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Tender

Financial Audit Services

NATIONAL ENERGY SYSTEM OPERATOR LIMITED

F05: Contract notice – utilities

Notice identifier: 2025/S 000-008106

Procurement identifier (OCID): ocds-h6vhtk-04e9e8

Published 5 March 2025, 4:39pm

Section I: Contracting entity

I.1) Name and addresses

NATIONAL ENERGY SYSTEM OPERATOR LIMITED

ADDRESS

TOWN

POSTCODE

Contact

Tennille Madigan

Email

tennille.madigan@nationalenergyso.com

Telephone

+44 7795483583

Country

United Kingdom

Region code

UKK - South West (England)

Companies House

ocds-h6vhtk-04d52d

Internet address(es)

Main address

<https://www.neso.energy/>

I.3) Communication

The procurement documents are available for unrestricted and full direct access, free of charge, at

<https://www.riba.com>

Additional information can be obtained from the above-mentioned address

Tenders or requests to participate must be submitted electronically via

<https://www.riba.com>

I.6) Main activity

Electricity

Section II: Object

II.1) Scope of the procurement

II.1.1) Title

Financial Audit Services

II.1.2) Main CPV code

- 79212100 - Financial auditing services

II.1.3) Type of contract

Services

II.1.4) Short description

National Energy System Operator (NESO) makes sure that Great Britain has the essential energy it needs by ensuring supply meets demand every second of every day.

The UK's 2023 Energy Act established an independent system planner and operator to help accelerate Great Britain's energy transition; creating NESO.

NESO is built on our previous experience as the National Grid Electricity System Operator (ESO), where we had extensive expertise in balancing electricity supply and demand 24/7, whilst making sure the networks we operated and the markets we served were prepared for the future.

NESO was sold by National Grid to the UK Government on 1st October 2024 , becoming a public sector organisation from this date. We require comprehensive financial audit services compliant with International Standards of Supreme Audit Institutions (ISSAI). The objective is to ensure NESO's financial, performance, and regulatory operations are conducted with transparency, accountability, and efficiency. This specification provides the framework for the required audit services, including scope, planning, reporting, accountability, and SLAs.

Scope of Services

The audit firm will be responsible for delivering the following detailed services:

Financial Audit

- o Provide reasonable assurance over NESO's financial records in accordance with applicable accounting standards (IFRS).
- o Verify that financial statements are free from material misstatements due to fraud, error, or irregularities.
- o Evaluate internal financial controls, focusing on risks associated with financial misreporting, operational inefficiencies, or compliance failures.
- o Provide an audit opinion on the true and fair representation of NESO's financial position, performance, and cash flow.
- o Conduct testing of key accounts to provide reasonable assurance over the financial

assertions.

- o Update NESO leadership and Audit & Risk Committee (ARC) regarding relevant changes in legislation and regulation.
- o Report on external audit progress to NESO leadership, including attendance at bi-monthly ARC meetings and other board or committee meetings as required.
- o Provide guidance to NESO leadership in particular the Chief Financial Officer (CFO), chair of ARC, director of financial control, and the accounting & reporting lead on accounting and financial matters.
- o Liaise and coordinate with the CFO, director of financial control and accounting & reporting lead via a monthly progress meeting to ensure full exchange of information.
- o Produce an annual SOC1 report evaluating the effectiveness of NESO financial controls in relation to transmission revenue charging, for external distribution to UK transmission owners, including National Grid Electricity Transmission (NGET).

II.1.5) Estimated total value

Value excluding VAT: £5,000,000

II.1.6) Information about lots

This contract is divided into lots: No

II.2) Description

II.2.3) Place of performance

NUTS codes

- UK - United Kingdom

Main site or place of performance

UK Wide - any NESO Site

II.2.4) Description of the procurement

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conducted with transparency, accountability, and efficiency. This specification provides the framework for the required audit services, including scope, planning, reporting, accountability, and SLAs.

4. Scope of Services (Detailed)

The audit firm is responsible for delivering the following detailed services:

Financial Audit

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- o Conduct testing of key accounts to provide reasonable assurance over the financial assertions.
- o Update NESO leadership and Audit & Risk Committee (ARC) regarding relevant changes in legislation and regulation.
- o Report on external audit progress to NESO leadership, including attendance at bi-monthly ARC meetings and other board or committee meetings as required.
- o Provide guidance to NESO leadership in particular the Chief Financial Officer (CFO), chair of ARC, director of financial control, and the accounting & reporting lead on accounting and financial matters.
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II.2.5) Award criteria

Price is not the only award criterion and all criteria are stated only in the procurement documents

II.2.7) Duration of the contract, framework agreement or dynamic purchasing system

Duration in months

60

This contract is subject to renewal

No

II.2.9) Information about the limits on the number of candidates to be invited

Envisaged minimum number: 5

Maximum number: 20

Objective criteria for choosing the limited number of candidates:

Supplier that responded to the PIN.

II.2.10) Information about variants

Variants will be accepted: No

II.2.11) Information about options

Options: Yes

Description of options

Extension would be within the allowable regulations only

Section III. Legal, economic, financial and technical information

III.1) Conditions for participation

III.1.2) Economic and financial standing

Selection criteria as stated in the procurement documents

III.1.3) Technical and professional ability

Selection criteria as stated in the procurement documents

Section IV. Procedure

IV.1) Description

IV.1.1) Type of procedure

Negotiated procedure with prior call for competition

IV.1.8) Information about the Government Procurement Agreement (GPA)

The procurement is covered by the Government Procurement Agreement: No

IV.2) Administrative information

IV.2.2) Time limit for receipt of tenders or requests to participate

Date

11 March 2025

IV.2.3) Estimated date of dispatch of invitations to tender or to participate to selected candidates

1 April 2025

IV.2.4) Languages in which tenders or requests to participate may be submitted

English

IV.2.6) Minimum time frame during which the tenderer must maintain the tender

Duration in months: 6 (from the date stated for receipt of tender)

Section VI. Complementary information

VI.1) Information about recurrence

This is a recurrent procurement: No

VI.2) Information about electronic workflows

Electronic ordering will be used

Electronic invoicing will be accepted

Electronic payment will be used

VI.4) Procedures for review

VI.4.1) Review body

OFGEM

London

Country

United Kingdom