

NATIONAL ALUMINIUM COMPANY LIMITED
(A Govt. of India Undertaking)

No. NALCO/IA/ RFP/2025

Dated: 03/11/2025

**NOTICE INVITING REQUEST FOR PROPOSAL (RFP) FOR
EMPANELMENT/APPOINTMENT OF CHARTERED ACCOUNTANT / COST
ACCOUNTANT FIRMS FOR CONDUCTING INTERNAL AUDIT.**

National Aluminium Company Limited (NALCO) is a Navratna CPSE under administrative control of Ministry of Mines, Govt. of India. It is looking for reputed and experienced Chartered / Cost Accountant Firms/LLPs for Internal Audit assignments for 3 years (annual renewal subject to satisfactory performance) at our various locations.

The detailed document for RFP consisting Scope of work, Selection Criteria, terms & conditions and schedule of fees etc are available on the website www.nalcoindia.co.in / www.icmai.in / www.pdcai.org which can be downloaded.

Considering that our geographical areas of operation are primarily situated in the Odisha and Vishakhapatnam (Andhra Pradesh), for administrative convenience and smooth auditing, the Chartered Accountant / Cost Accountant firms having their headquarters in Odisha & Vishakhapatnam would be considered for the internal audit assignments at our Corporate Office, S&P Complex and M&R Complex/Port facility.

Interested CA/CMA firms/LLPs having requisite qualification and experience may send their profile as per the Format of Application (**Annexure-A**) by **24 November' 2025** through e-mail to Mr Alok Tripathy, DGM(Fin) on alok.tripathy@nalcoindia.co.in with copy to Mr Sanjaya Kumar Sahoo, CGM(Fin) & Chief Internal Auditor on sanjaya.sahoo@nalcoindia.co.in followed by submission of signed hardcopies, along with financial bid (**Annexure-F**) in a separate envelope, on following address in an envelope superscribing "*Appointment / Empanelment Firms for conducting Internal Audit for 2026*", latest by **24 November' 2025 at 05.00 pm**.

Bids received after the scheduled date shall not be considered.

Alok Tripathy, DGM(F)
Finance Wing, Nalco Bhawan
P/1, Nayapalli,
Bhubaneswar- 751013

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Annexure-A**FORMAT OF APPLICATION**

1. (a) Name of the Partnership Firm / LLP:

(b) Registration of the Institute: Institute of Chartered Accountants of India /
Institute of Cost Accountants of India

(c) Type of Partnership Firm: Partnership Firm / LLP

(d) Registration No. of the Partnership Firm / LLP:

(e) Date from which continuing as Partnership
Firm/ Registration of LLP firm (whichever is
earlier):

2. Details of Head Office & Branch -

Head Office:

Address	State / UT of Head Office of Audit Partnership Firm/ LLP	Contact No(s)/Fax/ Mobile No.	E-mail

Branch Office 1

Address	State / UT of Head Office of Audit Partnership Firm/ LLP	Contact No(s)/Fax/ Mobile No.	E-mail

Branch Office 2

Address	State / UT of Head Office of Audit Partnership Firm/ LLP	Contact No(s)/Fax/ Mobile No.	E-mail

[Insert further Branch Office(s), if any]

3. Details of Partners in the Partnership Firm/Limited Liability Partnership:

Sl. No	Name of the Partner	Membership No.	Membership Status ACA/ ACMA/FCA / FCMA	Date of joining the Partnership Firm /LLP as partner
1.				
2.				
3.				
4.				

4. Details of Qualified Assistants:

Sl.No.	Name of the Qualified Assistant	Membership No. / Final Pass Certificate No./ Mark-sheet No.	Whether Chartered/ Cost Accountant	Date of joining the Partnership Firm /LLP as Qualified Assistant
1.				
2.				
3.				
4.				

5. Details of Experience in Mining/Power Sector from FY: 2015-16 onwards:

Sl. No.	Name of the Company/Unit	Year of Audit	Three year- Average turnover (Rs Crore)*	Type of Audit viz. Statutory /Cost/ Internal Audit (Mention only one Audit for each year from FY 2015-16 onwards)
1.				
2.				
3.				
4.				
5.				

***Note: Irrespective of time of Audit, the average turnover is to be for FY 2022-23, 2023-24 & 2024-25 and it is to be as per Audited financial statements of the Company. If it is available in the website of the respective company, the relevant pages of downloaded document may be attached. Otherwise, the copies may be arranged from the company by the bidding firm itself.**

6. Details of Experience in any PSU other than Mining / Power Sector from FY: 2015-16 onwards:

Sl.No.	Name of the PSU Company/ Unit	Year of Audit	Type of Audit viz. Statutory / Cost/ Internal Audit (Mention only any one Audit for each year from FY 2015-16 onwards)
1.			
2.			
3.			
4.			
5.			

7. Experience in conducting audit in SAP-ERP environment from FY: 2015-16 onwards:

Sl.No	Name of the PSU Company	Year of Audit	Type of Audit viz. Statutory / Cost/ Internal Audit. (please mention only any one audit regarding SAP-ERP Audit Conducted with Auditee for each Financial Year from FY 2015-16 onwards)
1.			
2.			
3.			
4.			
5.			

8. Income Tax PAN of the Partnership Firm / LLP :

9. GST Registration No.:

10. Bank details:

1.	Bank Name	
2.	Branch Name, Address & Branch Code	
3.	Type of account- Saving/ Current	
4.	Bank Account Number	
5.	IFSC Code No. of the Bank	

11. We hereby confirm that all terms & conditions as specified in the RFP and annexures thereto have been accepted by us.

12. This is to certify that all the information given above are accurate and any misstatement will be liable for rejection of our participation in RFP and blacklisting by NALCO as per Company's procedure.

Signature of Partner with Name & Seal of the
Audit Partnership Firm / LLP
Membership No. of Signing Partner

Note:

1. The Cut-off date for calculation of number of year (s) will be the 30.09.2025. Accordingly, any fraction of the year will be ignored for calculating number of years.
2. Technical evaluation would be made in two stages; At stage-1, experience criteria would be evaluated and personal interview/presentation calls would be made to the firms/LLPs scoring minimum 30 marks out of 50. At stage-2, total technical scores would be calculated after considering scores of personal interview/presentation (out of 25); total maximum technical scores being 75.
3. Based on Technical score (**Annexure-D**) and Discounted bid value as per BOQ (**Annexure-F**), shortlisting will be done as per Evaluation methodology under CQCBS method for award of Cluster-wise audit assignments (**Annexure-E**).
4. NALCO reserves the right to reject the RFP in case of any discrepancies/mismatch.

General conditions:

- i. Considering that our geographical areas of operation are primarily situated in the Odisha and Vishakhapatnam (Andhra Pradesh), for administrative convenience and smooth auditing, the Chartered Accountant / Cost Accountant firms having their headquarters in Odisha and Vishakhapatnam would be considered for the internal audit assignments at our Corporate Office, S&P Complex and M&R Complex/ Port facility.
- ii. The bid documents may be submitted in 2 envelopes- 1st envelope containing documents in support of technical experience criteria and 2nd envelope containing Financial bid (Annexure-F). The envelope containing Financial bid would be opened after completion of Technical evaluation along with assessment of personal interview/presentation.
- iii. The RFP should be unconditional. Conditional RFP shall be out rightly rejected.
- iv. NALCO shall not compensate in any manner for the expenses incurred in connection with preparation and submission of RFP.
- v. The CA/CMA firms / LLPs who have been assigned the work of Statutory Audit/Internal Audit/ Physical Verification of Fixed Assets and Inventories under CARO in NALCO during the period ending Sep'2025, shall not be considered for current RFP. Moreover, there should be a holiday period of 1 year as on 30.09.2025 for previous auditors, i.e. the auditors having assignment for Statutory audit/Internal Audit / Physical Verification of Fixed Assets and Inventories in NALCO during 1st October' 2024 to 30th September'2025 shall also not be considered. **Thus, these firms / LLPs should not apply for empanelment/assignment.**
- vi. We are in the process of finalising two Physical Verifiers for Physical Verification of Fixed Assets and Inventories under CARO wef Jan'2026. In the event of completion of above process, the selected physical verifiers would not be considered for Internal audit assignment in the extant RFP.
- vii. One Audit firm / LLP shall be assigned Internal Audit only for any one of the grouped Audit units (as Cluster) as mentioned in **Annexure-C**.
- viii. The Company reserves its right to accept or reject any application without assigning any reasons. The decision of the Company for award of current assignment/empanelment of the Firms / LLPs will be final and binding upon the participating parties.
- ix. The Internal Auditor shall ensure that the information obtained during conduct of

internal audit or otherwise in respect of the any Office/Unit of NALCO is maintained in strict confidence and secrecy. A Non-Disclosure Agreement (NDA) towards maintaining confidentiality is to be executed between NALCO and the Internal Auditor at the time of acceptance of Audit assignment.

- x. The empanelment of the Audit Firms / LLPs shall be for three years w.e.f. January'2026, and appointment of the firms / LLPs shall be on yearly basis, subject to satisfactory performance of the respective firms / LLPs.
- xi. If progress/performance of the audit Firm / LLP is not found satisfactory, NALCO reserves the right to terminate the appointment of the firms / LLPs, without assigning any reason whatsoever. In the event of vacancy of auditing works due to withdrawal/revocation of the assignment during 3 years period of Jan'2026 to Dec'2028, next auditor would be selected from the empanelled list for the balance period at the prevailing fees.
- xii. NALCO reserves the right to debar any Audit Firm / LLP from getting Internal Audit assignments in NALCO in the following circumstances:
 - a) If the firm / LLP obtains the appointment on the basis of false information/false statement at the time of submission of application/documents for the RFP.
 - b) In case the CA Firm /CMA Firm / LLP is debarred by the respective Institute for any reason.
 - c) The firm / LLP is found to have sub-contracted the work.
 - d) If the firm / LLP does not take up audit in terms of the appointment letter.
 - e) If the firm / LLP does not submit Audit Report, complete in all respect, in terms of the appointment and within the specified date.
 - f) As per related provisions of Companies Act, 2013.
- xiii. Query/clarification if any may be forwarded in the following mail address:
alok.tripathy@nalcoindia.co.in

Annexure-B

Instruction to Audit Firms/LLPs

(A) Instructions for Filling the Application

1. The Email will be used for all the correspondences and hence, the parties may ensure that the active email must be mentioned.
2. Application must be received on or before due date of submission, complete in all respect. Incomplete applications will be liable for rejection without assigning any reasons therefor.
3. The Cut-off date for calculation of number of year (s) will be **30.09.2025**. Accordingly, any fraction of the year will be ignored for calculating the number of years.
4. Based on Application submitted by each Firm, shortlisting will be done as per methodology mentioned in **Annexure-E** of RFP. Hence, the interested parties may ensure submission of all the details accurately and complete in all respect.

(B) Instructions for submitting of Documents

Interested audit Firms / LLPs are advised to go through contents of the RFP documents carefully and submit all self-attested copies of the documents in proper sequence along with the RFPs as described below:

1. Registration certificate of the Partnership Firms / LLPs issued by the Institute of Chartered Accountants of India / Institute of Cost Accountants of India. Information related to registration of Institute, type of partnership firm/LLP, registration number of partnership firm/LLP, date from which continuing as partnership firm/LLP, Head Office & Branch Office(s) addresses, details of Partners, their Membership numbers, date of joining, etc as indicated in the Certificate will be treated as conclusive and final information for evaluation of RFP.
2. In respect of Partners, Certificates of ACA/ACMA/FCA/FCMA may be attached as issued by Institute of Chartered Accountants of India / Institute of Cost Accountants of India.

3. Membership Card/ Identity Card / Membership certificates / Final Pass Certificate of the Qualified Assistants issued by the Institute of Chartered Accountants of India / Institute of Cost Accountants of India.
4. Copy of the Joining Certificates issued by the Firm / LLP on their Letter-head, duly sealed and signed, which shall further be counter-signed by each Qualified Assistant.
5. **Only one** Copy of Appointment letter/Performance certificate by the respective auditee(s) for considering yearly experiences from FY 2015-16 onwards for substantiating the experience on Statutory / Cost/ Internal Audit against each of the following categories:
 - a) Mining/Power Sector Companies
 - b) Other than Mining/Power Sector Companies (PSU)
6. In Support of Audit Experience in SAP-ERP Environment for **each year** from FY 2015-16 onwards, a copy of Certificate from the Auditee (either on Auditee's letter-head with Seal and Signature or copy of email from corporate email ID of the Auditee) that the Partnership Firm / LLP has conducted Audit in the SAP-ERP Environment.
7. Copy of PAN Card.
8. Copy of GST Registration.
9. A cancelled cheque of the Bank account in which the Audit Fee payments will be made in case of appointment.
10. All submitted documents must be signed by a Partner with his name and under the seal of the Firm / LLP.

Annexure-C**Scope & Terms and Conditions****1. Places of Audit:**

- (i) Corporate Office, Bhubaneswar, Odisha
- (ii) Bauxite Mines (Panchpatmali), Koraput, Odisha
- (iii) Pottangi Bauxite Mines, Koraput, Odisha
- (iv) Alumina Refinery Plant, Koraput, Odisha
- (v) Captive Power Plant (CPP), Angul, Odisha
- (vi) Coal Mines Division, Angul, Odisha
- (vii) Smelter Plant, Angul, Odisha
- (viii) Port Office, Vishakhapatnam, Andhra Pradesh
- (ix) The Expansion projects under respective Plants

Note : Above Units have been grouped under 4 different Audit Clusters keeping in view the volume of work and the geographical locations. Separate internal audit assignments would be awarded against each Cluster and only one Custer-wise Auditor would be considered during next Audit period of 3 years wef Jan'2026, i.e. there would be 4 Internal Auditors under the current RFP.

S.No.	Cluster of Audit Units	Name of units	Location
1	Cluster-1 (One Unit)	(i) Corporate Office	Bhubaneswar, Odisha
2	Cluster-2 (One Unit)	(i) Smelter	Angul, Odisha
3	Cluster-3 (Two Units)	(i) CPP; (ii) Coal Mines Division.	Angul, Odisha Angul, Odisha
4	Cluster-4 (Four Units)	(i) Panchpatmali Mines; (ii) Refinery; (iii) Pottangi Mines. (iv) Port Office	Koraput, Odisha Koraput, Odisha Koraput, Odisha Vishakhapatnam, Andhra Pradesh

2. Tenure of Audit:

Initial appointment for one-year period from Jan'2026 to Dec'2026 with extension for further 2 years on annual renewal basis, subject to satisfactory performance, with a total of maximum 3 years.

3. Objectives:

The objective of Internal Audit is to assist the Audit Committee / Management in the effective discharge of their responsibilities by furnishing them with analysis, appraisals, recommendations and pertinent comments concerning the activities reviewed. Besides conducting transaction audit with adherence to legal and regulatory requirements, Internal Audit is to evaluate the adequacy of internal control system and risk management in the Company. While focusing on effective risk management and control in addition to appropriate transaction testing, the Internal Audit shall offer suggestions for mitigating current risks and also anticipate areas of potential risks.

4. Scope of Work (Internal Audit):

The internal audit shall cover all functional areas like Finance & Accounts, Materials (Purchase & Stores), Risk Management, Indirect & Direct Taxation, R&D, Projects including Expansions, Production and Engineering Departments, Mining, Business Development, HRD, Administration, all Maintenance including Horticulture, Medical Services, Law, Tender & Contract, Marketing, TQM, Environment & Safety, Systems Departments of NALCO. These functional areas only illustrative and not exhaustive.

Based on the requirement under Companies Act'2013 and Companies (Accounts) Rules, 2014, the company has designed an Internal Financial Control (IFC) Framework. Internal Auditors will be required to test the Risk-Control matrix in the process of audit as per the applicable formats and provide periodic comfort letters.

Apart from Entity / Process Level Controls, as a part of Systems / IT Controls under IFC, following aspects need to be checked and commented by Internal Auditors.

- To review the current controls present in the ERP-SAP / Non-SAP systems for the financial data discipline.
- To identify gaps and suggest required changes in system to build physical controls wherever necessary.
- To suggest standard SAP exceptional report for management information in different modules of SAP / ERP like- FI, MM, SD, CO and PP etc.
- To ensure Audit Trail for all transactions in ERP-SAP.

The following scope of audit assignments though not exhaustive, illustrates the broad nature and objective of the assignment. Attainment of the objectives involves inter- alia following activities:

- a. Conducting Internal Audit covering all functional areas under SAP-ERP environment covering all basic modules.
- b. Review adequacy and effectiveness of financial and other operating controls and make suggestions, if any, for improvements of the same.
- c. Ascertaining compliance with established policies and procedures of the Company in accordance with the relevant prescribed manuals, CVC guidelines, applicable statutes, legal compliances and also offers suggestions for further improvement in system.
- d. Ascertaining the extent to which the company assets are properly safeguarded, accounted and managed and to highlight the area of financial impropriety, wasteful and uneconomic transactions for ensuring effective control.
- e. Ascertaining the reliability of data furnished to the management for decision making, to identify system deficiencies and to recommend/suggest improvements in systems, procedure, and control mechanism on all functional matters.
- f. Ascertaining data security, inbuilt control mechanism and reliability of IT systems in use.

- g. The appraisal should be in line with established internal audit practice and the standards issued by the Institute of Chartered Accountants of India from time to time.
- h. Reporting immediately to the Director (Finance) on noticing or getting report on any theft/pilferage/fraud.
- i. Reviewing and reporting compliance of the expenditure management guideline issued by Govt. of India from time to time.
- j. Reviewing and commenting on the accounts of the units on quarterly basis in a separate report so as to supplement the limited review of quarterly accounts.
- k. Reviewing and reporting on actions taken as per the observations of the Board/Audit Committee which are recorded in various review meetings.
- l. Reviewing contracts awarded on single nomination basis and contracts awarded with value more than 50 Crores and submitting quarterly reports thereof to be placed before the Audit Committee.

The scopes listed above are illustrative only and are not exhaustive / restrictive. The Internal auditors need to apply their professional competency for safeguarding overall interest of the company.

5. Manpower:

Auditors should deploy suitable teams for undertaking the audit, after a thorough perusal of the requirements as per terms and conditions contained in the RFP, 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 respective Unit will coordinate with the Audit Team for smooth functioning of the audit.

For effective conduct of the audit, adequate audit personnel of approximate numbers are to be deployed at respective areas as follows.

S.No.	Cluster of Audit Units	Name of units	Required strength (Qualified Chartered Accountant/ Cost Accountant)	Required strength (Inter Pass Chartered Accountant/ Cost Accountant)
1	Cluster-1	Corporate Office	1 (One)	2(Two)
2	Cluster-2	Smelter	1 (One)	2(Two)
3	Cluster-3	CPP; Coal Mines Division.	1 (One)	2(Two)
4	Cluster-4	Panchpatmali Mines; Refinery; Pottangi Mines; Port Office.	1 (One)	3(Three)

Besides above deployment, regular supervision and coordination would be done by a Sr. Partner of the Firm for at least seven full working days in a month. The qualified Accountant should have experience in Information System Audit and ERP-SAP.

6. Coverage:

There shall be uniform audit plan for all Units across the Company except the Plant specific area. A detailed monthly audit programme for the full year is attached at **Annexure-I**. However, coverage of Audit may be reviewed annually to include additional coverage areas or any special assignment as per the decision of the Chief Internal Auditor, from time to time.

7. Remuneration and Other Facilities:

Estimated maximum professional fees (per annum) for the 1st year have been indicated as below against each Audit Clusters which are subject to downward revisions based on the discount offered by the bidder in the BOQ (**Annexure-F**) against each Cluster. The fees are excluding GST, which shall be paid extra. The finalized fees for 1st year would be escalated at a **simple factor of 5% per year**.

S.No.	Cluster of Audit Units	Name of units	Location	Max Audit fee per annum excl GST for 1 st year (Rs)
1	Cluster-1 (One Unit)	(i) Corporate Office	Bhubaneswar, Odisha	12,00,000/-
2	Cluster-2 (One Unit)	(i) Smelter	Angul, Odisha	12,00,000/-
3	Cluster-3 (Two Units)	(i) CPP; (ii) Coal Mines Division.	Angul, Odisha Angul, Odisha	11,00,000/-
4	Cluster-4 (Four Units)	(i) Panchpatmali Mines; (ii) Refinery; (iii) Pottangi Mines; (iv) Port Office	Koraput, Odisha Koraput, Odisha Koraput, Odisha Vishakhapatnam, Andhra Pradesh	17,00,000/-
Note: The fees mentioned above are maximum limits; these are subject to <u>downward</u> revisions based on <u>discount</u> offered by the prospective bidders and would be applicable for 1st year, i.e. 12 months. Subsequently, the finalized fees for 1st year would be escalated at a simple factor of 5% per year.				

No travelling expenses and DA shall be paid to the partners and staff members in connection with audit. However, for the auditors not having an office at the city of meeting place and required to attend Audit Committee meeting/ Meeting with Directors/Chief Internal Auditor shall be paid TA and DA for Senior Partners as applicable to CGM (i.e. Grade E8) of the company.

Accommodation shall be provided at the Plant locations on free of cost basis. Local conveyance facility shall be provided at the respective Plant locations for Audit purposes only. However, the auditors have to make their own arrangements for smoothening the audit in case conveyance is not made available due to any operational reason.

8. Confidentiality:

The Auditors are to ensure confidentiality of the documents / reports accessed by them and shall not use such information anywhere else for any purpose what so ever. Any leakage of information due to negligence or wilful misconduct shall be treated as a criminal breach of trust punishable under laws of the land. The auditors need to sign a Non- Disclosure Agreement (NDA) towards not to disclose any confidential information to anybody which they have seen /accessed through during the course of the audit.

9. Audit Reports:

The following Audit Reports shall be generated by internal auditors for compliance at different levels. All such Audit Reports shall be issued by a Sr. Partner of the Internal Audit Firm.

All the audit/Reports are to be with respect to normal calendrer Quarter of 3 months.

1st Quarter : Apr-June

2nd Quarter: July-September

3rd Quarter: October-December

4th Quarter: January-March

i) **Internal Draft Report (IDR):** The Internal Auditor on completion of audit of respective auditee departments will prepare a draft audit report (**along with observation wise Financial Implication, if any**) in the recommended format (**Annexure-II**), to be referred as Internal Draft Report (IDR), and shall raise the draft audit query on the HoD of Auditee Departments **by the last day** of the audit month.

In the report, the **categorisation of Risk assessment** as High/Medium/Low would done as under.

High	Addresses a fundamental control weakness or significant operational issue that should be resolved by management on a priority.
Medium	Addresses a control weakness or operational issue that should be resolved by management over a period of time and does not have material impact on financial statements.
Low	Addresses a potential improvement opportunity in operational efficiency/effectiveness.

The IDR is to mention details of previous queries raised in earlier period(s), if any, whose compliance has a bearing on the current query in question.

The auditee departments in consultation with their respective GM/CGM will submit the reply to audit queries within **5 days'** time thereof.

ii) **Monthly Interim Report (MIR):** The draft points raised in IDR may be dropped by the Auditor on getting a satisfactory reply from the HoD. In case any point is not dropped, such left-out points are to be compiled in MIR (**Annexure-III**).

(a) The MIR shall also be forwarded to the Chief Internal Auditor through e-mail by **7th day** following the audit month.

On receipt of the MIR, the Chief Internal Auditor shall identify the audit observations those are applicable to other units and shall forward to internal auditors of other units for examination and report. Internal auditors of other units shall immediately take up the referred observations by the Chief Internal Auditor for examination and report of which shall be included in the area of report for **same audit month**.

(b) The MIR along with the subsequent observation, if any (based on reference of Chief Internal Auditor as at Sl.a above) & reply of the respective Auditee Deptt against thereof will be submitted to ED of respective complex for discussion in presence of respective CGM of auditee Deptt and CGM/HoD (Finance) of complex and the discussion may be completed **by 12th day** following the audit month.

iii) **Monthly Final Report (MFR):** The Monthly Final Report (MFR) will cover all the points raised in the MIR and subsequent observation, if any (based on reference of Chief Internal Auditor as at Sl.ii.a above) along with final comments from EDs and Internal Auditor. The report will comprise of both points dropped and not dropped.

The MFR shall be submitted to CGM(Fin) and ED of the respective Complexes with a copy to Chief Internal Auditor, Corp Office. This will be treated as Working Paper for perusal of Audit Committee, if required.

Based on submission of MFR, 70% of audit fee for the month would be released by respective Finance Department.

iv) **Quarterly Executive Summary (ESR):**

(a) Audit Points not dropped in the Monthly Final Report (MFR) shall be retained by the Auditors for any possible compliance in rest of the period of the Quarter. At the end of the Quarter, it shall be reported along with observation wise Financial Implication (if any) in the Quarterly Executive Summary (ESR) **by 15th** of next month of related Quarter with latest status for perusal of respective Functional Directors and Audit committee. The ESR is to be provided in prescribed format (**Annexure-IV**).

It may be mentioned here that the **queries raised in earlier ESR, for which ATR has already been submitted, the same query need not be repeated unless it is specifically mandated by the Audit Committee.**

(b) Report on audit observations of other units referred by Chief Internal Auditor in the prescribed format (**Annexure-V**) is also to be attached with ESR.

v) **Action Taken Report (ATR):** After review by the Audit Committee, in case the points/Paras are not considered to be dropped or require any further compliance by concerned Deptt / Unit, same shall constitute a Para under ATR. Such query-wise observations shall be forwarded by Corporate Internal audit cell to respective EDs/CGMs/GMs for further compliance. A copy of such communication shall also be given to the respective internal auditors to follow up the compliance. The ATR shall be submitted to the next Audit Committee in the prescribed format (**Annexure-VI**). This practice of ATR shall continue till the Para is finally dropped by Audit Committee.

vi) Quarterly Compliance Certificate (QCC): Internal Auditors will be required to submit a Quarterly Compliance Certificate (QCC) on the following aspects in the prescribed format (**Annexure-VII**). The report has to be submitted by 15th of the next month succeeding the quarter. It will cover the following areas.

- Coverage of Internal Audit program for the quarter.
- Review of Accounts for the quarter.
- Statutory compliance requirement including Tax Laws for the quarter.
- Compliance requirement of non-finance areas for the quarter.
- IFC compliance for the quarter.

vii) Internal Financial Control (IFC): Applicable IFC format (**Annexure-VIII**) is to be submitted by 15th of the succeeding month of the Quarter under audit.

viii) Single Nominated Contracts: Single nominated contracts to be reported in applicable format (**Annexure-IX**) by 15th of the succeeding month of the Quarter under audit.

ix) Contracts awarded for more than 50 Crores: This is to be reported in applicable format (**Annexure-X**) by 15th of the succeeding month of the Quarter under audit.

10. Payments:

The agreed fees shall be released in two instalments:

- i) 70% of equivalent Monthly fee on submission of 'Monthly Final Report' as per the audit program and coverage.
- ii) Balance 30 % of equivalent Quarterly fee after submission of Quarterly Executive Summary Report along with all other reports mentioned at Para 9 above [i.e. 7 reports : ESR, Referral of Chief Internal Auditor, ATR, QCC, IFC, Single nomination, Contracts more than Rs. 50 crore] .

The compliance in regard to release of this balance 30% would be intimated from Corporate Office Internal Audit Department.

11. Termination:

The assignment may be terminated by the company serving a 60 days' notice without assigning any reason thereof.

Annexure - D**Technical criteria**

Sl. No.	Particulars	Points to be allocated	Maximum Point
1.	Number of Completed Years since continuing as Partnership Firm or Registration of the Limited Liability Partnership Firm.	1(one) point per year of existence (as per the certificate issued by respective Institute of CA/CMA. Fraction of the year to be ignored)	10
2.	Number of Partners in the Firms / Limited Liability Partnership Firm who are with the Firm / LLP for a minimum period of one year as on 30.09.2025.	(i) 2(two) points for each Partner who is ACA or ACMA. OR (ii) 3(three) points for each Partner who is FCA or FCMA	8
3.	No. of Qualified Assistants (Chartered/ Cost Accountants) employed with the Firm / LLP.	1 (One) point per Qualified Assistant	5
4.	Experience of the Firm / LLP as Statutory/Cost/ Internal Auditor in Mining/Power sector companies (since 2015-16) having minimum average turnover of Rs 1000 crore during last 3 years.	2 (two) points per completed year of Audit (fraction of the year to be ignored)	12
5.	Experience of the Firm/LLP in PSU companies (State/Central) as Statutory/Cost/Internal Auditors other than in Mining/ Power sector (since 2015-16).	2 (two) points per completed year of Audit (fraction of the year to be ignored)	10
6.	Experience of the Firm/LLP in Statutory/ Cost/ Internal Audit of PSU (State/Central) companies having SAP-ERP environment (since 2015-16).	1 (one) point per completed year of Audit, (fraction of year to be ignored.)	5
7.	Subtotal of Technical points based on Experience criteria		50
8.	Personal Interview / Presentation before the committee	(i) Approach (10 points), (ii) SAP Exposure (5 points), (iii) Understanding of Scope of services and Reporting pattern (10 points).	25
Gross total Technical Points (row.7 + 8)			75

Note:

1. Experience from the Financial Year 2015-16 onwards only shall be considered while carrying out the evaluation for criteria at Sl. No.4,5,6 above.
2. Sl No. 4,5 & 6: Points shall be awarded for each year's experience, irrespective of number of audits conducted during that particular year, i.e. even though there are multiple experiences in a particular year, it will be awarded with two/one point only for that year.
3. Mining/Power Sector experience at Sl No. 4 would mean an entity engaged in Mining activities/ generation/ transmission/ distribution of electricity.
4. The Cut-off date for calculation of number of year(s) will be 30.09.2025 and starting period for 2015-16 would be Apr'2015, i.e. if any audit has the commencement period other than the beginning of any Financial year (Apr), total number of years from such start date and ending on Sep'2025 would be considered for calculating the number of completed years of 12 months.

Any fraction of the year will be ignored for calculating number of years at Sl. No. 1,4,5 and 6.
5. Personal interview/Presentation calls would be made to the firms/LLPs scoring minimum 30 marks out of 50.

The details of all required necessary documents are given at Para B of Annexure-B.

Annexure - E**Bid Evaluation Methodology**

Any particular Internal Auditor would be awarded the assignment for one audit Cluster only. For 4 different Clusters as mentioned below, 4 different auditors would be chosen. If sufficient bidders are not there, NALCO management may suitably decide the distribution of audit assignments of balance Clusters among the available bidder(s) subject to availability of sufficient audit staff strength with the bidder(s).

S.No.	Cluster of Audit Units	Name of units	Location
1	Cluster-1 (One Unit)	(i) Corporate Office	Bhubaneswar, Odisha
2	Cluster-2 (One Unit)	(i) Smelter	Angul, Odisha
3	Cluster-3 (Two Units)	(i) CPP; (ii) Coal Mines Division.	Angul, Odisha Angul, Odisha
4	Cluster-4 (Four Units)	(i) Panchpatmali Mines; (ii) Refinery; (iii) Pottangi Mines. (iv) Port Office	Koraput, Odisha Koraput, Odisha Koraput, Odisha Vishakhapatnam, Andhra Pradesh

Selection of auditor(s) would be through “Combined Quality Cum Cost Based Selection” (CQCBS) method. Under CQCBS, the technical and financial proposals will be allotted certain percentage of weightages. The total score, both technical and financial, shall be obtained by weighing the quality and cost scores and adding them up.

The weightages for CQCBS evaluation are as under.

Weightage	Percentage
Quality (Technical)	75%
Cost (Financial)	25%

[A] Evaluation:**(a) Technical Evaluation:**

Technical evaluation would be made in two stages; At stage-1, experience criteria would be evaluated and personal interview/presentation calls would be made to the firms/LLPs scoring minimum 30 technical marks out of 50. At stage-2, total technical scores would be calculated after considering scores of personal interviews/presentations (out of 25). Maximum of each technical criterion along with maximum Personal interview/presentation performance score will get highest marks of 75 (**Annexure-D**).

Final technical score of a bidder (after considering the personal interview/presentation marks) would remain constant against the RFP, i.e. irrespective of the number of audit Clusters bid for by the firm.

The formula for determining relative Technical score (Q_p) is as below:

$$Q_p = 100 \times Q / Q_m$$

(where Q = Marks of respective bidder; Q_m = Maximum Total marks, i.e. 75)

(b) Financial Bid Evaluation:

The envelope containing Financial bid (Annexure-F) would be opened after completing the Technical evaluation as per Sl.a above.

The financial bid value against each Cluster would be reckoned after considering the discount rate/ discounted value offered by each bidder.

The financial score would be evaluated against each of the Audit Cluster. In other words, if a bidder has quoted for all 4 clusters, there would be 4 financial scores.

The formula for determining relative Financial Score ($F_{p.n}$) against each Cluster is as below:

$$F_{p.n} = 100 \times F_{max.n} / F.n$$

(where $F_{max.n}$ = Price of L1 bidder for the related Cluster; $F.n$ = Price of concerned bidder; n = Respective Cluster: 1/2/3/4/5).

(c) Final Evaluation:

The final evaluation will be made **against a particular audit Cluster**, based on Combined Quality Cum Cost Based System (CQCBS) where the weights given to Quality (Q_p) @ 75% and Price (F_p) @ 25%.

Final score of a particular Cluster will be $(0.75 \times Q_p) + (0.25 \times F_p)$.

On the basis of the combined weighted score for quality and cost, the bidder shall be ranked in terms of the total score obtained. The Cluster-wise proposal obtaining the highest total combined score will be ranked as H-1 followed by the proposals securing lesser marks as H-2, H-3 and so on.

After the list of Bidders with the final rankings are decided, the Cluster-wise assignments would be awarded based on the H1 bidder position.

(d) Illustration of Evaluation:

[i] Suppose 3 firms participate in the extant RFP and the technical scores as under (out of total 50) in Stage-1.

Firm 'X' – 42; Firm 'Y' – 41; Firm 'Z' – 28

Only Firm 'X' & Firm 'Y' would be called for personal interview/presentation in Stage-2 since they have got scored minimum of 30. Subsequently, suppose Firm 'X' & Firm 'Y' score 20 and 22 respectively out of 25 in the personal interview/presentation round.

The technical evaluation matrix would be as under.

Firm	Technical score in Stage-1 (out of 50)	Score of personal interview/presentation round (out of 25)	Total Technical Score (out of 75)	Relative technical score
X	42	20	62	$(100 \times 62/75) = 82.67$
Y	41	22	63	$(100 \times 63/75) = 84.00$

[ii] After the price bids are opened, suppose it is seen that both the firms have bid for Cluster-1 & Cluster-2 where the bid values of Firm 'X' are Rs 10,00,000/- and Rs 11,00,000/- and the corresponding bid values of Firm 'Y' are Rs 11,25,000/- and Rs 9,75,000/- respectively.

Final evaluation matrix would be as under.

Audit Cluster	Firm	Final relative technical score of bidder 'X'	Bid value of bidder 'X' in Rs.	Bid value of L-1 bidder in Rs.	Relative Financial score	FINAL quality & cost score @ weightage of 75:25
(Col.1)	(Col.2)	(Col.3)	(Col.4)	(Col.5)	(Col.6)	(Col.7)
Cluster-1	X	82.67	10,00,000/-	10,00,000/-	$100 \times 10,00,000 / 10,00,000 = 100.00$	$(82.67 \times 75\%) + (100.00 \times 25\%) = 87.00$
	Y	84.00	11,25,000/-		$100 \times 10,00,000 / 11,25,000 = 88.89$	$(84.00 \times 75\%) + (88.89 \times 25\%) = 85.22$
Cluster-2	X	82.67	11,00,000/-	9,75,000/-	$100 \times 9,75,000 / 11,00,000 = 88.64$	$(82.67 \times 75\%) + (88.64 \times 25\%) = 84.16$
	Y	84.00	9,75,000/-		$100 \times 9,75,000 / 9,75,000 = 100.00$	$(84.00 \times 75\%) + (100.00 \times 25\%) = 88.00$

On the basis of highest FINAL scores of respective Clusters as calculated at column.7 above, Cluster-1 would be awarded to Firm 'X' and Cluster-2 would be awarded to Firm 'Y'.

[B] Resolving of Tie position:

[1] If any one particular bidder is H1 in multiple Clusters, his option would be invited to choose any one Cluster for award.

[2] If multiple bidders are H1 in any particular Cluster, revised quotation for further discounts would be invited from such tied bidders for that Cluster for re-evaluation and revised H1 bidder would be ascertained.

In case the tie position still continues even after evaluating the revised quotations, the following sequence shall be adopted for selection:

- (i) Firm of Chartered/Cost Accountants with longer experience shall be given preference based on the year of registration.
- (ii) Firm with a higher number of Fellow and/or Associate Members of the Institute of Chartered/Cost Accountants as partners shall be given preference.

It may be noted that Award value would be based on the revised quotation of the successful bidder.

Annexure - F

BOQ Format (for mentioning **Discount %** and **Discounted value** against Audit Cluster):

Name of bidder:

S. No.	Cluster of Audit Units	Name of units	Max Audit fee per annum excl GST for 1 st year (Rs)	Discount offered (in % age)	Audit fee per annum excl GST for 1 st year (Rs) after Discount
(Col.1)	(Col.2)	(Col.3)	(Col.4)	(Col.5)	(Col.6)
1	Cluster-1 (One Unit)	(i) Corporate Office	12,00,000/-		
2	Cluster-2 (One Unit)	(i) Smelter	12,00,000/-		
3	Cluster-3 (Two Units)	(i) CPP; (ii) Coal Mines Division.	11,00,000/-		
4	Cluster-4 (Four Units)	(i) Panchpatmali Mines; (ii) Refinery; (iii) Pottangi Mines. (iv) Port Office, Vishakhapatnam	17,00,000/-		

***Note:** (a) **The Discount %age and Discounted value may be mentioned in Col.5 & Col.6, respectively** against each Audit Cluster as mentioned in Col.2.

If nothing is mentioned in Col.5 & Col.6 against any cluster and both have been left blank, it would be treated that the bidder is not interested for that particular cluster and would not be evaluated for that cluster.

(b) If there is mismatch between ‘calculated value after applying quoted discount %age (col.5)’ and ‘discounted value (col.6)’, the value mentioned in Col.6 would be taken into account.

(c) If only discount %age is mentioned in Col.5 without any discounted value in Col.6, the discounted value would be calculated and taken into account.

(d) If only discounted value is mentioned in Col.6 without any discount %age in Col.5, the value as per Col.6 would be taken into account.

(e) It is to mention that the quote is to be for discount only vis-à-vis cluster wise Maximum audit fee stated at Col.4.

Quotation for increasing the fee would not be considered.

##@##@#

Monthly Internal Audit Plan

Month	S&P Complex	M&R Complex/Port	Corporate Office
April	1.Purchase 2. Stores, logistics, OSRD 3. Scrap/Salvage	1.Purchase 2. Stores, logistics, OSRD 3. Scrap/Salvage	1.Purchase 2. stores 3.Imports
May	1.Contract Cell/T&C 2. Projects including Expansion projects 3.Hospital 4. Schools(DPS & SVM)	1.Contract Cell/T&C 2. Projects including Expansion projects 3.Hospital 4. Schools(DPS & SVM)	1. Contract Cell/T&C 2. Projects including Expansion projects
June	1.Accounts Review 2. IFC Compliance 3.Law,Estate,Administration	1.Accounts Review 2. IFC Compliance 3.Law,Estate,Administration	1.Accounts Review 2. IFC Compliance 3.Law,Estate,Administrati on
July	1. Finance 2. HRD, Training,CSR,PD 3.Systems & ERP	1. Finance 2. HRD, Training,CSR,PD 3.Systems & ERP	1. Finance 2. HRD, Training, CSR, PD 3.Systems & ERP
August	1. Plant Maintenance (Mech,Ele,E&I,Civil) 2.TQM,Safety,Environment, Pol Contl 3. Insurance & Risk Management	1. Plant Maintenance (Mech,Ele,E&I,Civil) 2.TQM,Safety,Environment, Pol Contl 3. Insurance & Risk Management	1. Marketing 2.TQM,Safety,Environmen t, Pol Contl 3. Insurance & Risk Management
September	1.Accounts Review 2. IFC Compliance 3. Production	1.Accounts Review 2. IFC Compliance 3. Production	1.Accounts Review 2. IFC Compliance 3. Wind Power
October	1. Coal supply/ Coal Mines dvn 2. law, Estate, Guest House 3. Township maintenance (Civil,Ele,Hort,sanitation)	1. Coal supply 2. law, Estate, Guest House 3. Township maintenance (Civil,Ele,Hort,sanitation)	1. Coal co-ordination 2. law, Estate, Guest House 3. Township maintenance (Civil,Ele,Hort,sanitation)
November	1.Contract Cell/T&C 2. Projects &Expansion 3. Despatch, Traffic & Railway	1.Contract Cell/T&C 2. Projects &Expansion 3. Despatch, Traffic & Railway	1.Contract Cell/T&C 2. Projects &Expansion 3. Traffic & Railway
December	1.Accounts Review 2. IFC Compliance 3.GST 4.Time office, Payroll & TDS	1.Accounts Review 2. IFC Compliance 3.GST 4.Time office, Payroll & TDS	1.Accounts Review 2. IFC Compliance 3.GST 4.Time office, Payroll & TDS
January	1.Finance 2.School (DPS & SVM) 3. Direct & Indirect Tax	1.Finance 2.School (DPS & SVM) 3. Direct & Indirect Tax	1.Finance 2. Export incentive, EPCG 3. Direct & Indirect Tax
February	1.Purchase 2. Stores,logistics, OSRD 3. CSR, PD	1.Purchase 2. Stores, logistics, OSRD 3. CSR, PD	1.Purchase 2. Business Development 3. CSR, PD
March	1. Accounts Review 2. IFC Compliance 3. R&D Laboratory	1.Accounts Review 2. IFC Compliance 3. R&D Laboratory	1. Accounts Review 2. IFC Compliance 3. R & D

Annexure-II**IDR (Internal Draft Report)**

Name of Internal Audit Firm			Name of HOD (Auditee Dept.)	
Brief Description of Item				
Coverage Areas and Key Document				
Previous Query				
Month	Para No	Dept.	Period of Coverage	Risk Assessment
				Low/Medium/High
Query				
Internal Auditor's Observation				
Management's Reply				
Current Query				
Month	Para No	Dept.	Period of Coverage	Risk Assessment
				Low/Medium/High
Query				
Internal Auditor's Observation				

Annexure-III**MIR (Monthly Internal Report)**

Name of Internal Audit Firm			Name of HOD (Auditee Dept.)	
Brief Description of Item/ Query				
Coverage Areas and Key Document				
Month	Para No	Dept.	Period of Coverage	Risk Assessment
				Low/Medium/High
Internal Auditor's Observation				
Management's Reply				
Final Status			Drop / Follow-up / Un-settled / ESR	

ESR (Executive Summary Report)

For the Quarter:

Sl	Para No	Unit	Department	Auditor	Risk Assessment
					Low/Medium/High
Brief Description of Item / Query					
Internal Auditor's Observation:					
Management Reply:					
Suggestions / Comments of Internal Auditor:					
Further Comments by NALCO:					
Final Status				Placed in AC/ Review by IA/ Drop	

Annexure-V

Audit Observation (Referred Issues) for the month of____FY.....

Sl No	Unit	Other Unit audit para reference	Audit Observations	Management Reply	Audit views with impact of the observation	<u>Status</u> Dropped / ESR
1.						
2.						
3.						

ATR (Action Taken Report)

Sl. No	Subject	Audit Committee observation	Action taken

Sub: Quarterly Compliance Certificate.

We hereby confirm as follows:

- a) We have conducted the Internal Audit of (*Name of Unit*) for the Quarter ended-----in accordance with the scope of audit and program assigned to us and have submitted the report there for.
- b) We have examined the accounts of (*Name of Unit*) for the Quarter ended ----- . In our opinion, the accounts of the unit are maintained in accordance with the Generally Accepted Accounting Principles, Accounting Standards issued by the Institute of Chartered Accountants of India, the relevant provisions of the Companies Act, 2013 and the Accounting Policies and Procedures of the Company.
- c) We have gone through the statutory compliance requirement of (*Name of Unit*) including related tax laws like Tax Deducted at Source and Professional Tax etc. No non-compliance has come to our notice during the course of Internal Audit.
- d) We have also gone through compliance requirement of (*Name of Unit*) in respect of non-finance areas based on certificate given by concerned departments. There was no major non-compliance during the quarter as per the certificates of the concerned departments.
- e) We have gone through the compliance requirement under Internal Financial Control Framework of the Company. During the course of checking at (*Name of Unit*) with reference to various modules and systems being followed and on the basis of test check of documents, examination of replies and information furnished to us, deficiency if any is reported in the prescribed format under IFC Framework. In our opinion and to the best of our knowledge, we have not come across any major non-compliance.

For (Name of the Firm)

(Partner Name)

Annexure-VIII (a)**Consolidated Internal Audit Report on adequacy and effectiveness of Internal Control System*****Entity / Process Level Controls (High Risk Area)***

Unit: _____

For the Quarter ended -----

SL.No.	Unit	Functional area	Details of deficiency	Risk associated with Impact	Level of Risk	Management action	Present Status
A		Purchase					
i							
ii							
B		Contracts					
i							
ii							
3		Production					
i							
ii							
4		Marketing					
i							
ii							
5		Stores					
i							
ii							
6		Finance					
i							
ii							
7		HR					
i							
ii							
8		Project					
i							
ii							
9		IT (Information Tech)					
i							
ii							
10		Administration					
i							
ii							

Head of Finance (Complex)

(Chief of Internal Audit)

(Executive Director-Finance)

Internal Audit Report on adequacy and effectiveness of Internal Control System

Internal Controls on Financial Reporting

Unit.....

For the Quarter ended-----

Sl. No.	Functional area /SAP Module	Details of deficiency			Management Action	Present Status
		Details of deficiency/ lack of internal control	Level of Risk (H/M/L)	Risk associated with impact		
1						
2						
3						
4						
5						
6						
i						
ii						
iii						
iv						

Internal Auditors

Head of Finance (Complex)

**DETAILS OF WORKS/ PURCHASE ORDERS AWARDED ON
SINGLE PARTY NOMINATION BASIS DURING Qtr.... FY**

Unit: _____

Sl.	Description of Work and Location	Estimated Value in Rs.	WO/ PO Value in Rs.	WO/ PO No./ Date	Agency Name	Period of contract	Justification	Internal Auditor Remarks/suggestions

**REPORT ON CONTRACTS AWARDED BY UNITS
EXCEEDING ₹50 CRORES DURING Qtr..... FY**

Unit: _____

Sl. No.	Description of Work and Location	Estimated Value in Rs.	WO/ PO Value in Rs.	WO/ PO No./ Date	Agency Name	Period of contract	Justification	Internal Auditor Remarks/suggestions