

## **General Terms & Conditions for submission of proposal**

### **Objectives of the Audit:**

The objectives of the internal audit are to enable the auditor to express a professional opinion on the effectiveness of the overall set in financial management and procurement arrangements.

It has to be ensured that

- The overall financial management and arrangements including the system of internal controls as documented in the SAP Environment are in practice, effective and adequate.
- The process of audit shall be in position to provide a report to the management on financial management aspects of the projects / schemes.
- Internal controls system, statutory compliances applicable to the society and compliance of financing agreements with GoI/ FI

In addition, it is expected that internal audit should play a role in:

- Assisting management to prevent misutilization of funds
- Prevention, detection and investigation of fraud as part of “bringing a systematic, disciplined approach
- To evaluate and improve the effectiveness of risk management, control and governance processes.

### **Terms & Conditions**

1. The proposal should be submitted strictly as per the terms & conditions laid down in the application format.
2. The proposal shall be sent in Soft as well as hard Copy , Proposal submitted in any one format will not be considered for Evaluation.
3. Any application received by MSEDCL after the scheduled closing date and time will not be accepted
4. Only one Quotation will be accepted from single party/Agency.
5. The audit firm should furnish the name and qualification of the persons, who shall be conducting audit to MSEDCL before commencing audit assignment and such person/partner, will have to continue for the entire period.
6. MSEDCL may issue clarifications/amendments in the form of addendum / corrigendum during the empanelment period. CA / CMA Firms shall take such addendum and corrigendum into consideration while submitting their application. CA / CMA Firms are requested to visit MSEDCL’s website from time to time for any corrigendum/ addendum.
7. The Audit firm must have adequate staff for carrying out the work on concurrent basis, if required in order to adhere with the timelines. The bidders shall have to submit an undertaking on letterhead to the effect that the audit firm shall deploy sufficient strength of the staff to carry out the audit on concurrent basis, if required.

8. The proposal must be submitted in English language. All documents, correspondences or any other written material in connection with this work shall be in English language.
9. Documentary evidence(s) stated in Application format, in respect of all the information by the applicant firms must be furnished along with the proposal.
10. All the pages of the proposal document and documents submitted along with the proposal shall also be authenticated by the authorized signatory of the applicant firms with the firms seal.
11. Overwriting/correction/erase and/or use of white ink should be avoided in the proposal. However, if any overwriting/correction/erase is inevitable, the same should be authenticated with signature & seal of authorized person from the Firm.
12. Following Compliance / Declarations /Undertakings/ Certificates are required to be furnished by the Firm while applying for empanelment as Internal Auditors as under:
  - a. The CA/CMA Firm shall not sub-contract the Internal Audit work.
  - b. The Internal Audit team will work in strict confidence and will ensure that all the data and any other information in respect of the operation of the location/ work center /Company is dealt within strict confidence and secrecy. A certificate towards maintaining confidentiality shall be provided by the Internal Auditors on receipt of appointment letter from the Company or before commencement of Internal Audit.
  - c. No partner of the CA/CMA firm should be related to either Managing Director or any Whole Time Directors or Part Time Directors of the Company within the meaning of section 6 of the Companies Act, 1956,
  - d. Neither the Audit firm nor its partner(s) or associates should have any interest in the business of the Company.
  - e. The audit firm will not lobby directly or indirectly for consideration of any Empanelment proposals of their friends/ Relatives/any other Audit Firm to MSEDCL.
13. MSEDCL will examine the proposal/applications to determine whether they are complete, whether any computational errors have been made, whether the documents have been properly signed, and whether the EOI are generally in order.
14. Evaluation that whether CA/ CMA firm possesses qualification criteria would be done on the basis of the information/ data /documentary evidences provided by the CA/CMA Firms.
15. Proposals without the required documentary evidence(s) shall not be considered for evaluation.
16. While Evaluation preference will be given to those Audit Firms of which:
  - a) Proprietor/At least one of the full time CA partners of the firm/LLP possess CISA qualification from ISACA or DISA/ ISA qualification from ICAI.
  - b) Proprietor/At least one of the full time CA partners of the firm/LLP possess the Certification Course of SAP for certificate in the area of expertise and experience in Data Analysis/Data extraction/Data mining by using Computer-based auditing tools issued by the government recognized body/university.
  - c) Having Experience of Internal Audit in Power Sector.
17. MSEDCL may at its discretion, seek from any or all CA/CMA Firm clarification(s) on application submitted including technical information, document and materials for empanelment.
18. MSEDCL reserves the right to accept or reject any application in part or full at any stage or may cancel the process entirely at its sole discretion without assigning any reason whatsoever.
19. MSEDCL reserves its right to accept or reject any applications without assigning any reason thereof. The decision of MSEDCL for empanelment of Firms shall be final and binding upon the firms participating in the process of empanelment.

20. The tenure of appointment shall be at the sole discretion of the MSEDCL. The tenure may be renewed every year for a maximum of three Years at the sole discretion of the MSEDCL. However, it is expressly stated here that the said tenure is not to be construed as assured and the Company reserves the right not to reappointment at its sole discretion without assigning any reason therefore.

**21. Rotation of Audits:**

Rotation in allotment of Internal Audit will be as per provisions of Companies Act.

22. The audit firm will undertake that they will not sub contract the audit assignment. If found, the firm will be blacklisted for all the MSEDCL assignments for next 5 Years.

23. In case of any dispute on any issue arising before commencement of/during execution of the contract, an amicable solution may be arrived at with discussion. However, in case of any dispute remaining unresolved, the decision of the Chief General Manager (IA) will be final and binding on both the parties.

24. If the audit is not upto the satisfaction of MSEDCL, either the firm will be asked to re-audit or the assignment will be re-allotted to another firm from the panel. Similarly action will be taken, in case the assignment is cancelled by MSEDCL due to non-observance of Terms and Conditions by the firm or in case firms withdraw itself suo-motto from the allotted assignment. Further, MSEDCL may also decide to debar the firm for next 3 years.

25. The performance of the empanelled firms would be periodically reviewed, at least once a year and if found unsatisfactory, the Company may remove the name of the Audit firm from the panel for the remaining period of Empanelment.

26. The empanelled firm(s) may be de-empanelled at the Company's sole discretion. If the performance of the auditor is found unsatisfactory or any serious act of omission or commission is noticed in their working or it is found that eligibility conditions were not met initially but the work was taken by providing wrong/hiding information, their appointments may be cancelled at any point of time. If it is felt necessary, the matter may be reported to Institute of Chartered Accountants of India/ Institute of Cost Accountants of India for necessary action.

27. Penalty Provision: The penalty shall be levied for delay from the timelines conveyed to Auditors in the appointment order, which shall be 0.5 every week or a part thereof subject to a maximum of 10%.

28. Empanelled firms will be intimated about the decision on empanelment

29. This EOI is only for the purpose of empanelment of Firms and does not guarantee/assure allotment of Internal Audit/any other assignments.

30. Assignment of work in subsequent years during empanelment team will be made subject to satisfactory performance.

31. If progress/performance of the audit team is not found satisfactory, MSEDCL's management reserves the right to terminate the appointment of the Firm at any point of time.

32. The Audit Firm will be debarred from getting, in future, Internal Audit assignments in MSEDCL 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 as per terms of the appointment.
- e) If the Firm refuses to take up the assignment after submitting of acceptance.
- f) If the Firm fails to maintain/honor confidentiality and secrecy of the Company's information.
- g) If due change in Composition of Audit Firms, due to any reason such as Retirement of Partner/ Reconstitution of Firm etc., , the new Firms does not fit in the Empanelment Criterias

33. The payment will be release as per satisfactory performance of the work. Bill/Tax invoice is to be submitted by the party. Payment will be made to the Agencies'/Firm's Bank Account for which duly filled RTGS form/Bank details duly certified by the banker must be submitted along with the bill. (AAI)

34. The concern Partner/Proprietor and staff should have working knowledge of Marathi.