qualified Assistant
1.				
2.				
3.				
...				

7. Details of Semi-Qualified Assistants:

Sl. No.	Name of the Assistant	Whether CA-IPCC/CMA-Inter	Date of joining the firm as a Semi-Qualified Assistant
1.			
2.			
3.			
....			

8. Details of Experience of firm in Power Sector as Statutory / Internal Auditors:

Sl. No.	Name of the Company/Unit	Year of Audit	Type of Audit - whether Statutory / Internal Audit
1.			
2.			
3.			
....			

9. Details of Experience of firm in Physical Verification in Power Sector :

Sl. No.	Name of the Company/Unit	Year of Audit	Type of Physical Verification-Fixed Assets / Inventory
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1.			
2.			
3.			
....			

10. Details of Experience of firm in sectors /industries other than power (excluding financial sector) under Central / State Government / PSUs:

Sl. No.	Name of the Company/Unit	Year of Audit	Type of Audit – whether Statutory / Internal Audit
1.			
2.			
3.			
....			

11. Details of Experience in Financial sector under Central / State Government / PSUs:

Sl. No.	Name of the Company/Unit	Year of Audit	Type of Audit – whether Statutory / Internal Audit
1.			
2.			
3.			
....			

12. Readiness for Audit under Ind AS compliance guidelines Yes/No

13. PAN No. of the Firm:

14. Service Tax / GST Registration No. :

Signature of Partner with
Name & Seal of the Audit Firm

Annexure – A

SELECTION CRITERIA (POINT ALLOCATION) FOR EMPANELMENT OF AUDIT FIRMS WILL BE AS FOLLOWS:

SL. NO.	PARTICULARS	POINTS TO BE ALLOCATED	MAXIMUM POINTS
1	Year of Establishment of the Firm	1 (one) per year of existence (fraction of the year to be ignored)	10 (ten)
2	No. of Partners in the Firm who have been with the applicant Firm for a minimum period of one year as on the date of application.	2 (two) for each Partner who is ACA/FCA / ACMA/FCMA	12 (twelve)
3	Number of branch offices (excluding head office)	1 (one) per branch	04 (four)
4	Number of partners/qualified assistants (Chartered/Cost Accountants) with CISA / DISA	2 (two) per person	06 (six)
5	No. of Qualified Assistants (Chartered/Cost Accountants) employed with the Firm	2 (two) per Qualified Assistant	10 (ten)
6	No. of Semi-qualified Assistants (CA-IPCC /Cost -Inter) employed with the Firm	1 (one) per Semi-qualified assistant	10 (ten)
7	Experience of the Firm in Power sector as Statutory/Internal Auditors (refer note Sl. IV below)	3 (three) per year of Audit (fraction of the year to be ignored)	15 (fifteen)
8	Experience of the firm in Physical verification in Power Sector (refer note Sl. IV below)	1 (one) per year of Audit (fraction of the year to be ignored)	6 (six)
9	Experience of the Firm in sectors/industries other than Power (excluding financial sector) under Central/State Government(s)/ PSUs, as Statutory/Internal Auditors	2 (two) per year of Audit (fraction of the year to be ignored)	18 (eighteen)
10	Experience of the Firm in Financial sector under Central/State Government/PSUs as Statutory/Internal Auditors	1 (one) per year of Audit (fraction of the year to be ignored)	9 (nine)
	Total points		100 (One hundred)

Note:

- I. Experience from the Financial year 2006-07 onwards only shall be considered while carrying out evaluation for criteria at Sl. No.7 to 10 above.
- II. Sl. No. 7 to 10 - Points for each year's experience shall be awarded irrespective of the number of audits conducted during that particular year.
- III. Power Sector at Sl. No. 7 & 8 would mean an entity engaged in generation/ transmission/ distribution of electricity.
- IV. In cases where firm's experience is in private sector at Sl. 7 & 8 above, auditee entities with minimum average turnover of Rs 500 Crores in power sector (as defined at Sl. III above) in any three consecutive financial years starting from 2013-14 would only be considered.

To Do List

(A) Instructions to Audit Firms:

1. Format of Application must be completely filled in. Incomplete applications will be outrightly rejected.
2. Please ensure that date of opening of Registered Office, Branch Office(s), entrance dates of all Partners into the firm, date of joining firm as qualified & semi- qualified assistants are invariably indicated in the application.
3. A declaration has to be submitted by each audit firm that none of its partner(s) or qualified employee(s) is a partner in any other audit firm which is applying for the current empanelment in NTPC. Any EOI without such declaration in this regard shall be summarily rejected.
4. ***All EOIs will be evaluated on the basis of the documents furnished along with applications only.***
5. Since, all the applications will be evaluated strictly on the basis of Selection Criteria as per Annexure-A, *please avoid attaching unsolicited information/ documents for processing applications expeditiously.*
6. All the documents submitted should be signed by a Partner with his / her name and under the seal of the firm.
7. Applications must be submitted under sealed cover superscribing the EOI Notice No. ___ & date and the words **"Application for Empanelment of Internal Auditors for Financial years 2017-18, 2018-19 and 2019-20"**. The name and address of the firm must also be indicated on the body of the envelope.
8. Application must be addressed to General Manager (Finance) - Internal Audit, NTPC Limited, Core -7, Scope Complex, Lodi Road, New Delhi – 110003. It may be delivered in person also at reception Core -7, Scope Complex, Lodi Road, New Delhi – 110003. NTPC does not take any responsibility for the loss of application in-transit. Applications sent through Fax or E-mail will not be considered.
9. Any application received after the stipulated date & time, due to any reason whatsoever, will be rejected.

(B) List of documents to be submitted along with the applications/ EOIs:

Interested firms are advised to go through the contents of the EOI documents carefully and submit self attested copies of the following documents in proper sequence along with the EOIs as described hereinafter:

1. Latest registration certificate of the firm issued by The Institute of Chartered Accountants of India / The Institute of Cost Accountants of India w.r.t the information related to the year of establishment of Head Office, Branch Office(s), address (es), details of partners along-with their membership nos. etc. Particulars as indicated in the Certificate(s) will be treated as conclusive and used for the purpose of evaluation of EOIs.
2. Certificates of DISA/ CISA, if any, issued by the respective Institutes.

3. Membership certificates of the qualified assistants issued by The Institute of Chartered Accountants of India / The Institute of Cost Accountants of India.
4. Certificates/ Mark sheets issued by the respective Institutes in evidence of qualification of semi- qualified assistants.
5. Copies of appointment letters for Statutory / Internal audit /Physical verification in NTPC and its Subsidiaries/ JVs/ other PSUs/ Government(s)/ Central / State/ Scheduled Banks/ Private Sector in evidence of experience.
6. Firms with experience of internal / statutory / physical verification audit of power sector entities in private sector have to submit a certificate to the effect that the average annual turnover of the auditee for the relevant financial years is Rs 500 Crores or more along with self attested copies of published accounts showing turnover for the relevant years/ CIN and other relevant web links to verify the turnover or certificate giving year-wise turnover details issued by the company.
7. Copy of PAN card.
8. Copy of Service Tax / GST Registration.
- 9. A copy of complete EOI document duly signed as a token of acceptance of all terms and conditions and sealed.**

**TERMS OF REFERENCE OF INTERNAL AUDIT FOR NTPC AND ITS
SUBSIDIARIES.**

The terms and conditions for conducting Internal Audit in NTPC and its Subsidiary Companies are detailed hereunder:

Internal audit shall be conducted in 2(two) phases (Phase –I covering the period from April to September and Phase –II covering the period from October to March). The commencement of Phase – I audit will be on/around 5th September and Phase –II will be on/around 5th March and the reports for Phase –I & II are to be submitted by 5th October and 5th April respectively.

1. AUDIT TEAM

Auditors would deploy a suitable team for undertaking the audit, after a thorough perusal of the requirements of the appointment letter, terms & conditions contained therein and the Detailed Guidelines for Internal Audit, ensuring that the size of the audit team is commensurate with the size of the auditee unit and the volume of work involved.

The Head of Finance of the Unit will coordinate with the Audit Team for smooth functioning of the audit.

It should be ensured that the audit team is headed at all times by a Chartered / Cost Accountant with a team member having CISA/DISA and/or prior experience of auditing on the SAP-ERP platform. .

2. AUDIT REPORT

The auditor should give a report for at the end of each Phase as per the requirement of **Annexure - E**.

3. AUDIT FEE, MINIMUM MANDAYS PER PHASE OF AUDIT AND TRAVELLING EXPENSES

Details of Audit fee for the year and Minimum number of Man-days required to be devoted in each phase of audit for each unit are given in **Annexure - F**.

In addition one time to & fro journey fare by Air or Rail for each Phase of audit shall be paid as detailed below:

Journey should be performed by the shortest route in the entitled class given below:

Entitled person	Mode & class of Travel
One Partner:	Economy class by Air / AC Ist Class by Rail

Others: AC 2 Tier / Ist Class by Rail

Boarding, Lodging and Local Transportation will be provided by the Company free of cost at the Units.

Service tax /GST, as applicable, will be paid as per the relevant Laws.

4. PAYMENT OF AUDIT FEES

Firms will be paid 50% of the Annual Audit fee after the completion of each Phase of audit. Such fee shall be released only after submission of report for that phase followed by the bill along with stay certificate issued by Head of Finance of the unit and all supporting documents including Boarding passes in original in case of air travel required to process such bills.

5. GENERAL TERMS AND CONDITIONS

- i. Firms that secure 80 points and above as per criteria given in Annexure – A shall be considered for empanelment. Firms will be given points and ranked in the descending order. Top 150 firms securing 80 points and above and ties shall be considered for empanelment.
- ii. This EOI is only for the purpose of empanelment of Firms and does not guarantee/assure allotment of Internal Audit/any other assignments.
- iii. Only empanelled firms will be intimated about the decision on empanelment.
- iv. The Company reserves its right to accept or reject any application(s) without assigning any reasons thereof. The decision of the Company for empanelment of Firms shall be final and binding upon the firms participating in the process of empanelment.
- v. The appointment of an Audit Firm will be made from the empanelled list of firms keeping in perspective the proximity of its office to the NTPC unit, irrespective of points obtained by the firm in the evaluation. All the empanelled firms shall be treated at par irrespective of points obtained as per the criteria given in Annexure-A. However any Audit Firm can be assigned any work at any unit at the discretion of the Company.
- vi. The Internal Auditor will ensure that the information obtained in respect of the working/operation of the unit is maintained in strict confidence and secrecy at all times, including after the completion of the assignment. All such information shall remain exclusive property of NTPC at all the times. A certificate towards maintaining confidentiality is to be provided by the Audit firm at the time of acceptance of Audit assignment
- vii. Assignment of work in subsequent years may be made subject to satisfactory performance. The empanelled firms may be given assignments like Internal Audit/physical verification of fixed assets / inventory etc.

- viii. On assignment of work in subsequent years after the first year, NTPC may rotate the Audit Firms from one unit to another within the Company.
- ix. In case the Audit Firms, which are already appointed as Internal Auditors, are subsequently appointed in NTPC or its subsidiaries/Joint Venture companies under any statute/legislature or under any other capacity, the appointment of such Firm as Internal Auditor shall be withdrawn and a fresh appointment letter will be issued to one of the empanelled firms other than this firm. It shall be the responsibility of the firm to inform NTPC of any such appointment.
- x. If progress/performance of the audit team is not found satisfactory, NTPC's management reserves the right to terminate the appointment of the Firm, without assigning any reason whatsoever.
- xi. The Audit Firm will be debarred from getting, in future, Internal Audit assignments in NTPC and its subsidiaries in the following cases :
 - a. If the Firm obtains the appointment on the basis of misrepresentation of information / misstatement of facts at the time of submission of application/documents along with EOI.
 - b. The Audit Firm is found to have sub-contracted the work.
 - c. If the Firm does not take-up audit in terms of the appointment letter.
 - d. If the Firm does not submit the Audit Report, complete in all respects in terms of the appointment.
 - e. If the firm refuses to take up the assignment from the branch office as mentioned in the letter of appointment for any reason whatsoever. No request for change of branch office shall be entertained.
- xii. Firms which have conducted internal audit for three consecutive years in NTPC units/ Subsidiaries / JVs irrespective of units covered shall not be considered for internal audit assignment during the empanelment period i.e. 2017-18 to 2019-20. However, they may be considered for other assignment like physical verification etc.

**MAJOR AREAS TO BE COVERED DURING THE INTERNAL AUDIT OF
PROJECTS/STATIONS/ OFFICES**

<u>SL. No.</u>	<u>ITEM</u>
I	Works including O&M contracts (Pre-award and Execution)
II	Procurement – (Pre-award and Execution)
III	Accounts including establishment accounts
IV	Human Resources Department (HR Establishment)
V	Stores
VI	Auto Base and Construction Equipment
VII	Township, Guest House and Hospital
VIII	Operations
IX	Invoicing and debtors for: <ul style="list-style-type: none">▪ Sale of energy▪ Consultancy
X	Custom Duty and Port charges etc.

Detailed guidelines for the above areas will be given at the time of appointment.

REPORTING REQUIREMENTS

Internal Audit Reports should be divided into five separate parts, namely:

PART- I IMPORTANT OBSERVATIONS, OBJECTIONS AND RESERVATIONS:

This part should contain the auditors comments on all such irregularities or occurrences which the auditors desire to bring it to the notice of management, along-with their financial implications, if any. This part should also bring out deviations (non - compliances) by units from (with) policies, systems and procedures prescribed by NTPC. Any non-compliance with the matters/areas specified in the Guidelines for Internal Audit (to be provided at the time of appointment) should also be identified here. The observations should be arranged in self-contained paras, preferably with suitable titles.

PART – II COMPLIANCE REPORT:

Auditors to Report on compliance of internal audit observations outstanding as at the end of the previous half year (that is, as contained in the Report of the preceding phase). For example, while submitting the internal audit report of Phase – I for the current year (say, 2017-18) it may be ensured that a compliance report on audit observations contained in Phase - II report of the previous year (i.e. 2016-17) as well as on such observations contained in reports of earlier years, pending settlement, is included and details of corrective actions taken on those observations are furnished in the current year's Phase – I audit report.

PART – III REPORT ON TESTING OF EFFECTIVENESS OF INTERNAL CONTROLS:

An element of risk-based auditing has been made a part of the scope of Internal Audit. This has been done by the inclusion of a checklist w.r.t the Internal Control Framework in vogue in NTPC. For this purpose, a separate checklist for testing the effectiveness of certain chosen controls have been included in the Guidelines for Internal Audit which will be issued along with the appointment letter. The said checklist also details the process involved for conducting such tests. Auditors are required to complete the procedure outlined in the checklist and include their findings on such ICF testing in Part III of their report.

PART – IV REPORT ON CONTRACTS / P.Os PLACED ON SINGLE TENDER BASIS:

It has been decided that internal auditors will report separately on Contracts / Work Orders (W.Os)/Purchase Orders (P.Os) placed on Single Tender basis. The coverage of such contracts and the format for such reporting is included in the Guidelines for Internal Audit (to be provided at the time of appointment) which may kindly be adhered to.

PART – V DETAILED REPORT:

This part shall comprise auditor's detailed observations regarding areas specified in the Guidelines for Audit. However, non-compliance with the matters / areas specified in the Guidelines which are identified in Part I of the report, should also be invariably detailed in Part V. While Contracts/W.Os. / P.Os placed on Single Tender basis should be reported in Part – IV of the report, auditors should report their findings on all Contracts/W.Os. / P.Os placed on other than Single Tender basis in this Part (i.e. Part V), in the format included in the Guidelines for Internal Audit.

The following may also be kindly ensured:

- (a) The report should be supplemented, **in each phase**, by a statement indicating:
 - (i) Particulars of records checked along with their volume and value as compared to the total volume and value of the transactions. Auditors should also mention the entry date of the last document verified by them in the SAP system.
 - (ii) A statement indicating the audit staff deployed, their designation and the period of deployment in each phase.
- (b) The report should also contain references to areas where no adverse observations have been noted. In respect of other areas, specific suggestions for improvement, if any, may also be highlighted for each area.
- (c) The results of audit should be discussed with Head of unit and Finance in each phase and important observations should be brought to their notice so that timely corrective actions may be taken. The report should be prepared after duly taking into account the additional information that may be provided / obtained at such discussions.
- (d) The reports are to be submitted in four copies for each phase of audit to the Corporate Internal Audit Department of NTPC at New Delhi. Contents of Internal Audit Report have also to be submitted on 2 CDs written in MS Office and a soft copy is also to be emailed to the following ids umatrivedi@ntpc.co.in & akacharya01@ntpc.co.in.

List of Units, Location, Minimum Mandays and Audit Fees for Internal Audit

SI.NO	Name of Unit	State	Partner Man - days (as Team Leader) Per Phase	Other Team Member Man -Days Per Phase	Fees for 2017-18
1.	SIMHADRI	Andra Pradesh	12	58	365000
2.	SRHQ	Telangana	2	16	120000
3.	BONGAIGAON	Assam	8	37	220000
4.	BARH	Bihar	10	50	275000
5.	KAHALGAON	Bihar	12	58	365000
6.	ER-I	Bihar	2	16	120000
7.	SIPAT	Chhattisgarh	12	58	365000
8.	KORBA	Chhattisgarh	12	58	365000
9.	WR-II	Chhattisgarh	2	16	120000
10.	BADARPUR	Delhi	8	37	220000
11.	GANDHAR	Gujarat	8	37	220000
12.	KAWAS	Gujarat	8	37	220000
13.	FARIDABAD	Haryana	8	37	220000
14.	KOLDAM	Himachal Pradesh	8	37	220000
15.	PAKRI BARWADIH	Jharkhand	8	37	220000
16.	NORTH KARANPURA	Jharkhand	8	37	220000
17.	KUDGI	Karnataka	8	37	220000
18.	KAYAMKULAM	Kerala	8	37	220000
19.	VINDHYACHAL	Madhya Pradesh	13	62	390000
20.	GADARWARA	Madhya Pradesh	8	37	220000
21.	LARA	Chattisgarh	8	37	220000
22.	MOUDA	Maharashtra	10	50	275000
23.	SHOLAPUR	Maharashtra	8	37	220000
24.	WR-I	Maharashtra	2	16	120000
25.	TALCHER SUPER	Odisha	13	62	390000
26.	TALCHER THERMAL	Odisha	8	37	220000
27.	ER-II	Odisha	2	16	120000
28.	DARIPALI	Odisha	8	37	220000
29.	ANTA	Rajasthan	8	37	220000
30.	T&CC, Chennai	Tamil Nadu	2	14	80000
31.	RAMAGUNDAM	Telangana	12	58	365000
32.	UNCHAHAR	Uttar Pradesh	10	50	275000
33.	TANDA	Uttar Pradesh	8	37	220000
34.	RIHAND	Uttar Pradesh	13	62	390000
35.	SINGURALI	Uttar Pradesh	12	58	365000

36.	DADRI	Uttar Pradesh	12	58	365000
37.	AURAIYA	Uttar Pradesh	8	37	220000
38.	NRHQ	Uttar Pradesh	2	16	120000
39.	DBF HQ	Uttar Pradesh	2	16	120000
40.	CONSULTANCY	Uttar Pradesh	2	16	120000
41.	CPT	Uttar Pradesh	2	16	120000
42.	TAPOVAN / LATA	Uttrakhand	8	37	220000
43.	Hydro HQ	Uttrakhand	2	16	120000
44.	FARAKKA	West Bengal	12	58	365000
45.	T&CC, Kolkata	West Bengal	2	14	80000
46.	RAMMAM	West Bengal	2	16	120000
47.	KHARGONE	Madhya Pradesh	2	16	120000