

Office of the Chief General Manager (Internal Audit)

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Notice No. 01/2024-2027 dated 20.02.2024

**NOTICE INVITING EXPRESSION OF INTEREST FOR EMPANELMENT OF
CHARTERED/ COST ACCOUNTANTS FIRMS FOR CONDUCTING INTERNAL
AUDIT FOR THE PERIOD FY 2024-25 TO FY 2026-27.**

Dated: 20.02.2024

MahaGenco, a public sector utility owned by Government of Maharashtra, is the second largest power generation utility in the country having generation capacity of 13152 MW comprising of Thermal, Hydel, Gas Turbine and Solar based power station spread across Maharashtra State.

MahaGenco invites expression of interest (EOI) from reputed Chartered/Cost Accountants firms for empanelment as Internal Auditor for the financial year 2024-25 to 2026-27.

The details regarding the information to be furnished with the applications, the area of audit, scope, coverage, periodicity, modus operandi of audit, reports and compliances etc. are available at www.mahagenco.in (Tenders-→Head Office Tenders). The same can be downloaded from above website.

Firms may send their application in prescribed format to the Chief General Manager Internal Audit, HDIL Building, A-Wing, Fourth Floor, Anant Kanekar Marg, Bandra East, Mumbai-400051 in sealed envelope so as to reach this office by **20.03.2024**.

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APPLICATION FORMAT

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 of the Firm:

Address	Date of Establishment	Contact person with contact details.	E-mail	Supporting Document Flag No.

Branch Office(s): **Details of Branches located within Maharashtra State only.**

Address	Date of Establishment	Contact person with contact details.	E-mail	Supporting Document Flag No.

5. Details of Partner: (As per ICAI / ICMAI Constitution Certificate)

Sr. No.	Name of the Partner	Membership No.	Date of joining the firm as partner	Supporting Document Flag No.
1.				
2.				
...				

6. Details of Qualified Assistant (CA/CMA): (As per ICAI / ICMAI Constitution Certificate)

(With at least 1 year post qualification experience)

Sr. No.	Name of the Qualified Assistant	Membership No.	Date of joining the firm as Qualified Assistant	Supporting Document Flag No.
1.				
2.				
...				

7. Details of Semi Qualified Assistants: (As per ICAI / ICMAI Constitution Certificate)

Sr. No.	Name of the Semi-Qualified Assistant	Membership No.	Date of joining the firm as Semi Qualified Assistant	Supporting Document Flag No.
1.				
2.				
...				

8. Details of ISA/DISA/CISA/CIA qualified Partner/Assistants:

Sr. No.	Name of the Qualified Partner/Assistant	Membership No.	Type of Qualification	Supporting Document Flag No.
1.				
2.				
...				

9. Details of Experience of Internal Audit assignment in Central/State Government PSUs (Excluding Banks) from FY 2012-13 onwards:

Sr. No.	Name of the Company	Year of Audit	Duration of Audit (Total Man-days)	Supporting Document Flag No.
1.				
2.				
...				

10. Details of Experience of Internal Audit in SAP/ERP environment:

Sr. No.	Name of the Company	Year of Audit	Duration of Audit (Total Man-days)	Supporting Document Flag No.
1.				
2.				
...				

**11. Details of Experience of Internal Audit assignment in Power Sector:
from FY 2012-13 onwards:**

Sr. No.	Name of the Company	Year of Audit	Duration of Audit (Total Man-days)	Supporting Document Flag No.
1.				
2.				
...				

12. Details of Experience of Firm as Statutory Auditor in Power Sector (Power Generation only) from FY 2012-13 onwards: (for information only)

Sr. No.	Name of the Company	Year of Audit	Duration of Audit (Total Man-days)	Supporting Document Flag No.
1.				
2.				
...				

13. Details of Experience of Physical Verification of Inventory in MahaGenco: (for information only)

Sr. No.	Name of the MahaGenco Office	Year of Audit	Duration of Audit (Total Man-days)	Supporting Document Flag No.
1.				
2.				
...				

14. PAN No. of the Firm:

15. GST Registration No. of the Firm:

Signature of Partner with
Name & Seal of the Audit Firm

Qualifying Requirements:-

I.	Mandatory QR Conditions :
	1) The firm should be in existence for at least 10 years as on the financial year ending on 2023 (i.e. on 31.03.2023)
	2) The firm should have experience of at least one Internal Audit assignment in Central/ State govt. PSUs during any of the previous ten financial years (i.e. from FY 2012-13 to FY 2022-23)

II. Evaluation criterion for ranking of the qualified firms (as per I) for empanelment for FY-2024-25 to FY 2026-27 along with points allocation is proposed as below :-

Criteria for CA/ ICWA firms			
Sr. No.	Particulars	Point to be allocated	Maximum Points
1.	No. of years of Existence of the firm (Minimum 10 Years)	1 point per year For above 10 years	20
2.	Qualified ISA/DISA/CISA/CIA partners/staff	1 point Per qualified ISA/DISA/CISA/CIA partner/assistant	5
3.	No. of Qualified partners/staff (CA/CMA) with Post qualification experience of at least 1 year	1 point per qualified partner/ staff	15
4.	Experience of Internal Audit assignment in Central/State Government PSUs.	5 points per assignment	25
5.	Experience of Internal Audit in SAP/ERP environment	2 points per assignment	10
6.	Experience of Internal Audit assignment in Power Sector	5 points per assignment	15
7.	Firm having Head Office Registration in Maharashtra State	Lump Sum	10
	Total points		100

Note:

1. Experience from the Financial Year 2012-13 onwards only shall be considered while carrying out evaluation for experience criteria.
2. Power Sector would mean an entity engaged in Generation/ Transmission/ Distribution of electricity.
3. Experience of Internal Audit of Regularity Body, Electricity Development Agencies, Sugar Mills and companies whose main business is not Power Generation will not be considered under Power Sector experience (Criterion 6).
4. The Appointment Orders/ Work Orders specifically issued for Internal Audit assignment will be taken in to the consideration. Statutory Audit, Concurrent Audit, Revenue Audit, Account Management Services, Tax Consultancy etc. will not be considered under Internal Audit Experience.
5. Copy of work completion certificate of internal audit assignments and copy of work completion certificate which states internal audit assignment is carried out in SAP/ERP environment should be submitted along with the application.

INSTRUCTIONS (TO DO LIST):

A) Terms of Reference for application:

1. Application Format must be completely filled in. Incomplete applications will be out rightly rejected.
2. All EOI will be evaluated on the basis of the documents furnished along with **applications only**.
3. All the documents submitted should be signed by a partner with his/her name and under the seal of the firm.
4. Application must be submitted under sealed cover super scribing the EOI Notice No. and date and the words, "Application for Empanelment of Internal Auditors for Financial Year 2024-25, 2025-26 & 2026-27." The name and address of the firm must also be indicated on the body of the envelope.
5. Application must be addressed to Chief General Manager (Internal Audit), HDIL Towers, A-Wing, Fourth Floor, Prof. Anant Kanekar Marg, Bandra East, Mumbai - 400051. It may be delivered in person also. Application sent through E-mail will not be considered.
6. Any application received after the stipulated date & time, due to any reason whatsoever, will be rejected.

B) Documents to be submitted along with the application/EOI:

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

1. Latest Registration certificate of the firm issued by The Institute of Chartered Accountant of India/ The Institute of Cost Accountants of India w.r.t. the information related to the year of establishment, details of partners along with their membership numbers etc. Particulars indicated in the Certificate will be treated as conclusive and used for the purpose of evaluation of EOIs.
2. Certificate of ISA/DISA/CISA/CIA issued by the respective institutes.
3. Membership Certificate of the qualified assistants issued by The Institute of Chartered Accountants of India/ The Institute of Cost Accountants of India.
4. Certificate/Mark sheets issued by respective Institutes in evidence of qualification of semi-qualified assistants.
5. **Copies of Appointment Orders of Internal Audit assignment along with Completion Certificate in evidence of experience.**
6. Copy of PAN Card.
7. Copy of GST Registration.

TERMS OF REFERENCE OF INTERNAL AUDIT:

The terms and conditions for conducting Internal Audit in MahaGenco are detailed hereunder;

Internal Audit shall be conducted in 2(Two) phase i.e. half yearly basis for Thermal Power Stations, Head Office, Coal Office, Solar offices & big Hydro Power Station, Project offices, civil offices, Hydro power circles.

1. AUDIT TEAM:

Auditors would be deployed in team consisting of one qualified CA/CMA (having post qualification experience of at least one year) and three semi qualified assistants (Intermediate CA/CMA cleared). The number of audit teams is commensurate with the size of the auditee unit and the volume of work involved.

It should be ensured that the audit team is headed all the times by a Chartered/Cost Accountant having prior experience of auditing on SAP/ERP platform along with other team members. **Subcontracting of audit work is strictly prohibited.**

2. AUDIT REPORT:

The auditor should submit the report at the end of each phase of audit in prescribed format provided with the appointment order.

3. AUDIT FEES, WORKING DAYS OF AUDITEE OFFICE AND TRAVELLING EXPENSES:

One audit team should consist of one qualified team leader and three semi qualified assistants. The rate of qualified team leader for FY 2024-25 is Rs. 1800/-, FY 2025-26 is Rs. 2100/- and FY 2026-27 is Rs. 2400/- per working day and rate of semi qualified assistant FY 2024-25 to FY 2026-27 is Rs. 1100/- per working day per person. Total Rs. 5100/- for FY 2024-25, Rs. 5400/- for FY 2025-26 and Rs. 5700/- for FY 2026-27 per working day per team.

The total number of working days/man days for a year of audit for each auditee office is ranging from 12 working days to 115 working days in one financial year.

In addition, one time to & fro journey fare by 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>
Partner:	AC 2 Tier
Others:	AC 3 Tier

Lodging, Boarding and Local Transport will be provided by the Company free of cost at the units. GST, as applicable will be paid extra as per the relevant laws.

4. PAYMENT OF AUDIT FEES:

Firms will be paid Audit fees after completion of each phase of audit. Such fees shall be released only after the submission of report for each phase. The bill should be submitted along with all supporting documents in original.

5. GENERAL TERMS & CONDITION:

- a) This EOI is only for the purpose of empanelment of Firms and does not guarantee/assure allotment of Internal Audit/any other assignment.
- b) MahaGenco reserves its right to accept or reject any application(s) without assigning any reason thereof. The decision of MahaGenco for empanelment shall be final and binding upon the firms participating in the process of empanelment.
- c) The appointment of Audit Firm will be made from the empanelled list of firms keeping in perspective the proximity of its office to the auditee office if required irrespective of points obtained by the firm in the evaluation. All the empaneled firms shall be treated at par irrespective of points obtained as per the criteria given in Annexure-I. However any Audit Firm can be assigned any work at any unit at the discretion of the MahaGenco.
- d) 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 Inventory & Assets, HR Audit, Internal Audit of Cost Records etc.
- e) On assignment of work in subsequent years after the first year, MahaGenco may rotate the Audit firms from one unit to another within the company.
- f) If progress/performance of the audit team is not found satisfactory, MahaGenco management reserves the right to terminate the appointment of the firm without assigning any reason whatsoever.
- g) The audit firm will be debarred from getting, in future, Internal Audit assignments in MahaGenco in following cases:
 - 1. 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.
 - 2. The Audit firm is found to have sub-contracted the work.
 - 3. If the firm does not take-up audit in terms of appointment letter.
 - 4. If the firm does not submit the audit report, complete in all respect in terms of the appointment.

OVERVIEW OF THE SCOPE OF WORK:**MAJOR AREAS TO BE COVERED DURING THE INTERNAL AUDIT**

Sr.No.	Areas
1.	Verification of Coal logistics, coal contracts.
2.	Inventory related observations such as excess procurement, inventory records, slow moving non-moving items, scrap items etc.
3.	Work & Procurement related including O&M contracts, violation of procurement policies, Delegation of Powers etc.
4.	Verification of Labour Contracts.
5.	Verification of following of Standard Operating Procedures
6.	Verification of Statutory compliances
7.	Verification of Energy Billing
8.	Human Resource Department
9.	Loan Accounts (Term Loan & Working Capital)
10.	Reporting on effectiveness of Internal control
11.	Scrutiny of the tariff filing and Regulatory orders & correctness of treatment in Revenue Billing.
12.	Correctness and timely settlement / follow up of bills raised to MSEDCL
13.	Verification of Solar Contracts Agreements MOU etc.

Above list is only indicative and not exhaustive. Detail guidelines for the above areas will be given at the time of appointment.

MODUS OPERANDI:

The methods adopted for the audit shall be clearly stated in the report. The percentage check applied for Internal Audit of the various areas of business operations, documents and records shall also be specified in the report. Record of transaction checked on sample basis should be maintained and shall be produced if asked by the In-house Internal Audit Section.

The auditor has to verify the system and procedures which are in vogue and point out the weakness prevailing in the system. Further, the practices followed by the organization are also required to be verified and commented from the point of view of generally accepted practices and Industry norms.

The auditors shall conduct the internal audit based on the data and records available at the units. In the course of audit, it is expected that all queries /doubts pertaining to any area shall get satisfied at field unit only. If any irregularity or misdeed or wrongdoing or unconformities are observed during the audit then, Pre Observation Memo (**POM**) shall be issued for each observation immediately (on the same day) to the respective unit. The compliance of the same should be ensured during the audit period.

The report should mention the method and way of working adopted by the field units. The report should also spell out the overall risk the organization/unit is carrying.

Entry-level meeting & Exit Meeting must be conducted with Unit In-charge. The partner must be in attendance for the meeting.

Flash Report should be submitted by the Internal Auditor immediately on detection of major irregularity frauds, embezzlement, theft, leakages, losses etc. to MAHAGENCO in the course of audit.