

NTPC LIMITED
(A Govt. of India Enterprise)

NOTICE INVITING EXPRESSION OF INTEREST FOR EMPANELMENT OF FIRMS OF CHARTERED / COST ACCOUNTANTS FOR CONDUCTING INTERNAL AUDIT IN NTPC LIMITED AND ITS SUBSIDIARIES FOR THE FINANCIAL YEARS 2020-21, 2021-22 & 2022-23

Dated: 19.11.2019

NTPC Limited, a Government of India Undertaking, invites expression of interest (EOI) from reputed Indian Chartered / Cost Accountants firms for empanelment as Internal Auditors for the financial year 2020-21, 2021-22 and 2022-23.

The format of application along with the selection criteria, annexure specifying the extent of coverage in areas, reporting requirements, terms of reference, list of units and locations etc. are available at www.ntpctender.com. The same can be downloaded from website.

Firms may send their applications in the prescribed format under sealed cover to the General Manager (Finance) Internal Audit, NTPC Limited, Room No. 30, EOC Annexe Building, Plot A-8A, Sector 24, Noida – 201301 so as to reach latest by 20.12.2019 upto 05.00 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	Supporting document Flag No.

Branch Office 1:

Address	Date of Establishment	Contact Person/Mobile number/other contact Nos./Fax	E- mail	Supporting document Flag No.

Branch Office 2:

Address	Date of Establishment	Contact Person/Mobile number/other contact Nos./Fax	E- mail	Supporting document Flag No.

(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/ ISA	Date of joining the firm as Partner	Supporting document Flag No.
1.					
2.					
...					

6. Details of Qualified Assistants:

Sl. No.	Name of the Assistant	Membership No.	Whether ACA/ACMA/FCA/ FCMA/CISA/ISA	Date of joining the firm as Qualified Assistant	Supporting document Flag No.
1.					
2.					
...					

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	Supporting document Flag No.
1.				
2.				
....				

8. Details of Experience of firm in Power Sector as Statutory / Internal Auditors from FY 2009-10 onwards :

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

9. Details of Experience of firm in NTPC as Statutory Auditors from FY 2009-10 onwards :

Sl. No.	Name of the Company/Unit	Year of Audit	Type of Audit - Statutory	Supporting document Flag No.
1.				
2.				
3.				

10.Details of Experience of firm in Physical Verification in Power Sector from FY 2009-10 onwards :

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

11. Details of Experience of firm in sectors /industries other than power (excluding financial sector) under Central / State Government / PSUs from FY 2009-10 onwards:

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

12. Details of Experience in Financial sector under Central / State Government / PSUs from FY 2009-10 onwards:

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

13. Details of Valid Peer Review Certificate: NO. _____ dated _____
(Enclose Supporting document)

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

15. PAN No. of the Firm:

16. GST Registration No. :

Signature of Partner with
Name & Seal of the Audit Firm

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 full financial year of existence	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 / ISA / Certification in Forensic Accounting and Fraud Prevention from ICAI	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	08(eight)
7.	Experience of the Firm in Power sector as Statutory/Internal Auditors (refer note Sl. IV below)	3 (three) per year of Audit	15 (fifteen)
8.	Experience of the Firm as Statutory Auditor of NTPC	1 (one) per year of Audit	4 (four)
9.	Experience of the firm in Physical verification in Power Sector (refer note Sl. IV below)	1 (one) per year of Audit	6 (six)
10.	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	16 (sixteen)
11.	Experience of the Firm in Financial sector under Central/State Government/PSUs as Statutory/Internal Auditors	1 (one) per year of Audit	6 (six)
12.	Valid Peer review certificate issued by ICAI		3 (three)
	Total points		100 (One hundred)

Note:

- I. Experience from the financial year 2009-10 onwards only shall be considered while carrying out evaluation for criteria at Sl. No. 7 to 11 above.
- II. Sl. No. 7 to 11 - 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 and 9 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 and 9 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 2016-17 would only be considered.
- V. Fraction of the year to be ignored for calculating no. of years at SL No. 1, and 7 to 11.

To Do List

(A) Instructions to Audit Firms:

1. Format of Application must be completely filled in. Incomplete applications will be out rightly 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. All EOIs will be evaluated on the basis of the documents furnished along with applications only.
4. 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*.
5. All the documents submitted should be signed by a Partner with his / her name and under the seal of the firm.
6. Applications must be submitted under sealed cover super scribing the EOI Notice No. ___ & date and the words **"Application for Empanelment of Internal Auditors for Financial years 2020-21, 2021-22 and 2022-23"**. The name and address of the firm must also be indicated on the body of the envelope.
7. Application must be addressed to General Manager (Finance) - Internal Audit, NTPC Limited, Room No. 30, EOC Annexe Building, Plot A-8A, Sector 24, Noida – 201301. It may be delivered in person also at reception of NTPC Limited, EOC Building , Plot A-8A, Sector 24, Noida – 201301. NTPC does not take any responsibility for the loss of application in-transit. Applications sent through Fax or E-mail will not be considered.
8. 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. Copy of MEF (Multipurpose Empanelment Form) last submitted to ICAI.
3. Certificates of ISA/ CISA/ Forensic Accounting and Fraud Prevention from ICAI if any, issued by the respective Institutes.
4. Membership certificates of the qualified assistants issued by The Institute of Chartered Accountants of India / The Institute of Cost Accountants of India.

5. Certificates/ Mark sheets issued by the respective Institutes in evidence of qualification of semi- qualified assistants.
6. 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.
7. Copies of appointment letters for Statutory / Internal audit /Physical verification in NTPC and its Subsidiaries/ JVs/ other PSUs/ Government(s)/ Central / State/ Scheduled Banks in evidence of experience.
8. 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.
9. Peer review certificate issued by ICAI
10. Copy of PAN card.
11. Copy of GST Registration.
- 12. 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 Shared Service Centre (SSC)/ 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/ISA 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:

<u>Entitled person</u>	<u>Mode & class of Travel</u>
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.

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 the submission of report for each phase. The bill should be submitted to respective SSCs / units along with all supporting documents including Boarding passes in original in case of air travel.

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 120 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. 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.
- iv. 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 SSC / 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.
- v. 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
- vi. 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.
- vii. 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.
- viii. 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.
- ix. 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.
- x. The Audit Firm will be debarred from getting, in future, Internal Audit assignments in NTPC and its subsidiaries / JVs 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 two or more years in current empanelment (2017-18 to 2019-20) at NTPC units/ Subsidiaries / JVs irrespective of units covered shall not be considered for internal audit assignment during the proposed empanelment period. 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 / Areas</u>
1	Important Observations
2	Works & Procurement including O&M contracts (Pre-award and Execution)
3	Operations
4	Accounts including establishment accounts
5	Stores
6	Human Resources Department (HR Establishment)
7	Township, Guest House and Hospital
8	Auto Base and Construction Equipment
9	Coal Mining
10	Loan Accounts (Term loan & Working Capital Loan)
11	Invoicing and debtors for Sale of energy
12	Custom Duty and Port charges etc.
13	Invoicing and debtors for Consultancy
14	Investment and Bonds
15	Report on Testing and effectiveness of Internal control (ICF)

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

REPORTING REQUIREMENTS

Internal Audit Reports should be divided into Eighteen paras, namely:

PARA- 1 IMPORTANT OBSERVATIONS, OBJECTIONS AND RESERVATIONS:

This para 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.

PARA – 2 to 17 DETAILED REPORT:

These paras 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 Para 1 of the report, should also be invariably detailed in these paras.

PARA – 18 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 in this para.

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 Heads of SSC/ units 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 Unit-wise reports are to be submitted in single hard copy for each phase of audit to the Corporate Internal Audit Department of NTPC at NOIDA. Soft Copy of Internal Audit Report have also to be submitted in MS Excel through email to the following ids ragoyal@ntpc.co.in and pushpendratyagi@ntpc.co.in
- (e) The concept of paperless office (PRADIP), has been implemented in NTPC hence contents of Internal Audit Report have also to be reported in Financial Audit – Internal Audit module of PRADIP platform of NTPC. A familiarisation training programme will be organised by NTPC for PRADIP system before start of the audit.

List of SSCs, Units, Minimum Man-days and Audit Fees for Internal Audit

Sl.NO	Name of Unit	Total Man-days	Partner Man-days	Proposed Fees for 2020-21
SSC- DBF & Hydro				
1	Lata & Tapovan Vishnugad HPP	41	8	270000
2	Koldam HPP	41	8	270000
3	Hydro HQ	7	2	45000
4	Dadri Badarpur Faridabad HQ	7	2	45000
5	Faridabad GPP	35	7	230000
6	Rammam HPP	9	2	60000
7	Dadri including GAS	63	12	415000
SSC-Auraiya				
8	Auraiya GPP	35	7	230000
9	Feroz Gandhi Unchahar TPS	54	10	355000
10	Tanda TPS	41	8	270000
11	Bilhour Solar	8	2	55000
12	NR HQ	7	2	45000
SSC-VSR				
13	Vindhyachal STPP	68	13	450000
14	Rihand STPP	63	12	415000
15	Singrauli STPS	54	10	355000
SSC-Kawas				
16	Kawas GPP	35	7	230000
17	Jhanor Gandhar GPP	35	7	230000
18	Solapur STPP	54	10	355000
19	Anta GPS	35	7	230000
20	Mouda STPP	63	12	415000
21	WR-I HQ	7	2	45000
SSC-Sipat				
22	Sipat STPP	63	12	415000
23	WR-II HQ	7	2	45000
24	Lara STPP	54	10	355000
25	Gadarwara STPP	54	10	355000
26	Khargone STPP	41	8	270000
27	Korba STPS	63	12	415000
SSC-Barh				
28	T &CC, Kolkata	5	2	35000
29	ER-I HQ	7	2	45000
30	Farakka STPS	63	12	415000

31	KahalgaoonSTPS	63	12	415000
32	North Karanpura STPP	41	8	270000
33	Barh STPP	63	12	415000
34	Barauni	8	2	55000
SSC-Talcher				
35	Bongaigaon TPP	41	8	270000
36	ER-II HQ	7	2	45000
37	Darlipali STPP	41	8	270000
38	Talcher Thermal	41	8	270000
39	Talcher Super Thermal	63	12	415000
SSC-Simhadri				
40	Ramagundam STPS	63	12	415000
41	T &CC, Chennai	5	2	35000
42	Rajiv Gandhi CCPP, Kayamkulam	35	7	230000
43	SR HQ	7	2	45000
44	Simhadri	63	12	415000
45	Kudgi STPP	63	12	415000
SSC-Coal Mining Plant-Ranchi				
	Units	Total Mandays	Partner Mandays	
46	Pakri Barwadih CMP	41	8	270000
47	Talaipalli	17	2	115000
48	Dulanga	17	2	115000
Others				
	Units	Total Mandays	Partner Mandays	
49	Badarpur TPS	20	4	130000
50	Centralised Billing	41	8	270000
51	Corporate Centre- SCOPE/ EOC	70	13	460000
52	Centralised Payroll Team	20	4	130000
53	Human Resource Unified Services	20	4	130000

The concept of Shared Service Centre (SSC) has been implemented in NTPC wherein the function of finances & Accounts are Centralised at one unit for each Region. Hence, the audit of two or more units under SSCs /HQs may be allotted to one firm.