

*Invitation to limited
tender for appointment
of Risk Based Internal
Auditor of REC
Regional Office
Lucknow FY 2022-23*

REC/ROL/F&A/22-23/

Dated-20 .06.2022

The Audit Incharge,
CA/CWA Audit Firm.
Lucknow

Sub: Invitation for participation in bid for Risk Based Internal Audit (RBIA) for REC Regional Office, Lucknow

Sir,

REC Ltd, a Navratna CPSU under Ministry of Power is looking for appointment of professional audit firm for Risk Based Internal Audit (RBIA) of its Regional Office Lucknow for the Financial Year 2022-23. The selection of the Auditor Firm will be on Limited Tender Basis on fulfilment of pre-requisite conditions, qualification in technical parameters and fees quoted by the firm. The selection parameters are given as below:

a) The pre-requisite conditions to be fulfilled by Audit Firms for participation in selection process are:

- i) Audit firms should be registered with ICAI/ICWAI.
 - ii) Audit Firms should have conducted Risk Based Internal Audit of any PSUs/ Banks/ Financial Institutions for a period of at least one year in the past 05 years.
- b) For selection and appointment of audit firms, a combined evaluation of both quality and cost will be done. The technical proposal would be evaluated first, and points would be allotted to the bidders based on the technical parameters as under: -

Sl. No.	Criteria as on 1 st April of Current Year	Point per criteria	Maximum Points
1	No. of completed years of existence from the date of registration (minimum 5 years).	1 point per completed year	15
2	Any one qualified ISA/DISA/CISA/CIA partner or employee	Lump sum	5
3	No. of CA/ICWA qualified employee/ Partner	2 points per qualified employees/partner	15
4	No. of semi-qualified employees (CA/ICWA intermediates)	1 point per semi-qualified assistant	5
5	Experience of Internal Audit assignment in Central/State Government PSU in last three Years.	3 point per assignment	15
6	Experience of Internal Audit in Bank/NBFC in last three years	3 point per assignment	15
7	Average annual turnover of last three years (minimum Rs.10 lakh)	3 point per 10 lakh average turn over	15
8	Firm having HO/Branch office registration in Lucknow	Lump sum	15
		Total	100

Each Criteria should be submitted along with supporting documentations thereon. In case of non-submission of supporting documents, no points will be allocated.

c) Thereafter, the financial evaluation would be done for only those proposals which qualify technically with at least 50% score based on the above technical parameters.

Format for submission of Pre-requisite Conditions, Technical and Financial Bid is given under Annexure -1(A),1 (B) and 1 (C) respectively.

The audit firm would be required to conduct the Risk Based Internal Audit in line with the Internal Audit Manuals and Guidelines/Circulars of REC as amended from time to time. The firm would be required to conduct audit twice in a year and issue its report in October 2022 and April-2023 covering audit period from April-2022 to September-2022 and October-2022 to March-2023 respectively for consideration of IA division at REC Corporate Office. Scope of audit work is given under Annexure-2

If interested, the audit firm can submit their offer in three parts

- (i) Pre-requisite Conditions with supportive documents as per Annexure- 1(A),
- (ii) Techno-Commercial bid giving detail information for the technical parameters as indicated above with supportive documents as per Annexure- 1(B) and
- (iii) Financial Bid showing professional fees as per Annexure- 1(C).

The Pre-requisite Conditions, Techno-Commercial bid and the Financial bid should be submitted in separate envelopes and all the envelopes be placed in a **single envelope** superscribed as **"BID FOR RISK BASED INTERNAL AUDITOR OF REC RO LUCKNOW FY-2022-23"**. The address for submission of Bid documents are as follows: REC Limited, 19/8, SECTOR-19, INDIRA NAGAR, RING ROAD, LUCKNOW-226016.

The bids shall be signed by a person duly authorized on behalf of the bidder firm and shall be reached to this office on or before 27th June 2022 till 05:00 PM.

For any further information, please feel free to write at our mail: [**zmlucknow@recl.in**](mailto:zmlucknow@recl.in)

Thanking You,
REC RO Lucknow

PRE-REQUISITE CONDITIONS

Sl. NO	Criteria as on 1 st April of Current Year	Required to be filled by the audit firm (Yes/ No)	Documents required (Duly Signed and Signed)
1	Audit firms should have registered with ICAI/ICWAI.		Certificate of registration given by ICAI/ICWAI
2	Audit Firms should have conducted Risk Based Internal Audit of any PSUs/ Banks/ Financial Institutions for a period of at least one year in the past 05 years.		Engagement documents/ work order.

TECHNICAL BID

Sl. NO	Criteria as on 1 st April of Current Year	Documents required (Duly Sealed and Signed)	Total Years/ Nos/ Turnover
1	No. of completed years of existence from the date of registration (minimum 5 years).	Certificate of registration.	
2	Any one qualified ISA/DISA/CISA/CIA partner or employee	Qualification certificate.	
3	No. of CA/ICWA/CMA qualified employee/partner	Deed/ certificate mentioning No of CA/ICWA/CMA.	
4	No. of semi-qualified employees (CA/ICWA intermediates)	Documents that prove the Engagement of semi-qualified employees.	
5	Experience of Internal Audit assignment in Central/State Government PSU in last three Years.	Engagement documents/ work order.	
6	Experience of Internal Audit in Bank/NBFC in last three years	Engagement documents/ work order.	
7	Average annual turnover of last three years (minimum Rs.10 lakh)	Statement of financial statement and ITR.	
8	Firm having HO/Branch office registration in Lucknow	Registration certificate of HO/ Branch in Lucknow	

FINANCIAL BID

Fee to be Quoted EXCLUDING GST to conduct Risk Based Internal Audit of RO Lucknow for the Financial Year 2022-23

Audit Fees Rs..... /- (Excluding GST)

Rupees..... Only.

Seal and Signature of Audit Firm

Scope of Works for Risk Based Internal Audit (RBIA) of Regional Offices (RO) / State Offices (SO)

- (1) Examination and evaluation of adequacy and effectiveness of the internal control and risk management system at various operations and activities of the Auditee office like:
 - Evaluation, assessment and categorization of all risks encountered, perceived and potential to occur along with mitigation and preventive measures taken by the Regional/State Office (s) as well as ways and means for improvement in effective risk management and risk mitigation.
 - Processing of loan application and appraisal of state sector
 - Projects and documentation thereof
 - Submission of claims in ERP
 - TRA / Escrow monitoring
 - Project Monitoring
 - All payment for procurement of goods and services to third party and its tax compliances,
 - Payment of employee claims related to Medical, TA/DA, Assets invoices etc.
 - Leave records of employee posted at ROs / SOs
 - Insurance / Maintenance of assets / building etc.
 - Submission of data required by various division of CO
- (2) Review of accuracy and reliability of the accounting records and financial reports including Bank Reconciliation and accounting of all transactions at ROs / SOs.
- (3) Checking of both transactions and functioning of specific internal control procedures at the Auditee office.
- (4) Evaluation of adherence to legal and regulatory requirement and approved company policies and procedures.
- (5) Evaluation of effectiveness of existing policies and procedures and give recommendation for improvement.
- (6) Identifying opportunities for cost saving and give recommendations for improving cost efficiencies.
- (7) Examine that resources are acquired economically, used efficiently and safeguarded adequately.
- (8) Suggest measure to add value, improve operational efficiency, risk management and internal control system.
- (9) Review the status of pending observations.
- (10) Directions of the Audit Committee, if any in respect of significant audit observations are to be ensured.

Note: - Detailed guidelines for conducting Risk Based Internal Audit (RBIA) along with Checklist thereof will be shared at the time of appointment of the audit firm(s).