



**BID DOCUMENTS**

**FOR**

ASSIGNMENT OF AUDIT OF EXPENDITURE ACCOUNTS MAINTAINED AT VARIOUS CIRCLES AND DIVISIONS UNDER OPERATION CIRCLE PANCHKULA, AMBALA, YAMUNA NAGAR, KAITHAL, KURUKSHETRA, KARNAL, PANIPAT, SONIPAT, ROHTAK, JHAJJAR, HEAD OFFICE AND OTHERS FOR THE PERIOD 04/2023 to 03/2024 AND FURTHER EXTENDABLE FOR ANOTHER ONE YEAR WITH MUTUAL CONSENT ON SUCCESSFUL COMPLETION TO THE SATISFACTION OF UHBVN.

**ISSUED BY:**

**CHIEF AUDITOR,  
VIDYUT SADAN, IP- 3&4,  
SECTOR-14, PANCHKULA, HARYANA.**

**UTTAR HARYANA BIJLI VITRAN NIGAM**

**BIDDING DOCUMENT**

**(BID NO: CA/WA/2024-25/01)**

**FOR**

***ENGAGEMENT OF WELL ESTABLISHED, REPUTED AND EXPERIENCED AUDIT FIRMS FOR CARRYING OUT THE AUDIT OF EXPENDITURE ACCOUNTS OF VARIOUS CIRCLES AND DIVISIONS UNDER OPERATION CIRCLE PANCHKULA, AMBALA, YAMUNA NAGAR, KAITHAL, KURUKSHETRA, KARNAL, PANIPAT, SONIPAT, ROHTAK, JHAJJAR, HEAD OFFICE AND OTHERS FOR THE PERIOD 04/2023 to 03/2024 AND FURTHER EXTENDABLE FOR ANOTHER ONE YEAR WITH MUTUAL CONSENT ON SUCCESSFUL COMPLETION TO THE SATISFACTION OF UHBVN .***

**CHIEF AUDITOR,  
VIDYUT SADAN, IP- 3&4,  
SECTOR-14,PANCHKULA,  
HARYANA.**

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## **SECTION-I**

### **INVITATION FOR BID**

**(IFB)**

UTTAR HARYANA BIJLI VITRAN NIGAM LTD.

TENDER NOTICE  
(BID NO: CA/WA/2024-25/01)

**E-Tender** is invited for engagement to carry out the audit of expenditure accounts from approved/well established, reputed and experienced audit firms of Chartered Accountants/Cost Accountants for the period 04/2023 to 03/2024 to be completed within a period of six months from the date of allotment for each financial year, (further extendable for another one year on the same terms and conditions on successful completion to the satisfaction of UHBVN) in single stage two cover system i.e. Request for Pre-Qualification Bid (online Bid under PQR Envelope) and Request for Financial Bid (comprising of price bid Proposal under online available Commercial Envelope).

Earnest Money Deposit*	Rs.50000/- per set of offices*
Cost of Tender Documents	Rs. 2360/- (Tender Document fee)+1180 (e-service fees) including GST.
Period of downloading of tender documents and deposit of EMD	06.06.2024 to 26.06.2024.
Closing date & time for submission of bid	26.06.2024 at 15:00 hours
Opening date & time of Pre-Qualification Bid	27.06.2024 at 15:00 hours
Date & Time for opening of Price Bid	(to be notified later on)
Date of submission of Original Documents	27.06.2024 at 15:00 hours
Place of submission of bid	O/o CHIEF AUDITOR, UHBVNL, VIDYUT SADAN, IP- 3&4 SECTOR-14, PANCHKULA, HARYANA. Phone :0172-2567054 (Chief Auditor, UHBVN) 09357189011 (SAO/WA)
Place for opening of bids	
Office inviting bids	

**\*Note:- EMD amount Rs. 50000/- per set of offices, any bidder who opt for bid/application of more than one office have to submit the EMD amount accordingly through Demand draft in favor of Accounts Officer/ CASH, UHBVN, Panchkula payable at Panchkula and through RTGS/NEFT. The bidder would remit the funds at least T + 1 day (Transaction + One day) in advance. Any tender without earnest money shall be rejected and the tender will not be opened. The detail of beneficiary account no. in case of RTGS/NEFT is as under:-**

- Name of Bank: State Bank of India
- Name: AO Cash, UHBVNL
- Beneficiary account no: 65135830424
- Beneficiary IFSC Code: SBIN0050387
- Bank branch: Sector-8, Panchkula

Under this process, the Pre-qualification/ online bid Application as well as online Price Bid shall be invited at single stage under two covers i.e. PQR& Commercial Envelope.

**The work shall be allotted as per the following eligibility criteria:**

S.No.	Criteria as on 1st April, 2024.	Point per criteria	Maximum Points	Documents Required to be submitted by Bidder for proof
1.	No. of completed years of existence from the date of registration	2 point per completed year	30 (Thirty)	Copy of certificate of registration with the Institute of Chartered Accountants of

				India / Cost Accountants of India.
2.	Any one qualified ISA/ DISA/ CISA/ CIA partner	Lump sum	5 (Five)	Copy of certificate from the Institute of Chartered Accountants of India/ Cost Accountants of India.
3.	No. of CA/ ICWA/ CMA Qualified employee/partner	1 point per qualified employee/partner	15 (Fifteen)	Copy of certificate from I.C.A.I/ CMA Partnership Deed/Appointment letter or Salary slip in case of Employee
4.	Technical Experts (B.E/ B.Tech/ M.Tech. or equivalent)	Lump sum	5 (Five)	Copy of Appointment Letter or Salary slip in case of Employee and Proof of Qualification
5.	Experience of Internal Audit assignment in Central/State Government PSU in last five Years (Banks experience will not be counted)	3 point per assignment	15 (Fifteen)	Work order and Copies of Completion certificate of respective PSU's/Proof of in all payment received.
6.	Experience of Statutory Audit assignment/ Cost Audit assignment in Central/State Government PSU in last three Years	3 point per assignment	15 (Fifteen)	Work order and copies of completion certificate of respective PSU's/Proof of final payment received and audited financial statements.
7.	Average annual turnover of last three years.	1.5 point per 10 lakh average turnover	15 (Fifteen)	Audited Financial statements/Copy of ITR /CA certificate for average annual turnover.
	Total Technical Score (T)	Total	100	

**Minimum Qualifying Requirement should be 50 points as per above criteria Detailed terms and conditions can be seen in the tender documents.**

The tender documents are available on the official website of UHBVN i.e. [www.uhbvn.org.in](http://www.uhbvn.org.in) and can be downloaded from there.

The qualification of the Applicant will be first examined based on the details submitted online under first cover (PQR) with respect to eligibility and qualification criteria prescribed in this Tender document. The Price Bid under the second cover shall be opened for only those Applicants whose PQR Applications are responsive to eligibility and qualifications requirements as per Tender document.

#### **Information Regarding Payment of Tender Document fee & EMD Fee.& e-service fee**

The Bidders can download the tender documents from the Portal: <https://etenders.hry.nic.in>. The Bidders shall have to pay for the e-service fees, Tender documents fees online by using the service of secure electronic payment gateway. The secure electronic payments gateway is an online interface between service provider and online payment authorization networks. The Payment for Tender Document Fee and eService Fee can be made by eligible bidders/ suppliers online directly through Debit Cards & Internet Banking Accounts and the Payment of EMD have to deposit through RTGS/NEFT and Demand draft in favour of Accounts Officer/ CASH, UHBVN, Panchkula payable at Panchkula. Any tender without earnest money shall be rejected and the tender will not be opened.

1) Tender documents fees & e-service fees can be made online directly through RTGS / NEFT.

- 2) If the tenders are cancelled or recalled on any grounds, the e-service fees & tender document fees will not be refunded to the Applicant/bidder.
- 3) The detailed procedure/instructions to bidder on Electronic Tendering System are as per instruction to bidder on Electronic Tendering System.
- 4) The bidders can submit their tender documents (Online) as per the dates mentioned in the key dates schedule

**Important Note:**

- 1) The Applicants/bidders have to complete 'Application / Bid Preparation & Submission' stage on scheduled time as mentioned above. If any Applicant / bidder failed to complete his / her aforesaid stage in the stipulated online time schedule for this stage, his / her Application/bid status will be considered as 'Applications / bids not submitted'.
- 2) Applicant/Bidder must confirm & check its Application/bid status after completion of all activities for e-bidding.
- 3) Applicant/Bidder can rework on the bids even after completion of 'Application/Bid Preparation & submission stage' (Application/Bidder Stage), subject to the condition that the rework must take place during the stipulated time frame of the Applicant/Bidder Stage.
- 4) In the first instance, the online payment details of tender document fee + e-Service and EMD & PQR/Technical Envelope shall be opened. Henceforth financial bid quoted against each of the item by the shortlisted bidder wherever required shall be opened online in the presence of such bidders who either themselves or through their representatives choose to be present. The bidder can submit online their bids as per the dates mentioned in the schedule/Key Dates above.

The bids shall be submitted only through online in two separate envelopes:

**Envelope 1: Pre-qualification Bid**

The bidders shall upload the required eligibility & technical documents online in the Technical Bid.

**Envelope 2: Financial Bid**

The bidders shall quote the prices in price bid format under Commercial Bid.

**Instructions to bidder on Electronic Tendering System**

These conditions will over-rule the conditions stated in the tender documents, wherever relevant and applicable.

**1. Registration of bidders on e-Procurement Portal:-**

All the bidders intending to participate in the tenders processed online are required to get registered on the centralized e - Procurement Portal i.e. <http://etenders.hry.nic.in>. The bidders are also required to have/obtain Class- III digital signature certificate from any Certifying Authority or Sub-certifying Authority authorized by the Controller of Certifying Authorities for submission and processing of the bids. Please visit the website for more details.

**2. Download of Tender Documents:**

The bidders can view and download the detailed N.I.T and the time schedule (Key Dates) for all the tenders floated through the single portal e-Procurement system on the Home Page at <http://etenders.hry.nic.in>.

### 3. Pre-requisites for online bidding:

In order to bid online on the portal <http://etenders.hry.nic.in>, the user machine must be updated with the latest Java. The link for downloading latest java applet and “DC setup” Utility is available on the Home page under the tab ‘Download’ of the e-tendering Portal.

### 4. Key Dates:

The bidders are strictly advised to follow date and time as indicated in the online Notice Inviting Tenders (NIT). The date and time shall be binding on all bidders. All online activities are time tracked and the system enforces time locks that ensure that no activity or transaction can take place outside the start and end dates and the time of the stage as defined in the online Notice Inviting Tenders (NIT).

### 5. Bid Preparation (Technical & Financial), Payment of Tender Document Fee, EMD fees and Submission of Bid Seal (Hash) of online Bids:

#### 5.1 The Following are to be made by the bidder through NIC portal:-

- a) Tender document fee of Rs. **2360/-** through Debit Cards & Internet Banking Accounts.
- b) Earnest Money Deposit (EMD) **Rs. 50000/-** per set of offices shall be submitted through Demand Draft and RTGS/NEFT.
- c) E-service fees **Rs. 1,180 /-** shall be submitted through online payment mode via Debit Cards & Internet Banking Accounts.

#### 5.2 The bidders shall upload their technical offer containing documents, qualifying criteria, technical specification, schedule of deliveries, validity and all other terms and conditions except the rates (price bid). The bidder must ensure that uploaded documents are properly numbered and indexed.

The bidders shall quote the prices in price bid format in a specified template.

#### 5.3 Submission of bids will be preceded by submission of the digitally signed & sealed bid (Hash) as stated in the time schedule (Key Dates) of the Tender.

NOTE: -

1. If bidder fails to complete the Online Bid Preparation & Submission stage by the stipulated date and time, its bid will be not be considered.
2. Bidders participating in online tenders shall check the validity of its Digital Signature Certificate before participating in the online Tenders at the portal <http://etenders.hry.nic.in>.
3. For help manual please refer to the ‘Home Page’ of the e-Procurement website at <http://etenders.hry.nic.in>, and click on the available link ‘System Requirement” to download the file. Help manual is available on ‘Home Page’ of the <http://etenders.hry.nic.in>.

### **Instructions to bidder on Electronic Tendering System**

**These conditions will over-rule the conditions stated in the tender documents, wherever relevant and applicable.**

#### **1. Registration of bidders on e-Procurement Portal:-**

All the bidders intending to participate in the tender process online are required to get registered on the centralized e - Procurement Portal i.e. <http://etenders.hry.nic.in>. Please visit the website for more details.



## **2. Obtaining a Digital Certificate:**

- 2.1** The Bids submitted online should be encrypted and signed electronically with a Digital Certificate to establish the identity of the bidder bidding online. These Digital Certificates are issued by an Approved Certifying Authority, by the Controller of Certifying Authorities, Government of India.
- 2.2** A Digital Certificate is issued upon receipt of mandatory identity (i.e. Applicant's PAN Card) and Address proofs and verification form duly attested by the Bank Manager / Post Master / Gazetted Officer. Only upon the receipt of the required documents, a digital certificate can be issued. For more details please visit the website – <http://etenders.hry.nic.in>.
- 2.3** The bidders may obtain Class-II or III digital signature certificate from any Certifying Authority or Sub-certifying Authority authorized by the Controller of Certifying Authorities or may obtain information and application format and documents required for the issue of digital certificate form.
- 2.4** The bidder must ensure that he/she comply by the online available important guidelines at the portal <http://etenders.hry.nic.in> for Digital Signature Certificate (DSC) including the e-Token carrying DSCs.
- 2.5** Bid for a particular tender must be submitted online using the digital certificate (Encryption & Signing), which is used to encrypt and sign the data during the stage of bid preparation. In case, during the process of a particular tender, the user loses its digital certificate (due to virus attack, hardware problem, operating system or any other problem) the bidder will not be able to submit the bid online. Hence, the users are advised to keep a backup of the certificate and also keep the copies at safe place under proper security (for its use in case of emergencies).
- 2.6** In case of online tendering, if the digital certificate issued to the authorized user of a audit firm is used for signing and submitting a bid, it will be considered equivalent to a no-objection certificate /power of attorney / lawful authorization to that User. The audit firm has to authorize a specific individual through an authorization certificate signed by all partners to use the digital certificate as per Information Technology Act, 2000. Unless the certificates are revoked, it will be assumed to represent adequate authority of the user to bid on behalf of the audit firm in the department tenders as per Information Technology Act, 2000. The digital signature of this authorized user will be binding on the audit firm.
- 2.7** In case of any change in the authorization, it shall be the responsibility of management / partners of the audit firm to inform the certifying authority about the change and to obtain the digital signatures of the new person / user on behalf of the audit firm. The procedure for application of a digital certificate however will remain the same for the new user.

**2.8** The same procedure holds true for the authorized users in a private/Public limited company. In this case, the authorization certificate will have to be signed by the directors of the company.

**3. Pre-requisites for online bidding:**

In order to operate on the electronic tender management system, a user's machine is required to be set up. A help file on system setup/Pre-requisite can be obtained from [support-eproc@nic.in](mailto:support-eproc@nic.in) or downloaded from the home page of the website - <http://etenders.hry.nic.in>. The link for downloading required java applet & DC setup are also available on the Home page of the e-tendering Portal.

**4. Online Viewing of Detailed Notice Inviting Tenders:**

The bidders can view the detailed N.I.T and the time schedule (Key Dates) for all the tenders floated through the single portal e-Procurement system on the Home Page at <http://etenders.hry.nic.in>

**5. Download of Tender Documents:**

The tender documents can be downloaded free of cost from the e-Procurement portal <http://etenders.hry.nic.in>

**6. Key Dates:**

The bidders are strictly advised to follow dates and times as indicated in the online Notice Inviting Tenders. The date and time shall be binding on all bidders. All online activities are time tracked and the system enforces time locks that ensure that no activity or transaction can take place outside the start and end dates and the time of the stage as defined in the online Notice Inviting Tenders.

**7. Payment of Tender Document Fee, eService fee , EMD fees & Bid Preparation & Submission (PQR/ Technical & Commercial/Price Bid):**

**i) Online Payment of Tender Document Fee + e-Service fee:**

The online payment for Tender document fee, eService Fee can be done using the secure electronic payment gateway. The Payment for Tender Document Fee and eService Fee shall be made by bidders/ Vendors online directly through Debit Cards & Internet Banking Accounts and the Payment for EMD shall be made in Nigam's bank account through RTGS / NEFT & Demand draft.

The secure electronic payments gateway is an online interface between bidder and Debit card / online payment authorization networks.

**ii) PREPARATION & SUBMISSION of online APPLICATIONS/BIDS:**

- (i) Detailed Tender documents may be downloaded from e-procurement website (<http://etenders.hry.nic.in>) and tender mandatorily be submitted online.
- (ii) **Scan copy of Documents to be submitted/uploaded for Prequalification or Technical bid under online PQR/ Technical Envelope:** The required documents (refer to DNIT) shall be prepared and scanned in different file formats (in PDF /JPEG/MS WORD format such that file size is not exceed more than 10 MB) and uploaded during the on-line submission of PQR Envelope.
- (iii) **FINANCIAL or Price Bid PROPOSAL shall be submitted mandatorily online under Commercial Envelope and original not to be submitted manually).**

**Guideline for Online Payments in e-tendering**

Post registration, bidder shall proceed for bidding by using both its digital certificates (one each for encryption and signing). Bidder shall proceed to select the tender

he is interested in. On the respective Department's page in the e-tendering portal, the Bidder would have following options to make payment for tender document & e-service fees:

A. Debit Card

B. Net Banking

#### Operative Procedures for Bidder Payments

A) Debit Card

The procedure for paying through Debit Card will be as follows.

- (i) Bidder selects Debit Card option in e-Procurement portal.
- (ii) The e-Procurement portal displays the amount and the card charges to be paid by bidder. The portal also displays the total amount to be paid by the bidder.
- (iii) Bidder clicks on "Continue" button
- (iv) The e-Procurement portal takes the bidder to Debit Card payment gateway screen.
- (v) Bidder enters card credentials and confirms payment
- (vi) The gateway verifies the credentials and confirms with "successful" or "failure" message, which is confirmed back to e-Procurement portal.
- (vii) The page is automatically routed back to e-Procurement portal
- (viii) The status of the payment is displayed as "successful" in e-Procurement portal. The e-Procurement portal also generates a receipt for all successful transactions. The bidder can take a print out of the same,
- (ix) The e-Procurement portal allows Bidder to process another payment attempt in case payments are not successful for previous attempt.

B) Net Banking

The procedure for paying through Net Banking will be as follows.

- (i) Bidder selects Net Banking option in e-Procurement portal.
- (ii) The e-Procurement portal displays the amount to be paid by bidder.
- (iii) Bidder clicks on "Continue" button
- (iv) The e-Procurement portal takes the bidder to Net Banking payment gateway screen displaying list of Banks
- (v) Bidder chooses its Bank
- (vi) The Net Banking gateway redirects Bidder to the Net Banking page of the selected Bank
- (vii) Bidder enters his account credentials and confirms payment
- (viii) The Bank verifies the credentials and confirms with "successful" or "failure" message to the Net Banking gateway which is confirmed back to e-Procurement portal.
- (ix) The page is automatically routed back to e-Procurement portal
- (x) The status of the payment is displayed as "successful" in e-Procurement portal.

The e-Procurement portal also generates a receipt for all successful transactions. The bidder can take a print out of the same.

- (xi) The e-Procurement portal allows Bidder to process another payment attempt in case payments are not successful for previous attempt.

**CHIEF AUDITOR,  
VIDYUT SADAN, IP- 3&4,  
SECTOR-14,PANCHKULA,  
HARYANA.**

**SECTION-II**

**INSTRUCTIONS TO BIDDERS**

**(ITB)**

## INSTRUCTIONS TO BIDDERS

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## INSTRUCTIONS TO BIDDERS

### 1. SCOPE OF BID

- 1.1 Uttar Haryana Bijli Vitran Nigam Ltd. here-in-after called “UHBVN” intends to engage well established, reputed and experienced Audit firms for carrying out the audit of expenditure accounts which includes audit of expenditure, upkeep and maintenance of record / accounts, being maintained at division level under Operation CIRCLE PANCHKULA, AMBALA, YAMUNA NAGAR, KAITHAL, KURUKSHETRA, KARNAL, PANIPAT, SONIPAT, ROHTAK, JHAJJAR, HEAD OFFICE AND OTHERS FOR THE PERIOD 04/2023 to 03/2024 and further extendable for one year on mutual consent. Initially the audit shall be assigned for a period of one year but on the successful completion of the work to the satisfaction of UHBVN the audit of one another year can be assigned on the same rates, terms and condition with mutual consent of both parties to the contract. Copy of the Audit Manual for the checking of expenditure accounts and office order No. 107/CA/WA dated 03.03.2020 (for the checking to be carried out & responsibility to be fixed) is attached as “Annexure-D” & D-I” and check list containing instructions (which must be checked during Expenditure Audit and must be submitted along with Expenditure Audit Report) is attached as “Annexure-E”.
- 1.2 The jurisdiction of auditee office may be changed during the period of assigned audit because of restructuring process or due to other reason.
- 1.3 The audit firm shall have to carry out the audit as per instruction as applicable from time to time and nothing extra shall be payable for the same, even if the audit firm may have to devote extra time or resources for checking of compliance of the revised/newly introduced instructions.
- 1.4 The job shall be carried out at the headquarters of the auditee office where the record is being maintained and the report shall be submitted to the Chief Auditor, UHBVN, Panchkula. Detailed instructions have been explained under Section-IV “Scope of Work”.
- 1.5 Estimated/ tentative man days required for auditing of expenditure accounts of each office are placed at Annexure-‘C’. However, the actual man days required for the completion of audit may differ depending upon the experience/efficiency of the audit personnel deployed by the audit firm. The bidders are therefore, advised in their own interest to assess the workload correctly for quoting the rates. UHBVN shall not take any responsibility for incorrect assessment of workload and no claim, whatsoever, in this regard shall be accepted.

### 2. QUALIFICATION OF THE BIDDER:

#### 2.1 ELIGIBILITY CONDITIONS QUALIFYING THE AUDIT FIRM FOR SUBMISSION OF TENDER/BID:

S.No.	Criteria as on 1st April, 2024.	Point per criteria	Maximum Points	Documents Required to be submitted by Bidder for proof
1.	No. of completed years of	2 point per	30 (Thirty)	Copy of certificate of

	existence from the date of registration	completed year		registration with the Institute of Chartered Accountants of India/ Institute of Cost Accountants of India.
2.	Any one qualified ISA/ DISA/ CISA/ CIA partner	Lump sum	5 (Five)	Copy of certificate from the Institute of Chartered Accountants of India/ Institute of Cost Accountants of India..
3.	No. of CA/ ICWA/ CMA Qualified employee/partner	1point per qualified employee/partner	15 (Fifteen)	Copy of certificate from I.C.A.I./CMA Partnership Deed/Appointment letter or Salary slip in case of Employee
4.	Technical Experts (B.E/ B.Tech/ M.Tech. or equivalent)	Lump sum	5 (Five)	Copy of Appointment Letter or Salary slip in case of Employee and Proof of Qualification
5.	Experience of Internal Audit assignment in Central/State Government PSU in last five Years (Banks experience will not be counted)	3 point per assignment	15 (Fifteen)	Work order and Copies of Completion certificate of respective PSU's/Proof of in all payment received.
6.	Experience of Statutory Audit assignment /Cost Audit Assignment in Central/State Government PSU in last three Years	3 point per assignment	15 (Fifteen)	Work order and copies of completion certificate of respective PSU's/Proof of final payment received and audited financial statements.
7.	Average annual turnover of last three years.	1.5 point per 10 lakh average turnover	15 (Fifteen)	Audited Financial statements/Copy of ITR/ CA certificate for average annual turnover.
	Total Technical Score (T)	Total	100	

**Minimum Qualifying Requirement should be 50 points as per the above criteria.**

**ELIGIBILITY CRITERIA AND BID EVALUATION METHODOLOGY**

1. A combined evaluation of both Quality and Cost Based System (QCBS) will be followed for selection of the bidder.
2. The technical bid would be evaluated first and points would be allotted to the bidders based on the technical parameter.
3. Thereafter, the financial evaluation will be done for only those bids which qualify technically with at least 50% score based on the technical parameters. The lowest financial bid (L1 bid) will be given a score of 100 points. The financial scores of the other financial bid are to be calculated as under:-

$$\text{Financial Score} = \frac{\text{Price of Lowest Bidder (L1)}}{\text{Price of the bidder under consideration (L2, L3 etc.)}} \times 100$$

4. The technical and financial scores will then be given 70% and 30% weightages respectively. Bids will be ranked accordingly to their combined technical and financial scores using the weights mentioned as per the following formula:-

$$\text{Combined Scores} = \text{Technical Score} \times 70\% + \text{Financial Score} \times 30\%$$



The applicant achieving the highest combined technical and financial score as above would be selected for appointment. In the event two or more bids have the same combined scores in the final ranking, then the bid with the higher in financial score would be recommended for appointment.

**2.2** The audit firm must have adequate staff for carrying out the work. The bidders shall have to submit an undertaking on NJSP to the effect that the audit firm have sufficient strength of the staff to carry out the audit in case work is allotted to the audit firm. The audit work shall be got done by the successful bidder from their regular employees, should not further sublet the contract.

**2.3** Each audit party shall consist of three members having one Chartered Accountant/Cost Accountant. Not more than one audit party or more than three persons shall be allowed to carry out the audit of one division/office at a time. This implies that minimum two and maximum three persons can be deputed simultaneously in a division/office for audit. The audit firm would have to deploy sufficient nos. of the audit parties, so as to complete the audit of expenditure accounts within 6 months from the date of allotment of work.

**2.4** To be qualified for award, bidder shall provide evidence, satisfactory to UHBVN of their capacity and adequacy of resources to carry out the contract effectively. Bids shall include the following information:

- a) Copies of the original documents defining the constitution or the legal status, place of registration and principal place of business, written power of attorney of the signatory of the Bid to commit the Bidder.
- b) Description of the resources available with bidder to carry out the proposed job along with an undertaking to the effect that the audit firm has sufficient staff to carry out the audit for which it has submitted the bid and/or will be in a position to carry out the audit as per scope of audit and within the period prescribed for audit.
- c) Qualification and experience of key personnel proposed for carrying out the work.
- d) The audit work will be got done by the successful bidder from their regular employees and should not further be sublet the contract.
- e) The bidder firm must not be blacklisted by any Central/State Govt. Deptt. / PSU/ any Regulatory Authorities in India/ Govt. Corporation/Company. The bidder shall have to submit an undertaking to this effect.
- f) Information regarding any litigation, current or during the last two years, in which the Bidder is involved, the parties concerned and the dispute and the disputed amount. The bidder shall have to submit an undertaking to this effect.
- g) Power of attorney in favour of authorized signatory and copy of resolution (wherever applicable).
- h) The CA Firm must have PAN number and GST number.

### **3. CLARIFICATION ON BID DOCUMENTS:**

The prospective audit firm may obtain any clarification regarding the bid document by writing or emailing to: -

**CHIEF AUDITOR  
UTTAR HARYANA BIJLI VITRAN NIGAM LTD.  
VIDYUT SADAN, IP 3&4, SECTOR-14 PANCHKULA.  
PHONE-0172-2567054  
Mob No. 09357189011  
[chiefauditor@uhbvn.org.in](mailto:chiefauditor@uhbvn.org.in)&[saowa@uhbvn.org.in](mailto:saowa@uhbvn.org.in)**



The audit firm is advised in its own interest to examine the bid documents, instructions, forms, terms & general information before submission of bid. Failure to provide information, which is essential to evaluate the bid or to provide the timely clarification or substantiation of the information supplied or submission of bid not substantially responsive to the bid document may result in disqualification.

#### **4. AMENDMENTS TO BID DOCUMENT:**

At any time prior to the date for submission of bid as well as upto opening of bids, UHBVN may for any reason, whether of its own or by way of clarification given at the request of prospective bidder, modify the bid document by issue of amendment (s) which shall form part of it. The agenda shall be sent in writing to all the prospective bidders, who shall return one copy of it duly signed along with their bid. Extension in the due date, if considered necessary, may be made by the UHBVN.

#### **5. DEVIATION FROM BID DOCUMENTS:**

All such deviations shall be clearly mentioned in deviation sheet. Unless the deviations from the bid documents are specifically mentioned, it will be understood and agreed that the proposal is in strict conformity to UHBVN's specifications in all respect and it will be assumed that all terms & conditions are acceptable to the bidder. These deviations may or may not be accepted by UHBVN and in case the deviations as proposed by the bidder are not accepted by UHBVN the bidder will have the option either to withdraw the deviation or to withdraw the offer. In case the deviation proposed are not accepted by UHBVN and the same are not withdrawn by the bidder, the bidder shall be consider as 'not qualified' for the bid and his price bid shall not be opened.

#### **6. FILLING OF BIDS:**

- a.) Bid shall be submitted in the forms attached hereto and all blanks in **Section-V and VI and the Annexure-'A'** shall be duly filled in. The complete Form & Annexure shall be considered as part of contract documents in the case of successful bid.
- b.) No alteration should be made to Form of the tender specification and Annexure. The bid must comply entirely with the specification and alternative proposals, if any, shall be clearly stated in the covering letter.
- c.) The bid and all accompanying documents shall be in Hindi/English language and shall be signed by a responsible and authorized person. The name designation and authority of signatory shall be stated in the bid.
- d.) Tenders should be filled in only with ink or typed. No bid filled in by pencil or otherwise shall be considered.
- e.) All additions, alterations and over writings in the bid must be clearly initialed by the signatory to the bid.
- f.) The bidder should quote the prices strictly in the manner as indicated herein, failing which bid is liable for rejection. The rate/prices shall be in words as well as figures. This must not contain any additions, alternation, overwriting, cuttings

over corrections and any other marking, which leave any room for doubt. In case of any deviation in words & figures, the rates favorable to the Nigam shall be considered.

- g.) The contract awarding authority will not be responsible to accept any cost involved in the preparation and submission of the bids.

## **7. DOCUMENTS COMPRISING THE BID:**

**7.1** The bidder shall submit the following document/information with the bid.

- ❖ Covering letter i.e. Schedule-“C”
- ❖ Power of Attorney
- ❖ Documents required for eligibility criteria.
- ❖ Statement of deviations from the bid documents as per Annexure-‘A’.
- ❖ Details in format given in **Section-V**.
- ❖ Copy of the agreement between the bidder and his collaborators or associates, if any.
- ❖ Earnest Money of Rs.50000/- per set of auditee offices.
- ❖ Price schedule in **Section-VI**.
- ❖ Other details as called for in the bid documents or which the bidder may like to highlight.

## **7.2 FORMATS AND SIGNING OF BID:**

The bidder shall submit one set of his bid, complete in all respect with enclosures. The bid shall be signed on each page by the authorized signatory and shall be stamped with seal of company/firm.

The person or persons signing the bid shall initial all pages of the bid, including where entries or amendments have been made.

## **8. SUBMISSION OF THE BIDS:**

**8.1** The interested bidder may send their proposal from 06.06.2024 to 26.06.2024 upto 15:00 hours at the portal <http://etenders.hry.nic.in>.

**8.2** The bid shall be submitted in the following manner:

- ✓ The Earnest money shall be deposited by participating firms through Demand Draft or RTGS/NEFT in Nigam’s account.
- ✓ The **QUALIFICATION BID AGAINST BID shall be taken as per E-tender online BID against BID No. CA/WA/24-25/01. This shall be as per section-V and its enclosed documents proving** eligible criteria and all other documents (Excepting EMD) online.
- ✓ **Price schedule against BID No. CA/WA/24-25/01 should be as per e-tender online. Date of Opening of Price Bid shall be notified later.**

**8.3** Telegraphic quotations and also through Fax/ email will not be accepted.

## **9. BID VALIDITY:**

Bid shall remain valid for acceptance for a period of 180 (One Hundred Eighty) days from the date of bid opening. UHBVN may request for suitable extension, if required.

## **10. EARNEST MONEY:**

- 10.1** Before submitting the offer, the Bidder shall submit an amount of Rs.50,000/- per set of auditee offices through Demand draft in favor of Accounts Officer/ CASH, UHBVN, Panchkula payable at Panchkula and through RTGS/NEFT in Nigam's above mentioned account No. against BID NO:**CA/WA/24-25/01**. No other mode of deposit shall be accepted.
- 10.2** Any tender without earnest money shall be rejected and the tender will not be opened.
- 10.3** In case of unsuccessful bidders, the Earnest Money will be refundable on production of the original receipt within a fortnight after finalization of the tender. In case of successful bidders, the Earnest Money will be converted into the Security Deposit as referred in the **Clause-3 of Section-III**.
- 10.4** Request for adjustments/proposals for acceptance of Earnest Money deposits, if any, already lying with UHBVN in connection with some other tenders/orders shall not be entertained.
- 10.5** No interest shall be payable on the amount of Earnest Money deposited with UHBVN.
- 10.6** UHBVN reserves the right to forfeit Earnest Money Deposit in full or a part thereof in circumstances, which according to him indicate that the bidder is not interested in accepting/executing order placed under the specification.

## **11. COST OF SPECIFICATION:**

Purchase of tender documents/ specification is essential for participation. The specification containing terms & conditions and other information are available on the official website i.e. [www.uhbvn.org.in](http://www.uhbvn.org.in) and can be downloaded from there. The cost of Tender documents has been fixed Rs. 2360/- (Tender Document fee)+1180 (e-service fees) including GST (Non-refundable) can also be deposited through RTGS/NEFT/NET Banking..

## **12. LATE BIDS:**

Any bid received after the dead line for submission shall be rejected.

## **13. BID OPENING AND EVALUATION:**

UHBVN will open the bids in the office of CHIEF AUDITOR, UHBVN, Vidyut Sadan, IP 3&4, Sector-14,Panchkula as per E-tender system.

## **14. REJECTION OF BID:**

UHBVN reserves the right to reject or accept any Bid without assigning any reason thereof. However, the bid as under shall not be accepted and such bids shall be rejected, if received: -

- i) Bid submitted by the bidders/firms/agencies, who have been black listed or debarred or with whom business dealing have been suspended by any of the State Electricity Boards/Electrical Undertakings/Power Utilities. The bidder shall have to submit an undertaking in this regard.
- ii) The offer/bid submitted by those who had not purchased/downloaded the bid specification from UHBVN.

- iii) The bid submitted by a person directly or indirectly connected with the service under Government/ Local Authority/UHBVN.
- iv) The bid not accompanied by the specified amount of earnest money and the cost of tender documents.
- v) The bid received after due date and time fixed for receiving the bid.

All efforts would be made to make the payment within the prescribed period but in case of delay of payment, UHBVN shall not be liable to pay interest on the outstanding amount of the firm.

**15. CLARIFICATION OR MODIFICATION OF BIDS:**

To assist in examination, evaluation and comparison of bids, UHBVN may ask the Bidders individually for clarification in writing. No change in the substances of the bid shall be permitted except as required to confirm the correction of any typographical error.

**16. AWARD CRITERIA:**

UHBVN will award the contract for set of offices to the successful Bidder whose Bid is determined to be substantially responsive and is determined **as the lowest evaluated Bid for the set of offices concerned**, provided further that the Bidder is determined to be qualified to perform the Contract satisfactorily. UHBVN shall be sole judge in this regard. **Further, UHBVN reserves the right to award separate Contracts to two or more parties in line with the terms and conditions specified.**

**17. NOTIFICATION OF AWARD:**

Prior to the expiration of the period of Bid validity and extended validity period, if any, UHBVN will notify the successful bidder in writing by registered letter or by cable or Telex or Fax that its Bid has been accepted. The issue of detailed work order will constitute the formation of award.

UHBVN will promptly notify each unsuccessful Bidder and will discharge his earnest money.

**18. GENERAL:**

In case of ambiguous or contradictory terms and conditions mentioned in the bid, interpretations as may be advantageous to UHBVN may be taken, if satisfactory clarification is not furnished within the prescribed period.

UHBVN will not be responsible for any cost or expenses incurred by the bidder in connection with preparation or delivery of bids.

UHBVN reserves the right to amend the scope of the proposed contract, reject or accept any bid, cancel the bid process and reject all applications, vary the area. UHBVN shall neither be liable for any action nor be under any obligation to inform the bidders of the grounds for any of the above actions.

## **SECTION –III**

### **TERMS AND CONDITIONS OF THE CONTRACT**

## TERMS AND CONDITIONS OF THE CONTRACT

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## Terms and conditions of the contract

The terms and conditions of the contract shall prevail and shall be binding on the Audit firms and any change or variation expressed or impressed howsoever made shall be inoperative unless expressly approved by UHBVN. The audit firm shall be deemed to have fully informed itself and to have specific knowledge of the provisions of Terms and Conditions of the contract mentioned hereunder: -

**1. PERIOD OF CONTRACT:** The contract shall be made for the audit of expenditure accounts of Operation Circle, PANCHKULA, AMBALA, YAMUNA NAGAR, KAITHAL, KURUKSHETRA, KARNAL, PANIPAT, SONIPAT, ROHTAK, JHAJJAR, HEAD OFFICE (means O/o Chief Account Officer, Financial Advisor/Hqrs, Haryana Power Purchase Centre, Monitoring Wing, Administration Wing, Chief Technical Officer) AND OTHERS FOR THE PERIOD 04/2023 to 03/2024 AND FURTHER EXTENDABLE FOR ANOTHER ONE YEAR ON SUCCESSFUL COMPLETION TO THE SATISFACTION OF UHBVN. Initially the audit for the period of one year shall be allotted and the audit of next year shall only be allotted with mutual consent on successful completion of audit to the satisfaction of Chief Auditor, UHBVN, Panchkula with mutual consent of both parties. The performance of the audit firm shall be watched regularly and continuously by the office of the Chief Auditor, UHBVN, Panchkula. The contract or the awarded work may be rescinded at any time if the performance regarding achievement of the objective and scope of work is not found satisfactory or the audit firm commits breach of any of the terms and conditions of the contract. No fee or compensation shall be payable in case the contract or the work awarded is rescinded on account of non-performance/unsatisfactory performance. The UHBVN may advise the audit firm for improvement in case the performance made by the agency is not considered as satisfactory or up to the mark.

**2. COMMENCEMENT OF WORK:** The commencement of the work shall take place immediately after issue of work order by the UHBVN. Any request of the successful bidder to defer the commencement of the work for a period of more than one month from the date of allotment of the work shall not be entertained. Further, where the request of the audit firm to defer the commencement of audit is accepted, the audit firm shall have to conduct the audit of expenditure accounts within next month but not later than the stipulated period as mentioned in the contract.

Provided further that if the audit of next year is assigned to the audit firm on the same terms and conditions, the audit firm will have to carry out the audit of next year on the same pattern.

**3. SECURITY DEPOSIT:** The earnest money of the successful Bidder shall be converted into security deposit. The security deposit shall be refundable after 6 months of satisfactory completion of the contract after making recoveries, if any, under Clause-11, 12 & 13 of this Section or any amount payable by the audit firm under the provisions of the contract/agreement. In the event of breach of the contract or any clause of the contract, in any manner, the security deposited by the audit firm shall be liable to be forfeited by the UHBVN.



- 4. RULE AND REGULATIONS:** The assigned job shall be carried out under the rules and regulations of UHBVN in force and further guidelines/ instructions issued by the UHBVN from time to time in this regard. The UHBVN shall also have the right to modify such instructions/ guidelines and the audit firm shall abide by such instructions/ guidelines without any extra charges unless and otherwise specifically agreed for such extra charges.
- 5. COMPLIANCE OF LAW:** The audit firm shall, in all matters arising in the performance of the contract, comply in all respects, will give all notices and pay all fees required by the provisions of any national or state statute, ordinance or other law or any regulation or by-law of any duly constituted authority.
- The contract shall in all respects be prepared and interpreted in accordance with the law in force in India including any such laws passed or made or coming into force during the period of the contract.
- The audit firm shall be responsible for carrying out all of its activities within the rules and laws in force and UHBVN shall not be responsible for any of the un-lawful activity committed by the audit firm or by the staff of audit firm. The audit firm shall be liable for and shall indemnify UHBVN against all losses, expenses or claim arising in connection with any unlawful activity committed by any person employed by the audit firm for the purpose of assigned job during the currency of contract and even the expiry of contract period upto next 5 years.
- Audit firm shall be fully responsible for compliance of applicable Labour laws in respect of staff/manpower deployed by it for the proposed assignment along with consequential obligation/liabilities in the matters arising out of and connected there to.
- 6. ACCIDENTS:** The audit firm shall be liable for and shall indemnify UHBVN against all losses, expenses or claim arising in connection with the death or injury to any person employed by the audit firm for the purpose of assigned job.
- 7. RESPONSIBILITY FOR RECORD/ DOCUMENTS:** The audit firm shall be fully responsible for upkeep, maintenance and safety of the record and documents supplied by the UHBVN and also for the record/ documents generated by the audit firm. On completion of the contract/ job the audit firm will return all the documents supplied to it by the UHBVN and shall also hand over all the record/ documents generated by it for the purpose of completion of the assigned work. The audit firm shall also be responsible to make good the loss if suffered by UHBVN, due to act of the audit firm or firm's staff.
- 8. CONDUCT OF STAFF OF AUDIT FIRM:** If any of the staff of audit firm is found guilty of any misconduct or incompetence or negligence and then if so directed by the UHBVN, the audit firm shall at once remove such employee and replace such employee with a qualified and competent substitute.
- 9. CONTRACT:** The audit firm and UHBVN will enter into an Contract to be known as "Contract " setting out all terms and conditions thereof including those mentioned herewith, within 7 days from the date of placement of work order.
- 10. PAYMENT:** Completion of contractual obligations/formalities by the audit firm would be an essential requirement for claiming any payment. The audit firm shall be entitled to get payment as under: -



The payment of the audit fee shall be made by the AO/CASH, UHBVN, Panchkula through cross cheque/or any digital mode (Indian Currency) on 30<sup>th</sup> day of submission of bills by the audit firm, after the acceptance of the audit report and approval of the bills by the Chief Auditor, UHBVN, Panchkula.

All efforts would be made to make the payment within the prescribed period but in case of delay of payment UHBVN shall not be liable to pay interest on the outstanding amount of the audit firm.

**11. DELAY IN COMPLETION OF AUDIT WORK AND PENALTY THEREOF:**

The audit firm shall have to complete the assigned work within a period of 6 months from the date of issue of work order or within the period as is defined in the work order and submit the reports immediately thereafter. In case the audit firm fails to carry out the audit work within the stipulated period as above, penalty @ 0.50% per week or part thereof of the audit fee subject to maximum 10% shall be imposed and recovered from the audit fee. Since the audit fee is fixed for the set of offices/auditee office, the same shall be termed as unit for this purpose.

**12. COMPLETION OF WORK AND PENALTY FOR UNATTENDED PART OF WORK:**

- i. In case the firm fails to carry out the audit of allotted work its security shall be forfeited besides recovery of liquidating damages (LD) @ 10% of the fee payable for the unattended work.
- ii. In case the audit work carried out by the audit firm is not found satisfactory and the same is withdrawn, no audit fee shall be payable and the liquidating damages @ 10% of the audit fee shall be recovered from the dues payable or from the security deposit of the audit firm. Where no security is available, the audit firm shall have to deposit the liquidated damages with UHBVN.

Besides recovery of liquidating damages, such audit firm may also be blacklisted for next three years.

**13. RECOVERY OF LOSS SUSTAINED TO UHBVN DUE TO FRAUD/ EMBZZLEMENT/ MISAPPROPRIATION OR NEGLIGENCE BY THE EMPLOYEES OF AUDIT FIRM.**

In case any loss is sustained to the UHBVN due to fraud/embezzlement/ misappropriation of revenue committed by the employees of the audit firm or the fraud/embezzlement/misappropriation of revenue committed in the expenditure accounts maintained in the Division which could have been detected during the normal course of audit, but remains undetected, the audit firm shall be liable to pay the same to UHBVN.

**14. ALTERNATION/ADDITION:** No variation or modification or waiver of any of the terms and conditions or provisions of the contract shall be deemed valid unless mutually agreed upon in writing by both parties i.e. UHBVN and audit firm.

**15. ACCEPTANCE OF CONTRACT:** The successful bidder will be forwarded two sets of Work Order one of which will be signed on each page by the authorized signatory of Bidder in token of acceptance of contract and shall be returned to the authority placing the

order within 7 days of its issue failing which the Earnest Money Deposit shall liable to be forfeited.

- 16. FALL BACK ARRANGEMENTS:** In the event of the failure of the audit firm to fulfill its obligations, duties and responsibilities as per the contract, UHBVN shall have the right at any time to resort to fall back arrangement. Under this plan, UHBVN shall take charge of all facilities and systems whether in operation or under execution, after giving suitable notice and can recover from the security deposit the losses suffered due to such failure. If the security deposit is un-sufficient, the audit firm shall have to pay the difference to UHBVN failing which UHBVN will have the right to recover the same through legal or other means. In such circumstances the UHBVN after taking the charge as above, shall have the right to manage the system itself or through any other audit firm as it may deem fit and no claim of audit firm for compensation in this respect shall be entertained.
- 17. HANDING OVER ON TERMINATION:** Immediately after termination of the contract agreement the audit firm will cooperate in handing over back all the facilities and record in good working order to UHBVN. Upon termination of the contract/agreement, the authority of the Agency to act as Agent of UHBVN in the area shall immediately cease.
- 18. GOVERNING LAW AND JURISDICTION:** The agreement shall be governed under Indian law. Only appropriate courts at Panchkula shall have exclusive court jurisdiction to deal with any matter arising out of or relating to the agreement or otherwise.
- 19. LIEN:** In case of any lien or claim pertaining to the work and responsibility of the audit firm for which UHBVN might have been made liable, the UHBVN shall have the right to recover such claim amount from the audit firm.
- 20. CORRUPT OF FRAUDULENT PRACTICES:** The Nigam requires that Service providers observe the highest standard of ethics during the procurement and execution of Nigam contracts. In pursuance of this policy, the Nigam:-
- (a) Defines, for the purposes of this provision, the terms set forth as follows:
    - (i) Corrupt practice means the offering, giving, receiving or soliciting of anything of value to influence the action of a public official in the procurement process or in contract execution and
    - (ii) "Fraudulent practice" means a misrepresentation of facts in order to influence a procurement process or the execution of a contract to the detriment of the Nigam, and includes collusive practice among Bidders (prior to or after tender submission) designed to establish tender prices at artificial, non-competitive levels and to deprive the Nigam of the benefits of free and open competition;
  - (b) Will reject a proposal for award if it determines that the Bidder recommended for award has engaged in corrupt or fraudulent practices in competing for the contract in question;
  - (c) Will declare a firm ineligible, either indefinitely or for a stated period of time, to be awarded a Nigam contract if it at any time determines that the firm has engaged in corrupt or fraudulent practices in competing for, or in executing, a Nigam contract.

**21.SETTLEMENT OF DISPUTES:** If any dispute or difference of any kind whatsoever will arise between the service provider and the UHBVN in connection with or arising out of the contract, the parties will make every effort to resolve amicably such dispute or difference by mutual consultation.

If, after thirty (30) days the parties have failed to resolve their dispute or difference by such mutual consultation, then either the service provider or UHBVN may give notice to the other party of its intention to commence arbitration, as hereinafter provided, as to the matter in dispute, and no arbitration in respect of the matter may be commenced unless such notice is given

**22.BLACKLISTING OF THE FIRMS:** As the work order becomes a valid contract between the service provider and UHBVN on the date of its issue, no further changes in the terms and conditions thereof are permissible and any request received in this regard from the service provider should be summarily rejected, making it clear to supply the services strictly in accordance with the terms and conditions of the contract. It should be noted that such a liability can be enforced on the service provider on if the work order does not contain any term or condition contrary to what had been quoted in the service tender. Once this is ensured, any attempt by the service provider to back out of his commitment should be taken a serious and his earnest money deposited be forfeited forthwith, without prejudice to any further legal remedies open to the Nigam under the relevant law. Where necessary, the case of service provider illegally backing out of the commitment, should also be put up to the Whole Time Directors for consideration and to decide for black-listing of the firm and damages, if any, to be recovered.

**23. ARBITRATION:** All matters, questions, disputes, differences and / or claims arising out of and/or concerning and /or in connection and / or relating to this contract whether or not obligations of either or both parties under this contract be subsisting at the time of such dispute and whether or not this contract has been terminated or purported to be terminated or completed, shall be referred to the Sole Arbitration to be appointed by the mutual consent from panel of Arbitrators provided by the Nigam . In case no consensus is achieved between the parties then aggrieved party can approach the competent Court of law for appointment of Sole Arbitrators. The Award of the arbitrator shall be final and binding on the parties to this contract. Provisions of the Arbitration& conciliation Act,1996 and the Rules made there under, the statutory modifications thereof for the time being in force, shall be deemed to apply to the Arbitration proceedings under this clause.

## **SECTION-IV**

### **SCOPE OF WORK**

## SECTION-IV

### SCOPE OF WORK

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## **Scope of work**

### **1. Object of audit:**

The object of audit of expenditure accounts being maintained by the Division/ auditee office is complete and comprehensive checking of all financial transactions connected with expenditure accounts (and not just test audit) of Auditee office under the audit practices in vogue and the Standard Audit Practices (SAPs) issued by the Institute of Chartered Accountants of India. Another object is to carry out the audit as early as possible so that the mistakes and irregularities whichever committed be detected at the earliest and set right within the minimum possible time. In addition to the above, the audit firm is expected to educate the Divisional staff for proper upkeep & maintenance of expenditure accounts with a view to increase their efficiency in accounts works.

### **2. Scope of work:**

The set of offices/ auditee offices shall be a unit for allotment of audit to an audit firm and the successful audit firm will have to carry out the audit of expenditure accounts of the auditee offices. Initially the audit for the period of one year shall be allotted and the audit of next year shall only be allotted on successful completion of audit to the satisfaction of Chief Auditor, UHBVN, Panchkula. In case the audit firm to which the audit for the initial period was assigned declines to accept the audit for the next year, the audit can be assigned to the other audit firm which is conducting audit of any other set of offices on the same rates, terms and conditions.

The audit of expenditure account shall have to be carried out strictly in accordance with the instructions as laid down in Audit Manual for the checking of expenditure accounts and office order No. 107/CA/WA dated 03.03.2020 (for the checking to be carried out & responsibility to be fixed) is attached as “Annexure-D” & “D-I” and check list containing instructions (which must be checked during Expenditure Audit & must be submitted along with Expenditure Audit Report) is attached as “Annexure-E”.

The instructions as laid down in the manual may be modified, if required so, by UHBVN and in case instructions are modified, the audit firm will have to audit the accounts as per modified instruction without any extra charges/remuneration of any type.

### **3. Book of references:**

All the reference Books will be arranged by the audit firm at its own level.

### **4. Procedure of audit:**

Procedure of audit has been explained in Audit Manual (Annexure-D & D-I). Further, clarification required, if any, will be issued by the Chief Auditor, UHBVN, Panchkula.

### **5. Sphere of audit:**

The audit firm shall have to carry out the audit of all the records connected directly or indirectly with the expenditure accounts being maintained at Division/Auditee office. Detailed instructions/check lists have been laid-down under Annexure-“D, D-I” & “E”. However, these instructions can be amended/modified by competent authority with a view to make the audit more effective.

Each item of the record checked by the audit party should invariably be ticked with permanent ink. The audit certificate shall be recorded by the Incharge of party under his dated signature and seal on all the record audited by the audit party. However, the audit certificate can also be recorded by other members (s) of audit party for the work done by him/them but all such certificates shall be counter-signed by the Incharge of party under his dated signatures and seal.

6. **Visitors App:** Immediately after the allotment of work, the audit firm shall deploy the audit parties and the details of audit parties intimate to the office of Chief Auditor for registration of the audit parties in UHBVN Visitor app for tracking and ensuring the presence of each audit party, to record auditors check- in and checkout times in auditee offices.

7. **Intimation of visit:**

Immediately after the allotment of work; the audit firm shall prepare the program for the audit of the auditee offices allotted to the audit firm and shall submit to the Chief Auditor for approval. The tour program shall be prepared well in advance (at least 10 days) so that advance intimation is given to the auditee office. The Chief Auditor shall approve the tour program and issue intimation of visit to the auditee office for making sitting arrangements and production of record. The Chief Auditor may ask the audit firm to make any change/deviation to the tour program for the cogent reasons and the audit firm/audit party shall abide by such change/deviation in the tour programme.

The audit party will have no right to conduct the audit of any Auditee office without getting the tour programme approved form the office of Chief Auditor and the audit party shall not make any deviation to the tour programme approved by the Chief Auditor. In exceptional circumstances, the deviation in the tour programme may be made with the prior approval of Chief Auditor.

8. **Distribution of duties amongst the members of the audit party:**

The audit firm may distribute the duties among the party members keeping in view their efficiency. The audit firm, however, shall be responsible for the work done by all party members including Incharge of party.

9. **Issue of audit observations/ Audit Notes :**

Audit notes for all the mistakes/ irregularities and cases of loss of revenue etc. detected during the course of audit are to be prepared on the Half Margin Pads (with carbon copy)/ through software to be provided by the O/o Chief Auditor. The original will be handed over to the Head of Auditee Office on the same day or latest by next day and the carbon copy shall be retained intact in the HM Book/Pad. Further guidance/ clarification etc. can be obtained from the Chief Auditor UHBVN, Panchkula.

10. **Submission of report of audit:**

The complete report of the audit of expenditure accounts along with half margins and audit check list (**Annexure-D, D-I & E**) duly signed will be submitted to the Chief Auditor, UHBVN, Panchkula immediately after completion of audit inspection of an office. The report will be submitted on the format prescribed by the Chief Auditor, UHBVN, Panchkula. The format can be revised/amended/modified at any time without

any notice to audit firm and the audit firm shall have to submit the report on such revised/amended/modified format without any extra charges.

**11. Supervision of audit work:**

The Chief Auditor, UHBVN, Panchkula or any officer authorized by him may make surprise visit and check/supervise the work of audit at any time. Further, in the interest of the audit work, the work done by the Audit Party deputed by the audit firm can be supervised concurrently. Provided further that the audit shall be concluded after discussion by the officer deputed by the Chief Auditor, UHBVN, Panchkula.

**12. Checking of status of audit conducted by audit firm/audit party:**

The test checks of the audit work done by the audit firm and scrutiny of reports may be carried out by the office of the Chief Auditor, UHBVN, Panchkula before acceptance of audit report. In case any deficiency/shortcoming in audit/audit report is noticed, the audit firm shall have to rectify the same even if the Audit Party has to re-depute its staff for the purpose. No charges shall be payable for such visit.

**13. Watching of compliance of audit observations:**

The audit party shall watch the compliance of observations raised during the previous visits and make a report to the Chief Auditor, UHBVN, Panchkula in case the same are found un-attended by the concerned Xen of the Division office/ auditee office.

**14. Assistance:**

At the request of the audit firm, an official may be deputed to the auditee office to make them familiar with the working & records of the Divisions/offices.

\*\*\*\*\*



## **SECTION-V**

### **PARTICULARS OF THE BIDDER**

## PARTICULARS OF THE BIDDER

1.	Name of the audit firm.	
2.	Postal address.	
3.	Telephone No.	
4.	Fax No.	
5.	Email address.	
6.	Type of organization: (Tick ✓)	<input type="checkbox"/> Sole proprietorship <input type="checkbox"/> Partnership <input type="checkbox"/> Joint Venture
7.	Date of commencement of business and No. of completed years of existence from the date of registration.	
8.	Registration No. of Comptroller And Auditor General Of India. Also attach copy of the same if any.	Registration No.  Copy placed at page_____ to Page _____
9.	Name of proprietor/Partners/ Directors and their detail Bio-data.	Page _____ to _____ page
10.	Details of offices other than H.O./Controlling office and other infrastructure available.	Page _____ to _____ page
11.	Detailed organizational structure with background of key personnel.	Page _____ to _____ page
12.	Type of service being offered.	Page _____ to _____ page
13.	List of clients' along with their addresses and contact telephone. Fax Nos. and type of services offered and/or being offered to them. Electricity Companies/ Board. Others.	Page _____ to _____ page
14.	Document showing no. of CA/ICWA/CMA Qualified employee/partner with the firm.	Page _____ to _____ page
15.	Document showing that the audit firm have one qualified ISA/DISA/CISA/CIA partner	Page _____ to _____ page
16.	Audited balance sheet and P&L Accounts of last 3 financial years alongwith copy of ITR's and CA certificate for average annual turnover.	Page _____ to _____ page
17.	Letters/certificates for successful completion of work from Electricity Companies/Board/other.	Page _____ to _____ page
18.	Details of any collaboration/tie up with Indian/Overseas	Page _____ to _____ page

	Agency/Organization.	
<b>19.</b>	Details of work force/ number of technical experts (B.E./B. Tech/ M.Tech or equivalent) with the agency.	Page _____ to _____ page
<b>20.</b>	Document showing that the audit firm have experience of Statutory Audit assignment/Cost Audit assignment in Central/State Government PSU in last three years.	Page _____ to _____ page
<b>21.</b>	Document showing that the audit firm have experience of Internal Audit assignment in Central/State Government PSU in last five Years (Banks experience will not be counted).	Page _____ to _____ page
<b>22.</b>	Undertaking on NJSP to the effect that the audit firm have sufficient strength of the staff to carry out the audit in case of work is allotted to the audit firm.	Page _____ to _____ page
<b>23.</b>	Copy of document defining the constitution of the legal status, place of registration & principal place of business and registration with ICAI	Page _____ to _____ page
<b>24.</b>	Information regarding no litigation and no blacklisting certificate.	Page _____ to _____ page
<b>25.</b>	Power of attorney in favour of authorized signatory and copy of resolution (wherever applicable).	Page _____ to _____ page
<b>26.</b>	Copy of Pan No. & GST No.	Page _____ to _____ page
<b>27.</b>	Earnest money deposit documents	Page _____ to _____ page
<b>28.</b>	Bid documents duly stamped and signed on each page by the authorized signatory.	Page _____ to _____ page
<b>29.</b>	Any other additional information/certificate.	Page _____ to _____ page

**Seal & signature**

**SECTION-V**

**PRICE SCHEDULE**

PRICE SCHEDULE			
Sr. No.	Name of Set of Auditee office	Amount (Per year for each Set of Auditee office)	
		In Figures	In words
1	Total Quoted Rate for Operation wing of Panchkula, Ambala, Yamuna Nagar and M&P Wing		
2	Total Quoted Rate for Operation wing of Kuruksetra, Karnal, Kaithal and MM Wing		
3	Total Quoted Rate for Operation wing of Panipat, Sonipat and const. & civil Const Wing		
4	Total Quoted Rate for Operation wing of Rohtak, Jhajjar and Head Office		
	<b>Total</b>		

1. The rates quoted by firm/s are inclusive of all taxes/duties statutory levies including TA/DA, monies, boarding & lodging etc. but excluding of GST.
2. The GST will be paid extra as per applicable rate from time to time.
3. **The Statutory variation:** Any statutory variation shall be borne by the Nigam, during completion schedule only i.e. increase in statutory variation beyond the overall completion period shall be borne by the firm. However, after expiry of completion period, the –ve statutory variation shall be to Nigam's account and +ve statutory variation shall be borne by the firm.

**Authorized Signatory**  
(Seal/Rubber Stamp)

Detail of Set of Auditee Offices							
Sr. No.	Name of District	A	B	C	D	E	
		Operation Wing	M&P Wing	Civil & Const. Wing	MM & Store Wing	Head Office	Total
		No. of offices	No. of offices	No. of offices	No. of offices	No. of offices	
1	Panchkula	4		4	2	6	16
2	Ambala	4	1		2		7
3	Yamuna Nagar	4	1				5
4	Kurukshetra	4		1			5
5	Karnal	5	1	1			7
6	Kaithal	4					4
7	Panipat	4			1		5
8	Sonipat	4	1	1			6
9	Rohtak	5	1	1	1		8
10	Jhajjar	4					4
		<b>42</b>	<b>5</b>	<b>8</b>	<b>6</b>	<b>6</b>	<b>67</b>

Head office

1	Chief Accounts Officer	
2	Financial Advisor/Hqrs	
3	Haryana Power Purchase Centre	
4	Monitoring Wing	
5	Administration Wing	
6	Chief Technology Officer	

Abstract

A	Chief ‘OP’ Offices	2	Panchkula & Rohtak
	SE ‘OP’ Circles	10	1 in Each District
	Xen ‘OP’ Divisions	30	2-3 in each District
B	M&P Division	5	
C	CE/PD&C	1	Panchkula
	SE Const. & Civil	2	Panchkula
	Const. & Civil Divn.	5	
D	CE/MM	1	Panchkula
	FA/MM	1	Panchkula
	SE/S&W	1	Ambala
	Divisional Stores	3	
E	Head Office	6	Panchkula
	<b>Total</b>	<b>67</b>	

Sets

1	Operation wing of Panchkula, Ambala, Yamuna Nagar and M&P	17
2	Operation wing of Kurukshetra, Karnal, Kaithal and MM wing	19
3	Operation wing of Panipat, Sonipat, and Const. & Civil Const.	16
4	Operation wing of Rohtak, Jhajjar and Head Office	15
	<b>Total</b>	<b>67</b>

## **SECTION-VII**

## **ANNEXURES**

**ANNEXURES**

<b>Annexure</b>	<b>DESCRIPTION</b>	<b>PAGE NO.</b>
<b>A.</b>	<b>DEVIATION PROPOSED</b>	<b>41</b>
<b>B.</b>	<b>TENDER FORM (SCHEDULE-‘C’)</b>	<b>42-43</b>
<b>C.</b>	<b>OFFICE-WISE MINIMUM NUMBERS OF MANDAYS REQUIRED FOR AUDIT OF EXPENDITURES ACCOUNTS FOR ONE YEAR</b>	<b>44-45</b>
<b>D.&amp; D-I,E</b>	<b>INTERNAL AUDIT MANUAL (WORKS AUDIT) INCLUDING CHECKLIST</b>	<b>46-98</b>



Sr. No.	Section no. of the bid document	Reference of clause no.	Deviation Proposed

Authorized Signatory  
(Seal/Rubber Stamp)

SCHEDULE- ‘C’

UTTAR HARYANA BIJLI VITRAN NIGAM LIMITED  
TENDER FORM

From

\_\_\_\_\_,  
\_\_\_\_\_,  
\_\_\_\_\_

To

The Chief Auditor,  
UHBVN, Panchkula

Offer No:

Dated :

Subject: - Submission of tender against Notice Inviting Tender No. CA/WA/24-25/01.

Dear Sir,

With reference to your above mentioned notice inviting tender, I/We hereby offer to carry out the audit of expenditure accounts maintained at various divisions under (OP) Circles, UHBVN PANCHKULA, AMBALA, YAMUNA NAGAR, KAITHAL, KURUKSHETRA, KARNAL, PANIPAT, SONIPAT, ROHTAK, JHAJJAR HEAD OFFICES AND OTHERS FOR THE PERIOD 04/2023 to 03/2024 and further extendable for another one year on successful completion to the satisfaction of UHBVN, on the rates quoted in the Price Schedule (Part-II) and shall execute the work truly and faithfully within the time specified and set forth in the attached terms and conditions. The work done will be of the quality and answerable in every respect with this tender. I/We shall be responsible for all complaints as regards the quality of work and in case of dispute the decision of the Nigam will be final and binding on me/us.

1. A RTGS/NEFT/NET Banking transaction No. \_\_\_\_\_ dated \_\_\_\_\_ for the prescribed amount of Rs. \_\_\_\_\_ Rupees \_\_\_\_\_) drawn in favour of AO/CASH, UHBVNL, Panchkula is enclosed, as earnest money as desired. I fully understand that in the event of my/our tender being accepted this earnest money shall be retained by you as security till the work is completed as per scope and terms and conditions of NIT and to the entire satisfaction of UHBVN.

2. I/We shall have no claim to the refund of the earnest money prescribed against this tender in the event of my/our non-compliance of the work order provided such order is placed within the period of validity of my/our tender as indicated in paragraph 3 below.

I further understand that my earnest money will stand forfeited even if I withdraw my tender at any stage during the currency of the period of validity.

3. My/Our tender shall remain valid for a period of 180 days from the last date prescribed for submission of the tenders against the NIT.

4. My/Our tender along with the terms and conditions with the relevant columns and Annexures duly filled in under my/our attestation and with each page of the tender papers

(including the enclosed terms and conditions signed by me/us), (in the capacity of sole owner/general or special attorney, in proof of which power of attorney is attached) is submitted for your favourable consideration.

5. I/We have carefully has/have examined the eligibility criteria and I/we qualify the eligibility criteria fixed for tendering. The documents required to be submitted in this regard are enclosed.

6. I/We have read the enclosed terms and conditions carefully and have signed the same in token of their absolute and unqualified acceptance. My/Our tender constitutes a firm offer under the Indian Contract Act 1872 and is open to an acceptance in whole or in parts. My/Our offer, if accepted on the attached terms and conditions will constitute a legally binding contract and shall operate as a contract as defined in the Indian Contract Act 1872.

Thanking you.

**DA/As above**

**Yours faithfully,  
Place:**

**Dated:  
Name & Full Address of Tenderers**

**OFFICE-WISE MINIMUM NUMBERS OF MANDAYS REQUIRED FOR AUDIT OF  
EXPENDITURES ACCOUNTS FOR ONE YEAR**

<b>S. No.</b>	<b>Name of Auditee Office</b>	<b>MINIMUM NUMBERS OF MANDAYS REQUIRED FOR AUDIT OF ONE YEAR</b>
1	SE/OP Circle Panchkula	24 Mandays
2	XEN/OP Divn. Panchkula	36 Mandays
3	XEN/OP Divn. Pinjore	36 Mandays
4	SE/OP Circle Ambala	24 Mandays
5	XEN/OP Divn. Ambala City	36 Mandays
6	XEN/OP Divn. Ambala Cantt.	36 Mandays
7	XEN/OP Divn. Naraingarh	36 Mandays
8	SE/OP Circle Yamuna Nagar	24 Mandays
9	XEN/OP Divn. Yamuna Nagar	36 Mandays
10	XEN/OP Divn. Jagadhri	36 Mandays
11	XEN/OP Divn. Bilaspur	36 Mandays
12	SE/OP Circle Kurukshetra	24 Mandays
13	XEN/OP Divn. Pehowa	36 Mandays
14	XEN/OP Divn. Shahbad	36 Mandays
15	XEN/OP Divn. Kurukshetra	36 Mandays
16	SE/OP Circle Kaithal	24 Mandays
17	XEN/OP Divn. Kaithal	36 Mandays
18	XEN/OP Divn. Pundri	36 Mandays
19	XEN/OP Divn. Guhla	36 Mandays
20	SE/OP Circle Karnal	24 Mandays
21	XEN/City Divn. Karnal	36 Mandays
22	XEN/S/U I Divn. Karnal	36 Mandays
23	XEN/S/U II Divn. Karnal	36 Mandays
24	XEN/OP Divn. Assand	36 Mandays
25	SE Op. Circle, Panipat	24 Mandays
26	XEN City Division, Panipat	36 Mandays
27	XEN S/U Divn. Panipat	36 Mandays
28	XEN Op. Divn. Samalkha	36 Mandays
29	S.E. Op. Circle, Sonapat	24 Mandays
30	XEN City Division, Sonapat	36 Mandays
31	XEN S/U Division, Sonapat	36 Mandays
32	XEN Op. Divn. Gohana	36 Mandays
33	S.E. Op. Circle, Rohtak	24 Mandays

34	XEN Op. City Divn. Rohtak	36 Mandays
35	XEN S/U No-I Divn. Rohtak	36 Mandays
36	XEN S/U No-II Divn. Rohtak	36 Mandays
37	SE Op. Circle, Jhajjar	24 Mandays
38	XEN Op. Divn. Jhajjar	36 Mandays
39	XEN Op. Divn. Bhadurgarh	36 Mandays
40	XEN Op. Divn. Beri	36 Mandays
41	SE/Const. Circle, Panchkula	24 Mandays
42	XEN/Const. Divn. Karnal	36 Mandays
43	XEN/Const. Divn. Kurukshetra	36 Mandays
44	XEN Const. Divn., Sonapat	36 Mandays
45	SE/Civil Const. Circle, Panchkula	24 Mandays
46	Xen/Civil Const. Divn., Panchkula	36 Mandays
47	XEN Civil Const. Divn, Rohtak	36 Mandays
48	SE/M&P Circle, Dhulkote	24 Mandays
49	Xen/M&P, Dhulkote now Sonapat.	24 Mandays
50	XEN/M&P, Karnal.	24 Mandays
51	XEN/M&P, YamunaNagar	24 Mandays
52	XEN M&P Divn. Rohtak	24 Mandays
53	SE/S&W, UHBVN, Dhulkote	24 Mandays
54	XEN/Central Store, Dhulkote	36 Mandays
55	XEN/ Central Store, Rohtak	36 Mandays
56	XEN/ Central Store, Panipat	36 Mandays
57	FA&CAO/MM, Panchkula	36 Mandays
58	CAO, UHBVN, Panchkula	36 Mandays
59	FA/HQ, UHBVN, Panchkula	36 Mandays
60	CE/HPPC, Panchkula	45 Mandays
61	CE/ PD&C, Panchkula	45 Mandays
62	CE/MM, Panchkula	36 Mandays
63	CE/OP,UHBVN, Panchkula	30 Mandays
64	CE/OP,UHBVN, Rohtak	30 Mandays
65	Chief Technical Officer, Panchkula	24 Mandays
66	SE/Monitoring, Panchkula	24 Mandays
67	CE/Admn (GA Section), UHBVN, Panchkula.	24 Mandays
	<b>Total</b>	<b>2166 Mandays</b>

***(Annexure-D)***

***INTERNAL AUDIT MANUAL  
AND CHECKLIST FOR UHBVN***

***(AN ELECTRICITY DISTRIBUTION UTILITY)  
(SECOND EDITION-2018)***



***Instructions for the Works Audit Parties in connection with Expenditure Accounts  
etc.***

***\*\*\*\*\****

***Published by:***

***THE CHIEF AUDITOR  
UHBVN, PANCHKULA***

## Chapter 3

### DOCUMENTATION AND WORKING PAPERS

Audit Documentation is a written record from which auditor draws conclusions that support him to make representations in his audit report. Written documents include audit planning, audit procedures, evidence of audit and final audit conclusions. Audit documentation is also known as working papers or work papers.

#### **Form and Contents of Internal Audit Documentation:**

- 1) Proper working papers show professionalism while conducting an internal audit. It also shows how the work was done from the primary stage till the preparation of audit report. Internal audit documentation may be done on paper or in electronic form. E.g.: Correspondence, memoranda, e- mails and other important matters.
- 2) The internal audit documentation should be in detail so that the internal auditor is in a better position to finalize the audit report. It is impractical to document each and every observation. Therefore the extent of documentation should be based on professional experience of the internal auditor.
- 3) The documentation should be prepared in such a manner that it helps to understand the nature, time and extent of the audit to the reviewer who does not have any previous connection with the internal audit.
- 4) Audit documentation should mention the audit evidences obtained and the conclusions derived from it.
- 5) The auditor should review the audit work and date on which such review take place.
- 6) The auditor should assemble the audit files on a timely basis. He should not delete the assembled audit files before the end of his retention period.

#### **Objects of Working Papers:**

- 1) The working papers help the internal auditor to save time in preparing the audit report.
- 2) Duplication of work can be avoided with the help of working papers if there are frequent transfers of staff performing the audit.
- 3) Future audit work can be done on the basis of working papers of prior years.
- 4) The internal auditors with the help of working papers can advise the client on the weaknesses of internal control system and accounting system to avoid future risk.
- 5) The auditor should record the work performed and date of work completed by him.
- 6) The working paper provides direction to audit staff.
- 7) The working paper is important for future planning of the audit work.

#### **General Guidelines for the Preparation of Working papers:**

- a) Completeness & Accuracy: The working papers should be complete, accurate and conclusive.
- b) Clarity and Understanding: Working papers should be simple to understand and should reveal the nature and scope of the work performed by the auditor.
- c) Relevance: The audit working papers should contain information which is important and necessary for the purpose of internal audit.

- d) Logical: The working papers should be arranged in a logical manner.
- e) Neat and clean: Working papers should be neat and legible. Working papers should not be sloppy.

## **Audit Conclusion and Corrective Measures**

### **Audit Conclusion:**

When all the audit procedures and checks are completed, the audit is concluded. The internal auditor should review the working papers and see that the audit has been conducted according to plan and it has achieved its objectives. He should list down any audit procedure which was not completed because records were not produced by the department or due to lack of time. The auditor should check the supporting evidence for each observation that is proposed to be put in the report. He should, then, prepare a draft report which will include his report on.

Effectiveness of controls and any major / minor weaknesses in them; Non -compliance with laws, codes and government orders with assessment of possible loss; and any matters relating to propriety of transactions. Internal auditors are expected to contribute a wealth of information to their organizations.

When the internal audit process comes to an end, the auditor has sufficient data and information, working papers, audit evidence and also has full information about the internal controls in existence and their effectiveness. On the basis of this information, the auditor draws his conclusions as to the reliability of the control mechanism and percentage of assurance that can be relied upon.

Auditor's conclusion is based on reasonable assurance and not absolute assurance. As per the Auditing Standards, the auditor should obtain competent, relevant and reasonable evidence to support his judgment and conclusion. The principal source of evidence for audit conclusions should be the records of the auditee. It is the primary duty of audit to ensure that the audit conclusions drawn about the financial statements subjected to audit are based on sufficient, competent and relevant evidence, evaluation of the quality of internal control mechanisms and computer assisted audit techniques (CAATs).

### **Corrective Measures:**

Based on the auditor's observations, management may take suitable decision for putting in place correctives measures. This will enable to put suitable controls so as to manage the risks. This may include issuing suitable guidelines by the management to concerned team leads about specific measures to be implemented and giving feedback in a timely manner.

## **Report Writing and Audit Report**

'The internal auditor's report should contain a clear written expression of significant observations, suggestions/recommendations based on policies, processes, risk, controls and transaction processing taken as whole and management's responses.'

### **Report Writing:**

It is an art and science of communication of facts and interpretation to the recipient for achieving particular objectives. Report writing is an art because the preparation of the report presents the facts collected in his own style. Every auditor has his own individual way of presenting the facts, understanding the various options which are beneficial for the business. Report writing is also known as a science because it involves application of skills, techniques and methods. The science of report writing also improves the efficiency of the operations like utilization of resources, decision making, etc.

An audit report will be effective only if the desired result is achieved and appreciable by the Management.



**Process:**

In an internal audit, the engagement letter contains the details of what is to be communicated. Hence, the terms of engagement and auditor's opinion are the basis of the audit report. The audit report should start from the recipient's expectation.

After designing the framework for report writing, further details in the report depend upon communication with the entity and the nature of work done during the audit. At the pre-audit meeting, discussions are conducted with the management and operating personnel, on the basis of which, the objectives of audit are decided. The quality of field work is reflected in quality of audit report.

**Points to be considered while writing an audit report:**

- 1) The internal audit report should be structured in such a way that it explains as to why the recommendations and suggestions of the internal auditor should be accepted by the management.
- 2) The designations of the officials should be included instead of using their names.
- 3) Auditor should avoid subjective words, which does not present clear picture e.g.: appears, seems, etc.
- 4) Auditor should use a specific percentage or a number than words like 22 large, many, huge, etc.
- 5) The format of the internal audit report should be as per the requirements of the organization.
- 6) The purpose of writing the audit report should be clear.
- 7) Simple and lucid language should be used while writing the audit report. Use of technical jargon / uncommon words should be avoided.
- 8) The internal audit report should give proper idea regarding decision making process.
- 9) If the internal audit report contains a material error or mistake, the internal auditor must, immediately, communicate the same to the recipients of the report.

## **Chapter 6 (A)**

### **(I) Checking the records of JEs/AFMs:**

- Check all the record of JEs/AFMs which is directly/indirectly related to consumers' accounts viz.-a-viz. CA-21, CA-22 are meant for maintaining of record of meters, Initial Reading of the meter when installed at consumer premises and final reading with meter status is entered when meter is removed from consumer premises, connected load register etc.
- Check Form-4 which is used to record the material received, issued to the work concerned and balance material lying in the Form-4 register tally with the physical verification authenticated by mentioning the certificate by the user (JE / AFM) after completion of work.
- Check EMB which is used to record the material used on the work and CA-104 which is used to record the dismantled material.

## Chapter 9

### AUDIT OF EXPENDITURE UNITS

The Audit of Expenditure units such as Division Offices, Circle Offices & Corporate Office, consists of Capital Expenditure.

#### A. CHECKLIST FOR AUDIT OF EXPENDITURE

##### Verification of Revenue Expenses incurred vis-à-vis Delegation of Powers

The following aspects need to be kept in view during the audit of revenue expenditure:

- a) Purpose of the Expenditure and the benefit derived there from (from propriety view).
- b) Proper Sanction for incurring such expenditure and the procedure laid down in the Delegation of Powers / instructions issued from time to time.
- c) In case DOP is deviated, it must be ensured that the same has proper ratification.
- d) In case of expenditure involving statutory payments, Delegation of Powers would not generally interfere.
- e) The provisions laid down under Tax laws shall also be observed.
- f) Classification of Expenditure under proper heads of account shall also be observed, as misclassification would not reveal the true and fair view.
- g) Deferred Revenue Expenditure should be spread over the life of the benefit.

#### B. CHECKLIST FOR TRANSACTIONAUDIT

1. Transaction Audit refers to verification of transactions that took place. Checklist for verification of Revenue Expenditure:
2. Verify the work bills with respect to terms and conditions of Contract.
3. Check whether the Expenditure charged relates to the current year only.
4. Verify that in case of Theft of Assets, Gross Block should be reduced by the value of the asset lost; ensure that Provision for Depreciation also reduced apart from making suitable provision for loss of asset, if any.
5. Ensure that O & M expenditure should not be charged as Capital and vice-versa.
6. Verify the utilization of Funds received from H.O. Ensure that there should not be any mis-utilization of funds (i.e. there should not be any diversion of funds).
7. Ensure that all the material including transformers dismantled against O & M works has been returned to Nigam's store in appropriate quantity. In case, the same has been dismantled in length and numbers but to be returned in weight, the proper conversion formula should be adopted as per size of material which should be mentioned on SRW.

#### C. CHECKLIST FOR SYSTEMSAUDIT

Comprises, Verification of Internal Control for the Revenue Expenditure.

1. Review the Budget allocation for the Expenditure.
2. Verify the authority for sanction of expenditure with reference to Delegation of Powers.
3. Review the procedure of Internal Check relating to payments.
4. Ensure that there is a division of work (i.e. one individual's work should be automatically checked by another).
5. Ensure that there should be periodic changes in work allocation (individuals shall be rotated from one work to another).
6. Check whether the payment is done duly complying the prescribed procedure (i.e.

- production of bill, counter sign of check measurement, pass order, payment authorization etc.)
7. Check whether the employees are complying the provisions of Statutory Laws that are applicable to the Nigam.
  8. Ensure whether there is a proper training for the employees periodically so that they can accustom to the changes in the Laws / Regulations / Procedures.
  9. Apply analytical review procedures to each component of expenditure with respect to earlier years and analyze the results.

#### **D. CHECKLIST FOR COMPLIANCE AUDIT:**

Compliance Audit refers to verification of status of compliance with various statutes (viz., Income Tax, GST, Companies Act, Employees Provident Fund etc.)

1. Verify whether Tax is deducted (TDS) from work bills duly applying correct rate of tax.
2. Ensure that while making TDS from salaries, loss should not be considered other than income from house property. Additional income, if any, voluntarily disclosed by the employee can be taken into account.
3. Ensure that TDS in respect of salaries has to be made by applying the average rate of tax
4. Ensure that the Tax Deducted is remitted to the authorities within the due date.
5. Verify whether the employer's contribution and employee's contribution towards EPF is paid within the due date prescribed by the relevant Act.
6. Verify whether the instructions issued from time to time by Corporate Office are being followed.
7. Ensure that Quarterly Return in respect of TDS is being filed within the due dates prescribed.
8. Verify whether any compensation to be paid as per Court Decree is settled within the time according to the court order.

#### **E. CHECKLIST FOR AUDIT OF CAPITAL EXPENDITURE (CAPITALISATION)**

- 1) Check whether the Work has Technical Sanction as per the Delegation of Powers (DOP)?
- 2) Check whether the Work has Administrative Sanction as per the DOP?
- 3) Ensure that the work has Budget allocation and is included in Annual Capex Plan;
- 4) Check for the project under which it is covered and observe the project conditions and due dates with goals envisaged.
- 5) What is the project duration and what is the estimated period for completion of the work.
- 6) Whether the project is funded out of Internal Accruals or out of Borrowed Funds. If the sources are out of borrowings then ensure that related finance charges are capitalized.
- 7) Check whether the portion of employees cost is (Administration & Supervisory Charges) also considered for capitalization.
- 8) In respect of works involving Improvement of existing assets (i.e. capacity enhancement & extension of facilities) ensure that the materials removed, which do not have further use, are dealt with under the procedure laid down for De-Capitalization.
- 9) Verify the sanctioned estimate to ascertain the cost of contribution by the consumer.
- 10) Ensure that the work order is issued for the total cost of the estimate and for complete work instead of in piecemeal.
- 11) Ensure that work orders are issued as per terms and conditions laid down in Purchase Regulation approved by the Nigam.

- 12) Ensure that the consumer has procured the Material (such as Distribution Transformer, Conductor, or Cable etc.) from the list approved by the Nigam.
- 13) Ensure that after such acquisition testing is done in the case of Distribution Transformer.
- 14) Ensure that the Consumer has produced the original bills in support of the purchase of materials from the list of approved vendors.
- 15) Ensure that the XEN/AE has check-measured the work as is done in respect of any other work.
- 16) Check whether the employee costs of the dedicated staff is fully capitalized and in case of supervisory & partially involved staff ensure that proper share of the employee cost is capitalized.
- 17) Check whether the work is within the Budget allocation & sanctions / approvals accorded and in case of cost overrun enquire about the reasons and as to its justification.
- 18) Check whether the additional quantities are within the powers of the sanctioning authority for original work, if not ensure that necessary ratifications are obtained.
- 19) Is there any system of Quality Check (QC) either by the third party or by the staff of the DISCOM?
- 20) Ensure that the remarks of the QC authority are complied with.
- 21) Check whether the component of Price variations is also capitalized suitably.
- 22) In case of labour on Contract ensure that full labour cost is capitalized even though contractor's bills are not fully cleared.
- 23) Check whether the additions to fixed assets are entered in the Fixed Assets Register.
- 24) Ensure that the Date of Completion of work is observed and verify the same with the measurement book.
- 25) Check the work completion certificate by the Competent Authority (Physical Closure and Financial Closure) in the case of completion of work.
- 26) Ensure that the completion reports in respect of deposit work have been obtained from the field offices and such completed deposited work has been transferred to fixed assets.
- 27) Whether timely adjustment is made in the accounts books for excess/ shortage/ losses of assets and of those scrapped / declared unserviceable and obsolete under proper authorization.
- 28) Verification of Load Chart: Verify the services billed, consumption billed, demand raised and collected, un-collected demand, arrears accumulated, specific consumption and specific revenue for the total load incident on the DTR in question.
- 29) Ensure whether precautionary safety measures are also ensured i.e. fencing of Distribution structure, etc.,
- 30) Ensure that the expenditure has enduring benefit.
- 31) Ensure that the instructions issued for Capitalization are properly being adhered.
- 32) Ensure that for Turnkey works (both fully and partial), the cost of asset is accounted for in the respective divisions books (even though the amounts spend by the consumers) and the corresponding credit is shown as Consumer Contribution for Capital Works.

#### **F. CHECKLIST FOR AUDIT OF DE-CAPITALISATION**

- 1) Check whether the Assets De-commissioned / scrapped / survey reported have proper supporting documents indicating:
  - a) Date of De-commissioning /survey-reporting;

- b) Served Life of the Asset;
  - c) Estimated useful life of the Asset;
  - d) Original Cost / Book value at the time of capitalization;
  - e) Value assessed, if any;
  - f) Reasons for survey-reporting /de-commissioning;
  - g) Destination of the De-commissioned asset (whether sold as it is or after dismantling into various items of scrap);
  - h) Check for the Sanction of the Survey-report w.r.t. the DOP.
- 2) Ensure that the accumulated depreciation is also arrived at to determine the loss / gain on scrapping of the asset.
  - 3) Check whether the gains on De-capitalization are recognized only after realization but not on assessment while survey-reporting.
  - 4) Ensure that the Original Cost of the asset and its Accumulated Depreciation thereof is reversed (reduced from the Gross Block of assets).
  - 5) Check whether the reasons for scrapping of assets are available and justified for those assets whose estimated useful life is not over?
  - 6) Ensure that the loss due to survey-reporting / scrapping of asset is accounted on accrual basis considering prudence principle.
  - 7) Check whether the basis of valuation of scrap is reasonable & justified.

#### **Review of utilization of funds**

During the course of Audit of Expenditure unit the following aspects shall be observed:

- a) Purpose for which the funds are received and spent.
- b) Check whether the amount fell due at the time of payment.
- c) Ensure that at the time of making a request for funds check whether the bills are received and the expenditure is incurred pending payment.

#### **G. CHECKLIST FOR REVIEW OF ENERGY AUDIT ACTIVITIES**

- 1) Verify the Meter Readings from the Boundary Meters duly adjusting for the energy exported and imported by intervening feeders, if any.
- 2) Check the methodology for assessment of consumption from un-metered services (agriculture), which shall be based on the sample metering of DTRs & extrapolation methodology as approved by UHBVNL.
- 3) Ensure the Billed energy in KWH is as per the Debit Consolidation /FPR.
- 4) Cross-verify the total Input and Output of electricity with sum of Feeder- wise / DTR-wise input & output.
- 5) Cross verify the total Input of electricity with the same in the Power Purchase Bills abstract duly reconciling for the Export / Import of Electricity and the electricity wheeled for third party purchases /sales.
- 6) Ensure that necessary steps are taken to reduce the losses of Feeders having abnormal losses.
- 7) Check whether the decline in percentage of losses is reflected on the revenue of the division.
- 8) Verify the impact of Interruptions on the computation of energy consumed and analyze the reasons thereof.

#### **Verification of Depreciation provided on the Fixed Assets:**

It shall be ensured that the depreciation is computed as per the prescribed rates for each category of asset considering the date of Capitalization for new assets and the date of De-Capitalization in case of assets retired. As per the accounting policy of the Nigam fixed assets will be depreciated up to 90% of the cost of the assets only and after which no further depreciation will be provided. Ensure that a proper control exists for this aspect.



## Chapter 10

### AUDIT OF PURCHASES, STORES AND WORKSHOPS INCLUDING PAYMENT OF WORK CONTRACT BILLS

Inventory in Distribution Nigam includes materials bought for capital works and maintenance works. The peculiarity of some of the items of inventory is that they can be used for both Capital Works and for Maintenance works.

- Review of process of Tendering and Ordering system
- Review of procedure for purchase (refer Purchase Manual)
- Review of Internal Control System in the Stores
- Audit of Pricing of Issues & returns
- Review of valuation of Inter-stores transfers
- Review of ABC analysis, Age-wise analysis
- Review of levels of inventory
- Periodic physical Verification of Inventory

#### A. CHECKLIST FOR AUDIT OF STORES & PRICING

- 1) Check whether initial records and other books of accounts are maintained properly.
- 2) Check whether the Requisitions Books is maintained properly and whether the Books are issued by XEN/ SDO Stores only.
- 3) Check whether the Stores is maintained.
- 4) Check whether the stores accounts are closed on the prescribed dates of the month and recorded in the accounts of respective months.
- 5) Check whether the quantity reconciliation is done monthly with reference to the abstract of stock receipt, issues and balances.
- 6) Check whether the priced stores ledgers are maintained properly duly recording the closing balances for each transaction.
- 7) Check whether the pricing of Stores Received is done as per the provisions of Purchase Order.
- 8) Check whether the Stores Issues are valued as per the prescribed pricing method.
- 9) Check whether the monthly stock balance is as per the approved reserve limits.
- 10) Verify whether total value of the closing balance of the various folios in the Stores Priced Ledger Abstract are correctly drawn and the total figure of all the closing balances in the abstract is shown in the stock reconciliation certificate while showing the closing balance in the financial ledger.
- 11) Check whether the stock reconciliation certificate is prepared monthly and action initiated in clearing the differences:-
  - a) In respect of excesses and shortages as per the Stock Verification Reports, explanations of the departmental staff have been obtained, examined and approval of the concerned officers is available for the adjustments carried out in the stock ledgers as well as in the value ledger.
  - b) Check whether stock verification/ handing over report adjustments are made for the variations.
- 12) Check that the accounting for all material transactions are being made in the same period in which physical event of receipts, issues etc. has taken place.
- 13) Review the valuation of Inter-stores transfers:-
  - a) The valuation of inter-stores receipts & issues shall be made based on the latest transaction value or on the weighted average price.
  - b) In some cases the valuation is done on the basis of cost of such materials.

- c) For proper treatment of valuation of Inter-stores transactions the guidelines issued by the Head Office shall be adhered to.
- 14) Whether physical verification of all stores and workshops is being carried out as per norms fixed by Nigam in MOI or instructions issued from time to time.
- 15) Whether shortages of oil and parts of damaged T/Fs is being accounted for and intimated to concerned divisions through IUT for effecting the recovery from the delinquent officers/officials.
- 16) Whether make and serial number wise/capacity wise record of all the T/Fs (repaired and new) is being maintained in all the stores and workshops.
- 17) Where required by Audit in special circumstances, the auditable entity shall conduct physical verification of stores, stocks, assets, services and deliverables in any form in the presence of the audit officer. Any such request shall be made with the approval of Chief Auditor.
- 18) Whether serial No. wise record has been maintained in respect of repair and new transformers being received in and issued from stores.

**B. Check list for drawl and proper utilization of material by Operation Division.**

- 1. Whether all the material drawn has been taken in record properly.
- 2. Whether record of material utilized on maintenance activities have been maintained properly with reference to consumer complaints, job order etc.
- 3. Whether material dismantled from maintenance works has been taken in books properly and returned to store immediately. it should specifically be checked whether accurate quantity of material has been returned to store while converting it from meters to Kg and numbers to Kg as per norms fixed by the store.
- 4. Whether all the damaged T/Fs dismantled from field has been returned to store immediately and properly i.e. within warranty period or out of warranty period as the case maybe.

**C. Check list for the dismantled material received from field offices**

- 1. Whether dismantled material received on SRWs is converted from meters and numbers into KG by proper formula as per specific size of material which should be mentioned on SRW.
- 2. Whether usable dismantled material returned by field offices is accounted for separately from scrap material.

**D. CHECKLIST FOR AUDIT OF PURCHASE OF MATERIALS**

- 1) Examine the EMD Payable and the mode of payment.
- 2) Verify and ensure that the quantity of materials purchased is commensurate with actual field requirement to ensure that there is no over stocking /stock-out.
- 3) Verify the correctness of the name of the supplier mentioned in the bill with that as per Purchase Order.
- 4) Verify the Purchase Order No. & Date mentioned in the bill with that as per Purchase Order.
- 5) Verify the material specification mentioned in the bill with that as per Purchase Order.
- 6) Cross verify the contents of Delivery Challans i.e., the details bill for material supplied with the agreed rates.
- 7) Verify whether the agreed delivery terms are complied by the supplier.
- 8) Verify whether the bill was put for payment as per the due dates for Payment.
- 9) Whether price variation rate claimed as per the approved orders.



- 10) Is the sanction for purchases made in accordance with D.O.P
- 11) Verify whether there is a budget provision for the material intended for purchase.
- 12) Is the indent placed before approved suppliers/tenders?
- 13) Are tenders called for in respect of material intended for purchase?
- 14) Is the bill limited to the quantities as per purchase order/agreement?
- 15) Is the penalty clause and calculation thereon included in the bill for delayed supplies?
- 16) Is a statement of advance payments and recoveries from suppliers prepared and attached for necessary adjustments in bill/payment?
- 17) Are the rates of centralized items purchased in line with the Purchase Orders of Corporate Office?
- 18) Whether the cash discount clause is properly taken into account for payments being made within stipulated time.
- 19) Whether the P.O. is closed after the supply of material within the tolerance limits as per the clause in the contract?
- 20) Whether the GH 26.6 "Adv. To Suppliers" properly adjusted after completion of supplies.
- 21) Whether bank guarantee is submitted by supplier as per terms of purchase order. Further the audit will check that Bank guarantee has been got confirmed from the bank for its authentication.

#### **E. CHECKLIST FOR PAYMENT OF WORKS CONTRACTBILLS**

- 1) Verify whether there is a budget provision for the Works Contract.
- 2) Verify whether the sanction for work estimate is made in accordance with Delegation of Powers.
- 3) Are the tenders evaluated for technical and commercial feasibility?
- 4) Is the tender with the lowest quotation accepted? If not, reasons for the same are to be analyzed.
- 5) Confirm whether the approval is obtained from Competent Authority in case of tender other than lowest tender is accepted (copy of such approval is to be enclosed).
- 6) Cross verify the following particulars of bill with that as per Work Order, Sanction Letter and Agreement.
  - a) Nature of the work;
  - b) Estimate No. .... and Sanction No.....;
  - c) Contact/Agreement No. And date;
  - d) By whom entered;
  - e) Name of the Contractor;
  - f) Face value of the Contract/Agreement;
  - g) Particulars of Bill No. date and amount.
- 7) Verify all the components of the bill including the quantity, rate, material and labour with Sanctioned Estimate. Explanation should be called for in case of difference, if any.
- 8) Are there any variations in quantities *beyond +/-10%*?
- 9) Ensure correct accounting of such material supplied in order to recognize the movement in Stock.
- 10) Details of period during which the work covered in the present bill was executed.
- 11) Confirm whether copies of the relevant Measurement Book in which measurements for work done are recorded enclosed.

- 12) Verify the details of the work done, material and labour used in the work as per work in progress/Completion report/bill submitted by the contractor with the entries in the Measurement Book maintained by the concerned Officer.
- 13) Verify whether the Security Deposit is furnished as per requirement.
- 14) Whether bank guarantee is submitted by Contractor as per terms of contract & whether the same has been got confirmed from the banker of its authentication.
- 15) Ensure whether the components of the bill are in accordance with the contract/agreement.
- 16) Verify and compare the total value of bills so far paid including present bill with face value of the contract. Confirm whether the total of bills to date is within the limits.
- 17) Verify whether the status of work as mentioned in work-in-progress/ work completion certificate within the agreed time schedule.
- 18) Whether the cash discount clause is properly taken into account for payments being made with the stipulated date.
- 19) Whether a statement of advance payments and recoveries from contractors is prepared for necessary adjustment in bills?
- 20) Ensure whether recovery clauses included in the bill are as per agreement duly confirming the compliance with various statutory laws enactments (like Income Tax, GST etc).
- 21) Compare the quantity of material physically utilized in the Contract with the envisaged quantity as per Sanction and abnormal variations +/- 10%; shortfall or excess should be analyzed for reasons.
- 22) Verify whether the work is completed or not? If yes, confirm whether a Work Completion Report is submitted for proper treatment in accounts regarding capitalization of Work-In-Progress expenditure and corresponding entries in Fixed Assets Register.
- 23) In respect of completed works verify whether the contractor has submitted Handing Over letter after Completion of works contract in case of Job Works/ Works given on Turnkey basis (wherever applicable).
- 24) Verify whether the material is in the custody of Nigam, against which payment has been made to contractors and a certificate to this effect has been recorded by the concerned Xen/SDO.

**Chapter 11**  
**AUDIT OF M&P DIVISIONS**

**A. CHECKLIST FOR AUDIT OF METERS & PROTECTION WING REVIEW OF REPAIRS AND MAINTENANCE OF METERS:**

- 1) Review of complaints regarding Meter problems received with the Consumer Complaints Register.
- 2) Verify the Test Report on the complaint attended by the concerned officer.
- 3) Verify the transfer meters with regard to the Transfer Note submitted.
- 4) Review of Reports submitted on the meters removed regarding failure and error.
- 5) Verify the receipt of repaired meters from the contractors along with Delivery Challan.
- 6) Review of quality test and inspection report of the repaired meters.
- 7) Verify the accounting of repaired units into rolling stock.
  - a) Nature of Repairs;
  - b) Standard Schedule of Rates (SSR) for each part of repaired item;
- 8) Verify whether proper record has been maintained of all the defective/theft suspected meters checked by M&T lab received from field offices.

**B. CHECK-LIST FOR VERIFICATION OF PROTECTION DIVISION:**

- 1) Verify the periodical maintenance of Vacuum Circuit Breakers (VCBs) and Oil Circuit Breakers (OCBs).
- 2) Review of periodical maintenance record and comments recorded therein by the Inspecting officer.
- 3) Review of record of complaints regarding Breakers.
- 4) Verify the Inspection Report on the complaint attended by the concerned officer.

**(i) REVIEW OF REPAIRS OF TRANSFORMERS, DAMAGED DURING THE WARRANTY PERIOD:**

- a) Verification of transformers warranty expiry date.
- b) Review of complaints regarding Transformer problems received.
- c) Verification of Inspection Report on the complaint attended by the concerned officer.
- d) Verification of sending the failed transformer to the supplier with regard to the Transfer Note submitted.
- e) Verification of receipt of repaired Transformers from the supplier along with Delivery Challan.
- f) Review of quality test and inspection report on the repaired transformers received.
- g) Verification of accounting aspect of repaired units received from the supplier into rolling stock.
- h) Verification of Maintenance of Transformer Information and Management System (TIMS) records.

**(ii.) REVIEW OF ROLLING STOCK MECHANISM:**

- a) Review of Transformers and Meters received for repairs accounted into rolling stock with reference to Transfer Notes.
- b) Verification of Transformers and Meters sent for repair to contractors with reference to Transfer Notes.
- c) Verification of repaired transformers received from contractors with reference to delivery Challan.
- d) Verification of issue of transformers and meters to field offices with reference to Transfer Notes.
- e) Verification of Rolling Stock Ledger maintained with reference to requisitions and receipt notes.

### **(iii.) REVIEW OF SYSTEM OF SCRAPPING OF TRANSFORMERS & METERS**

- a) Verification of Inspection Report on the complaint received from field officer recommending for scrapping.
- b) Verification of Number of times repairs carried out on transformers before it is recommended for scrapping.
- c) Verification of authority for survey reporting of Transformers and Meters.
- d) Verification of Number of units of Transformers and Meters scrapped with the Transfer Note and Stores Receipt.
- e) Verification of accounting aspect regarding transfer of scrapped material to stores with respect to Transfer Note.
- f) Verification of transfer of coils and copper wire scrapped to stores with reference to Transfer Note.

### **(iv) CHECKLIST FOR AUDIT OF RECORD BEING MAINTAINED IN DIVN. OFFICES**

- 1) Whether recovery of the amount receivable and outstanding in various heads of GH-28 is being made by DDOs regularly.
- 2) Whether shortage intimated by stores and workshops in respect of damaged T/Fs is accounted for properly in the account of Sr. AO store and work shop Dhulkote. The amount is reconciled with accounting units through IUT and the amount has been booked in final head.
- 3) Whether responsibility of all delinquents is being fixed as per norms of Nigam for the losses and procedural lapses. Disciplinary action has been initiated against delinquents as per instruction issued vide M.D/UHBVN, Panchkula memo no.Ch-4/UH/P-306 dated 07.10.09. As per these instructions the requisite formalities like issue of SCN/ giving opportunity to the employee before effecting such recoveries must be observed, so as to avoid any legal complication/loss to the Nigam at later stage for such recovery.

### **(v) VERIFICATION OF CONSTRUCTION RECORDS:**

- 1) Verify the Register of Estimates sanctioned with reference to copy of estimate and correlating the estimate sanctioned to expenditure on works done.
- 2) Verify the Register of Measurement Books (M. Books) with reference to bills submitted by contractors and work completion certification by AE /JE and sanction of payment particulars.
- 3) Verify the Register of Consumable Materials with reference to requisitions, receipts, issues and balance in hand.
- 4) Verify the Register of Work orders to check particulars of work orders with reference to
  - a) Estimate sanctioned;
  - b) Indent particulars;
  - c) Drawl of materials;
  - d) Expenditure on Labour charges;
- 5) Verify the type of work orders like operated and closed with reference to estimates and sanctions and that are pending in respect of:-
  - a) Capital works;
  - b) Service connection related works;
  - c) Deposit Contribution Works;
  - d) Improvement Works (Enhancement of capacity).
- 6) Verify the Register of Land & Buildings with reference to Title Deeds and Lease Agreements and to ensure that the register is updated and cross verify the same with Fixed Assets Register and Schedule of Fixed Assets at the Corresponding Operation Division Office.

## **Chapter 13**

### **AUDIT OF POWER PURCHASE AND ENERGY AUDIT**

#### **A. CHECKLIST FOR AUDIT OF POWERPURCHASE**

- 1) Verification of Power Purchase Bills: The following aspects need to be checked:-
  - a) Variable charges for KWH of electricity received duly verified with the regional energy account;
  - b) Fixed Charges are based on PLF and year of operation
  - c) Transmission charges, SLDC Charges and Unscheduled Interchange charges have been accounted for correctly.
  - d) Over drawl/ under drawl of energy against allocated share of energy has been accounted for correctly.
  - e) That energy bills raised by various central power supplying agencies are as per energy account, tariff notifications of GOI and orders of Central Electricity Regulatory Commission.
  - f) Adjustments of energy charges for the energy purchased from neighbouring states on bilateral basis have been carried out as per the agreements / MOU signed between the parties.
  - g) Verification of PPAs with Central and State Agencies.
  - h) Verify tendering process for purchase of Power from open market.
  - i) Levy of trading margin as per terms of contract.
  - j) Surcharge and rebate payable or receivable are adjusted or charged in the bills.
  - k) Sale/ Purchase/ Reconciliation of co-generation is in accordance with the guidelines/ instructions prescribed by the CERC/ SERC/ NRPC or any other regulatory body.
  - l) Verify the unit rate levied w.r.t. the respective schedule in the agreement based on the year of operation.
  - m) Ensure that the U.I. Charges are calculated properly as per CERC regulations.
  - n) Ensure that the delegation of powers is duly adhered to for passing the Bills for payment.
  - o) Ensure the payment is made only after availing the full credit period.
  - p) Ensure that the bill for escalation in fuel cost is properly verified along with the conditions in the agreement with the Generator.
- 2) Verification of documentation in case of short term lending (directly or indirectly) to other DISCOMs in case of Pool account mechanism.
- 3) Ensure that the U.I. Charges are calculated uniformly w.r.t. the agreement.
- 4) Ensure the payment is made only after availing the full credit period.
- 5) Verify the documentation in respect of the Letter of Credit / Bank Guarantee for each of the Agreement.
- 6) Ensure that the schedule of Mandatory Annual Shut Down by the Generator is considered and planned with an alternative supply from any other generator to meet the requirements during that period.
- 7) In case of Billing Disputes, if any, ensure that the supply is not interrupted and the dispute is resolved through arbitration mechanism or any alternative forum as specified in the agreement.

#### **ENERGY AUDIT (BALANCE CHECK)**

Energy Audit is an activity to consider the input of energy and energy consumed (both billed and unbilled) and to arrive at the Aggregate Technical & Commercial (AT & C) losses and to analyze the reasons thereof. Based on the analysis an action plan is normally chalked out for reduction of the Losses.

## **B. CHECKLIST FOR REVIEW OF ENERGY AUDIT ACTIVITIES**

- 1) Verify the Meter Readings from the Boundary Meters duly adjusting for the energy exported and imported by intervening feeders, if any.
- 2) Check the methodology for assessment of consumption from un-metered services (agriculture), which shall be based on the sample metering of DTRs & extrapolation methodology as approved by UHBVNL.
- 3) Ensure the Billed energy in KWH is as per the Debit Consolidation /FPR.
- 4) Cross-verify the total Input and Output of electricity with sum of Feeder- wise / DTR-wise input & output (obtain from the respective circles).
- 5) Cross verify the total Input of electricity with the same in the Power Purchase Bills abstract duly reconciling for the Export / Import of Electricity and the electricity wheeled for third party purchases /sales.
- 6) Ensure that necessary steps are taken to reduce the losses in case of Feeders having abnormal losses.
- 7) Check whether the decline in percentage of losses is reflected on the revenue of the division / circle /Nigam.
- 8) Verify the impact of Interruptions on the computation of energy consumed and analyze the reasons thereof.
- 9) Verify the progress on metering of un-metered services and ensure implementation of comprehensive metering plans.



## Chapter 14

### AUDIT OF ADMINISTRATION, PF & PENSION PAY and ACCOUNTS SECTION

Audit of Administration and Pay & Accounts Section would cover the following

- Verification of Establishment Records
- Review of Internal Control System
- Review of system of periodic appraisal of performance of employees
- Pre / Post-check of pay fixations
- Post-check of pay fixation anomalies
- Review of system of allocation of duties & responsibilities
- Review of system of rotation of duties
- Review of personnel policies implementation

Review the training imparted to employees at all levels so that organization is benefited in form of improved skills and performance.

#### A. CHECKLIST FOR AUDIT OF ADMINISTRATION

##### Audit of Administration Department:

- 1 **Verification of Stamps Account Register:** Verify the Purchase of stamps and issues to various departments and the balance stamps on hand. For the balance stamps on hand physical verification has to be done periodically.
- 2 **Verification of Appointments / Roster Register:** Whether all the appointments are as per the appointment letters issued by Corporate Office and the joining is within the time allowed for joining and if there is any delay, permission letter from higher authorities be checked. In the case of contract appointments agreements has to be verified. Whether records are maintained cadre-wise as well as employee-wise and the service registers has to be maintained by duly entering all the information time to time.
- 3 **Incumbency Register :** Verify cadre-wise appointment details like Date of joining, Date of leaving/retiring from the current place of working and the No. of vacancies due to above transfers and retirements.
- 4 **Verification of Probationers Register:** The following are to be verified.
  - a. List of probationary employees in each department;
  - b. Date of commencement of probation;
  - c. Date of completion;
  - d. Date of passing of qualifying tests.
5. Ensure that budgets pertaining to administration activities like transportation, communication, hospitality, maintenance, security, horticulture, lease, etc. have been approved by competent authority.
6. Ensure compliance to various policies / guidelines issued by the Nigam for the various administration activities.
7. Ensure monitoring of terms and conditions of administration contracts like security, maintenance, etc. is happening on regular basis.

#### B. CHECKLIST FOR AUDIT OF PAY & ACCOUNTS, PENSION AND PAY FIXATION MATTERS

##### Audit of Pay and Accounts Section

- 1) Verify the Register of Incumbency with reference to sanction number.
- 2) Verify the Register of Service Books maintained for all the -staff.

- 3) Verify the financial charger registered (FCR) for pension payments maintained up-to-date and register of life certificates for pensioners maintained.
- 4) Verify the pay bills with reference to sanctions, emoluments drawn with reference to rates applicable and whether the claims are supported by sanction of leave, increments, pay slip, LPC etc wherever required.
- 5) Verify the Service Registers for the accuracy of pay fixation made with reference to orders in force.
- 6) Verify the TA bills to see whether the claims admitted are in accordance with the rules.
- 7) Check whether cross-reference to the original pay bills is made whenever supplementary claims are made.
- 8) a) Verify the Register of Long Term Loans maintained for loans sanctioned by the Nigam.  
b) Check whether the Register of Recoveries towards long-term loans is maintained.
- 9) Check whether the Rules and Regulations prescribed for sanction of long-term loans are fulfilled.
- 10) Check whether proper entry is made in the records to ensure prompt recovery of festival, education and other short term advances.
- 11) Verify the pension, and gratuity sanctioned with the register to ensure that the fixations are in accordance with the rules prescribed.
- 12) Verify the Register of Superannuation up-to-date and superannuation notices issued in time.
- 13) Verify the register of recoveries to be made as per the inspection reports of AG and Internal Audit maintained and recoveries are observed.

#### **C. CHECKLIST FOR AUDIT OFFENSIONS**

1. Ensure that Pay fixation statements must be attached to the Service Register and attestations must be observed with signatures of officers for pre-check and post check wherever necessary.
2. Ensure that enclosed certificates must have been attested by concerned authorities.
3. Ensure that Controlling Head of the office must attest all the Service Register entries.
4. Ensure that One-year retirement notice has been entered in the Service Register.
5. Ensure that the incumbent's last relief entry with Dispatch Number should be entered in Service Register (Retirement Entry).
6. Ensure that in L P C, last pay must be tallied with Service Register Entry.
7. Ensure that all recoveries must be shown in no dues certificate.
8. Ensure that all Audit paras pending should be attended before finalization and submission of pension proposals with proper entries in the Service Register.
9. Ensure that service book has been verified from First page to last page. All the increment entries and pay fixation statements are verified and pasted to the Service Book are also verified. Whether pay fixations was pre-checked by the concerned authority.
10. Verify whether the pension proposal is correctly filled by the incumbent. All the certificates shall be verified and counter signed by the Unit Officer.
11. Ensure that before sending the GPF final withdrawal application in New Format they should sent the no due certificates along with the final withdrawal application.



12. Ensure that leave account must be tallied with Service Register and Terminal Leave must be attested and recommended by the concerned authorities.
13. Ensure that the proposals of deceased employee should be collected from the dependents.
14. Ensure that in case of deceased employee the death certificate & legal heir certificate must be in original attached to the pension proposals.

#### **D. CHECKLIST FOR AUDIT OF PAY FIXATIONS & ANOMALIES**

##### **i.) Check list for Pre / Post-check of pay fixations:**

- 1) Verify the Service books for any punishments / suspensions and for calculation of period of service.
- 2) Verify the option opted by the employee for the pay fixation with effect from date of issue of orders or date of increment.
- 3) Verify whether any audit objections are pending against any pay fixations/ service matters.
- 4) Verify proper authorization in the pay fixation statements by the concerned higher authority.
- 5) Verify the pay fixation entry in the service register duly signed by the concerned higher authority.

##### **ii.) Post-check of pay fixation anomalies:**

- 1) Verify the Service books for any punishments / suspensions and for calculation of period of service.
- 2) Ensure that the pay fixation anomaly statements are prepared in accordance with the B.P. and as per the eligibility clauses.
- 3) Verify the Seniority list along with roster points.
- 4) Verify the options opted by Senior and Junior at each pay fixation stages.
- 5) Verify the promotion channel for Senior and Junior in accordance with Seniority list.

##### **iii.) Basic Principles to be followed**

- The stepping up should be done with effect from the date of fixation of pay of the junior employee at a stage above the pay drawn by the senior employee after introduction of master scale.
- Both junior and senior should belong to the same cadre and the posts to which they are promoted should be identical and in the same cadre.
- The scale of pay of the lower and the higher posts in which they are appointed should be identical.
- The promotions shall not have been ordered relaxing the qualifications or under unqualified quota.

## Chapter 15

### AUDIT OF INVESTMENTS, BORROWINGS & GRANTS-IN-AID

#### Audit of Investment Activity

Investment activity in a DISCOM would normally comprise of placing the surplus funds in short-term deposits.

#### A. CHECKLIST FOR AUDIT OF INVESTMENTS

- 1) Check whether there is a Board Resolution authorizing the Investment of funds and for the disposal of the investments.
- 2) Ensure that the mode of investment sanctioned by the Board and the pattern of investment are the same.
- 3) Ensure that the guidelines for inter-corporate investments / borrowings are adhered to while making any inter-corporate investments.
- 4) Check whether the latest quotes for the securities to be invested are obtained.
- 5) At the time of investment ensure that the quotes obtained are valid (as the quotes are valid for a limited period of time says, 24 hours / 36 hours etc).
- 6) Before investing ensure that the options available for investing are ranked based on the following criteria:
  - a) Maturity date;
  - b) Rate of return (annualized);
  - c) Put / Call options attached;
  - d) Yield To Maturity (YTM);
  - e) Net Present Value;
  - f) Internal Rate of Return (IRR);
  - g) Flexibility of investment into small lots;
  - h) Lock-in period;
- 7) In case of Investments out of Ear-marked funds ensure that the return from the investments is also re-invested.
- 8) Any amount that could not invested [difference between the amount available for investing and the amount invested (in lots)] is placed under a short-term deposit including the return thereof on the deposit.
- 9) Ensure that the Premium paid on Securities redeemable at face value is being amortized over the life of the security.
- 10) Ensure that the discount accrued on securities redeemable at face value is recognized as income considering the prudence convention.
- 11) Ensure that the income from investments prior to the date of acquisition is reduced from the cost of the investment. For the purpose of Capital expenditure and to execute certain projects/Schemes like APDRP & HVDS the need for funds would arise. The same is met either through Borrowings or through Grants in aid when the internal generation of funds is not sufficient to meet the needs.

In case of Borrowings (carrying interest) the emphasis shall be on the following:

- a) Documentation, Hypothecation / pledging of assets and creation of charge etc;
- b) Servicing the Borrowings (Payment of Interest /Principal);
- c) Payment terms and other conditions attached thereto.
- d) Borrowings at most competitive rates

In case of Grants in Aid it may need the following aspects shall be observed:

- a) Issue and allotment of Equity, if envisaged;
- b) Adherence to conditions attached with the Grants-in-aid;
- c) Lock-in period etc;
- d) Compliance with Accounting Standards.

## **B. CHECKLIST FOR AUDIT OF BORROWINGS AND GRANTS-IN-AID**

- 1) Verify the Funding options available for the project (capital expenditure), if Internal Accruals are insufficient then only borrowings would be justified.
- 2) Ensure that the conditions attached to borrowings are not prejudicial to the interests of the Nigam.
- 3) Ensure that all the loan covenants are appraised to the Board for according proper sanction.
- 4) The following factors are very vital for any borrowing:-
  - a) Rate of interest (simple or compounding);
  - b) Tenure of the loan;
  - c) Moratorium period;
  - d) Put / call options attached;
  - e) Documentation charges & commitment charges;
  - f) Pre-payment charges;
  - g) Interest on overdue installments;
  - h) Penal interest for failure to adhere to certain conditions.
- 5) Ensure that the Policy framework for inter-corporate borrowings formulated by the management is duly adhered to.
- 6) While selecting a funding agency ensure that the recommendations of the Nigam are followed.
- 7) In case of Borrowings in Foreign Funding agencies (ECBs) ensure that the provisions of Foreign Exchange Management Act and the guidelines of Reserve Bank of India are followed.
- 8) Check whether secured and unsecured loans are exhibited so distinctly in ledger that secured loans accounts indicate the nature of security offered.
- 9) Check whether the terms and conditions of the loan are being duly complied with.
- 10) Check that accounting entries in loans ledger and other subsidiary books of accounts are being properly maintained and timely updated.
- 11) Ensure that Ind-AS-21 on "The effects of changes in foreign exchange rates" is complied with while accounting for the Borrowings in foreign exchange and their enduse.
- 12) In case of Grants-in-aid Check whether the same is treated as Equity and the procedure for issue and allotment of shares is duly followed.

## Chapter 16

### AUDIT OF PROJECTS AND CONSTRUCTION ACTIVITIES

The role of projects and constructions activities in a DISCOM is important as they are intended for the purpose of creation of Fixed Assets.

In Projects Wing (at Corporate Office) the activities mainly comprises of the following:

- a) Project feasibility study based on the need of the project;
- b) Project finalization and selection of contractors / partners for execution;
- c) Selection of sources of funding (equity / borrowings) and mobilization of resources as well;
- d) Project implementation which involves allocation works contracts;
- e) Review of progress of works (both Financial and Physical progress);
- f) Coordination with the funding agencies.

In Construction Division (at Circle level) the activity comprises of the following:

- a) Execution of Agreement with the Contractor selected;
- b) Documentation with the Contractor like execution of Performance bank guarantee & insurance cover for the works;
- c) Check-measurement of the works done / in progress;
- d) Passing of bills for payment (part & final);
- e) Adherence to Quality Check recommendations;
- f) Compliance with statutory obligations for various deductions & adherence to conditions of the agreement.

#### A. CHECKLIST FOR AUDIT OF PROJECTS & CONSTRUCTION ACTIVITIES

- 1) Verify the Project Feasibility Report and examine the following factors:-
  - a) Total Project Cost (including pilot project cost);
  - b) Total Resources required and available;
  - c) Composition of Resources into Equity and Borrowed funds;
  - d) Ensure that the IRR of the project is more than the Cost of Capital of the Nigam;
  - e) Ensure that the project with shortest pay back has been selected;
  - f) Ensure that the Risks associated (e.g. inflation, availability of materials etc) are also properly factored;
  - g) Ensure that the projections prepared reflect the inherent assumptions underlying the project;
  - h) Ensure that the Net Present Value from the project is positive;
  - i) Ensure that the Moratorium period for the project is properly negotiated and is reflected in the payment schedule;
  - j) Ensure that correct Corporate Tax rate is applied for arriving at the Profits after Tax (not just MAT rates).
- 2) Selection of Funding Agency:
  - a) Ensure that a comparison chart is prepared listing out the various conditions and their financial impact;
  - b) Verify the loan covenants to ensure the options for conversion of Debt to equity;
  - c) Verify the Documentation for Borrower of funds and the charges created along with the hypothecation / pledging of assets;
  - d) Verify the loan sanction letter and the drawing schedule;
  - e) Ensure that drawl of funds are as per the schedule and there are no over / under drawl of funds;

- f) In case of levy of commitment charges enquire about the reasons for non-drawl of funds and ensure that the same is also capitalized as part of finance charges.
- 3) Selection of Contractor / Agency for implementation: Similar procedure laid down for selection of contractors may be applied here also.
- 4) Ensure that Performance guarantee is insisted and EMD is forfeited in case of failure to execute the project as promised.
- 5) Ensure that the statutory Deductions / obligations like EPF, workmen compensation etc., are to the Contractor's account.
- 6) Ensure that in case of composite contracts of Purchase of equipment and erection thereof proper treatment of GST are properly done duly referring to latest circulars / notifications / advanced rulings by appropriate authorities.
- 7) Ensure that the omissions pointed by the Quality Control (QC) Wing are rectified by the contractor or else applicable recovery has been affected.
- 8) Ensure that Performance Guarantee period clause is also insisted.

#### **B. CHECKLIST FOR DEPOSIT CONTRIBUTION CAPITALWORKS**

Deposit Contribution (DC) works contemplates shifting of lines or poles etc., at the request of the consumer. This request is made in general by the local authority in the case of road widening etc. At times this kind of request is made by the consumers individually also.

- 1) Ensure that the work involved is assessed with reference to the cost.
- 2) Ensure that the estimate is sanctioned by the competent authority, as per the Cost Data.
- 3) Ensure that the amount as per the sanctioned estimate is deposited with Nigam by the consumer in advance before the work is taken up.
- 4) Verify the copy of the sanctioned estimate.
- 5) Verify copy of work order and ensure that the work order is issued for the total cost of the sanctioned estimate.
- 6) Ensure that the work has been completed within the time schedule and work order has been closed with the total expenditure incurred.
- 7) Ensure that the total expenditure is accounted for properly with reference to the materials cost and labour portion duly verifying requisitions, bills and vouchers.
- 8) Ensure the billing of supervision charges for the work supervision done by Nigam officials.
- 9) Insist for the work completion certificate by the competent authority in the case of completion of work.
- 10) Verify consumer representation for the refund of balance deposit and approval of the concerned authority and ensure that the balance amount refunded is correct.

#### **C. CHECKLIST FOR VERIFICATION OF WORKORDERS**

- 1) Check for the type of work to be carried out (say Capital / Service Connection / Development / Repairs to Fixed Assets etc).
- 2) Check whether there is a Technical sanction and Budget allocation.
- 3) Check whether the Work Order is not in excess of Budget sanctioned.
- 4) Check whether there are excess drawls of materials and it has been brought it to the notice of Divisional Engineer.
- 5) Check whether credits for transfers are posted and are treated as per the

guidelines of De-capitalization.

- 6) Check whether Register of Work Orders is maintained and is updated.
- 7) Check whether SRWs are adjusted in the accounts.
- 8) Check whether Materials drawn / Labour cost incurred and accounts not rendered is indicated in the last pay certificate (LPC) of the SDO on transfer/retirement.
- 9) In respect of Work Orders shown as closed verify the ledgers.
- 10) Check whether check measurement certificates are issued.
- 11) Check whether the material has been received in the custody of concerned official /officer of Nigam against which secured advance has been issued to contractors and a certificate to this effect has been given on the bills.

## Chapter 17

### AUDIT OF INFORMATION SYSTEMS & DATA PROCESSING

The DISCOM is in the process of implementation of an E.R.P for the automation of the Book Keeping and Accounting, Stores, HRD and other areas. Billing Activity and Consumer Account Maintenance is already under Computerized Environment.

In Information Systems Audit the more emphasis is on the areas of Controls such as:

- 1) Access Controls
- 2) Input Controls
- 3) Application Controls
- 4) Output Controls
- 5) Security Controls
- 6) Disaster Recovery and Management

The above controls are explained briefly in the following paragraphs.

- 1) Access Controls: These controls are the systems and procedures for accessing the Information Systems (SAP) of the Nigam.
- 2) Input Controls: These controls are the systems and procedures for the input of the data into the Information Systems (SAP).
- 3) Application Controls: These controls are the systems and procedures for processing the data that is available in the Information Systems.
- 4) Output Controls: These Controls are the systems and procedures for getting the output of the data / information from the Information systems.
- 5) Security Controls: These Controls are the systems and procedures for protecting the Information systems and related Assets from various threats.
- 6) Disaster Recovery and Management: This part deals with the preparedness of the Organization for any event of Disaster and Recovery of Data and Management of the Information Systems in Disaster and Restoring the Information Systems.
- 7) Audit should have the right of access to the IT systems, irrespective of the fact whether the systems are owned, maintained and operated by the auditable entity or by any other agency on behalf of the auditable entity.



## **CHECKLIST FOR AUDIT OF INFORMATION SYSTEMS AND ELECTRONIC DATA PROCESSING**

### **A) Audit of Access Controls:-**

- 1) Enquire about the access options available to each user of the system (SAP / BMS etc).
- 2) Ensure that the Number of Users and the Number of Logins are matching and in case of unmatched Logins check whether the accounts are active and if so ensure that those accounts are immediately de-activated.
- 3) Is there a register containing the User Id's and the details of the users along with the privileges attached to their account?
- 4) Is there a document containing the Approved Privileges matrix for each user department?
- 5) Check whether the privileges attached to a user account are in line with the duties & responsibilities assigned to the user considering the job profile of the user.
- 6) Ensure that there is a system of auto time out in case of no use of the system for a specified period.
- 7) Verify whether there is a System of de-activation of user accounts in the event of no use for a specified period.
- 8) Verify whether the accounts of all users who were transferred / expired / resigned / retired are de-activated.
- 9) Is there a system of mandatory password / PIN change immediately after the account has been first accessed?
- 10) Is there a system of compulsory password / PIN change after an interval of specified period (say for every 3 months).
- 11) Ensure that the log is generated for all login attempts (both successful & unsuccessful) along with the IP address of the computer with date & time of attempt.
- 12) Check whether there is a system of verification of user access log at periodic intervals and action is initiated in cases of un- authorized attempts.
- 13) Ensure that this user access log file is not accessible for the users of the information systems and the Systems Security Administrator can only access it and all the previous log files are saved separately.
- 14) Ensure that the applications / software / operating systems installed in the computers of the Nigam are legally valid and the source application is under proper security (under the control of the head of the unit in a secured vault).
- 15) Check whether the unused user Id and password / PIN is under Safe Custody of the Systems Administrator and the same are covered under the Annual Physical Verification of Assets / Stocks. In case of missing User Ids and Password / PIN ensure that the same are de-activated immediately.

### **B) Audit of Input Controls:**

- 1) Ensure that the Data Input is through an application / program only.
- 2) Whether the log for users accessing the Data Server is generated and the same is reviewed by the Data Base Administrator (DBA).
- 3) Ensure that Data Entry & Data Modifications are not permitted for data captured through Spot Billing Machines (SBM)/AMR Devices / Card Readers /Scanners.
- 4) Check whether there is a check to ensure that the Data ported from the SBM / AMR is not over written with another set of data either manually or through SBM or through an application.
- 5) Ensure that Modifications to Data ported from the SBM / AMR has valid authorization from the concerned Officer responsible for readings and the



Data Base Administrator.

**C) Audit of Application Controls:-**

- 1) Check whether Data Integrity Controls are deployed in the application to reject any junk / unwanted data.
- 2) Check whether the application has Boundary Controls to test the reliability of the application at the lower and upper boundaries of any logic.
- 3) Check whether the Conditions laid down in the Tariff Order and the General Terms and Conditions of Supply and the Instructions issued from time to time are properly incorporated in the programming logic. (For eg. Relation between the purpose of supply and the Category, Relation between the Voltage of supply and the Tariff, Load and the Category of Billing as some categories cannot exceed certain load limits).
- 4) Ensure that Exception Handling is commensurate with the complexities of the Tariff Conditions.
- 5) Check whether there is a provision for generating Exceptions available to the user based on given criteria.
- 6) Ensure that there is proper documentation for the conditions in Tariff and the corresponding Business Logic in the Application, which should be validated jointly by an Officer responsible from the User Department and the Chief Programmer.
- 7) Is there a system of testing the Controls vis-à-vis the Tariff conditions with Test data and check whether such Test data and results are available for verification?
- 8) Check whether the application is tested with Test Data on every occasion of modifications to the application either with the introduction of new conditions or at the time of modification of Tariff.
- 9) Check whether the module consisting of Tariff (Viz., unit rate, Fixed Charges, Surcharge etc) is not accessible by any officer from the User department / IT wing except the Chief of the User Department for the Nigam with the written authorization from the Director concerned.
- 10) Ensure that data entry is not permitted in the Application Development Section / Wing of the IT department.
- 11) Whether the source code of the application available with the Nigam? Whether the vendor support for up-gradation and maintenance of the application is in live condition?
- 12) Ensure that the periodic updates (in the form of patches) are also stored separately.

**D) Audit of Output Controls:**

- 1) Ensure that the outputs are available for printing only.
- 2) In the event of outputs are allowed for saving the data ensure that the data is in a tamperproof condition (may be by converting into a PDF document).
- 3) Ensure that while generating the bill for the second and subsequent time the bill must bear a caption that it is a duplicate copy.
- 4) Ensure that the outputs generated are saved for future reference and there is no need for the generation of fresh outputs for the old data.
- 5) Ensure that in case of generation of Account copy / Balance confirmation from the Application a disclaimer shall also be included as a footnote that any omissions / errors observed may be informed for correction.
- 6) Ensure that the Outputs (for consumer ledger) shall include two segments where the first segment will indicate the transactions of billing and dues and the second segment will indicate the Memoranda items such as ACD due etc.
- 7) Ensure that the monthly Disconnection List will exhibit both the Current Dues and the Un- collected portion of ACD separately.

**E) Audit of Security Controls:**

- 1) When the Application can be accessible from a remote terminal check whether a log is generated for the same.
- 2) Check whether the Application can be accessible through Internet. Are there any controls to place restrictions on accessing the application through Internet?
- 3) Check whether a Firewall is activated on all the Terminals in the Network.
- 4) Ensure that the IS environment has proper security and intrusion detection system and persons having proper authorization shall only be permitted.
- 5) Ensure that there is a proper fire protection system (using Carbon Dioxide only) is in place.
- 6) Ensure that the Fire extinguishers are refilled on the due date, even if so far not used.
- 7) Check whether the Fire extinguishers are within the accessible reach of the users.
- 8) Check whether the Server Room is protected from Dust, Heat, Magnetic Interference and Electro-magnetic Radiation.
- 9) Ensure that beverages, water and any other liquids are prohibited in the server room.
- 10) Ensure that all the output modes (including backup using Memory cards, Pen drives, Optical Disks, Tapes etc) other than display & printing are de-activated on all other terminals in the network except at a central location where regular backups are taken.
- 11) Ensure that all the backup devices (such as Optical Disks, Pen drives, Memory Cards / chips etc) brought by the users are not permitted inside the IS environment and the same are retained at the security stage only and check that any deviations from the same are properly documented.
- 12) Ensure that Terminals having access to ECS, EFTS and Internet Banking are placed in a closed chamber, which is under lock & key. As far as possible ensure that Biometric Security Systems are deployed on such computer apart from regular user Id and Password /PIN.
- 13) Check whether there is a proper documentation for all the transactions made through ECS / EFTS / Internet Banking with automatically generated Transaction Number and the Name of the Officer doing the transactions and the authorization for the same.
- 14) Ensure that there is a record for all unsuccessful attempts for making transactions through ECS / EFTS / Internet Banking along with the No. of attempts and the quantum of funds involved.

**F) Disaster Recovery and Management:-**

- 1) Ensure that backup of the data is taken at periodic intervals?
- 2) Check whether the backup has been tested before being placed in a safe vault.
- 3) Check whether the backup is placed at an off site location.
- 4) Is there any record maintained where a log file is maintained for the frequency of backup taken and place of storage of the backup data?

## Chapter 18

### CHECK LIST FOR AUDIT OF OUTSOURCING ACTIVITIES

The management of the Nigam has decided to outsource various activities with a view to improve quality & time frame of service to consumer.

As part of the implementation of the above policy, the Nigam has engaged the services of professionals and technically qualified / competent persons / organizations on contract basis subject to renewal on performance.

In this process the following works have been outsourced by the Nigam to competent persons. Technical:

1) Computer Operators

**Billing & Collection:**

- a) Private Meter Reading, Preparation of Bills, Bill distribution and Collection
- b) Spot Billing and collection
- c) Complaint centre
- d) Internal Audit by Pvt. Firm of Chartered Accountant.

**Check list for verification of Outsourcing of Technical activities:**

- i) Estimate sanction as per the delegation of powers.
- ii) Tender schedule note approval by competent authority.
- iii) Whether applications received within due dates.
- iv) Tender opening on the due date and acceptance on the basis of lowest tender or based on negotiations.
- v) Verification of agreement, consisting of Time Schedule, Value of work, Terms and Conditions, EMD amount and Escalation clauses.
- vi) Verification of ratification agreement for exceeding the clauses of agreement.
- vii) Execution of work as per specifications.

## Chapter 19

### STATUTORY COMPLIANCES

#### I Companies Act, 1956 (2013)

1. To ensure that following registers / books are maintained (if applicable):
  - a. Register of Investments
  - b. Register of Deposits
  - c. Register of securities bought back
  - d. Register of charges
  - e. Register of members
  - f. Index of members
  - g. Minutes books
  - h. Books of Accounts
  - i. Register of particular of contracts
  - j. Register of directors, MD , Secretary
  - k. Register of Investments/ Loans/ Guarantees made
  - l. Register of records destroyed
  - m. Register of Inspection
  - n. Register of director's attendance
  - o. Fixed Assets Register
2. Ensure whether properly signed Annual Return is filed within 60 days of AGM?
3. Ensure whether Balance Sheet is adopted at the AGM and three copies are filed within 30 days of AGM?
4. Ensure for any Change in Office during the year, whether Form 18 filed with ROC within time?
5. Ensure timely filing of any resolution or agreements during the year to be filed with ROC in Form 23.
6. Ensure whether Form 25C is filled with ROC within 90 days of any whole time director/MD appointment during the year.
7. Ensure in case of any charge created or modified during the year, Whether Form 8 & 13 filed within 30 days.
8. Ensure whether notice was sent and whether attendance recorded for all the board meetings held during the year.
9. Ensure whether in all meeting quorum was present, circular resolutions noted, previous minutes got confirmed, minutes entered into minutes book and signed.
10. Ensure whether AGM is held within 15 months of last AGM, held on working day and working hours, provisions of notice, explanatory statement, quorum, chairman, proxy, attendance, register of directors shareholdings, minutes are complied with.
11. Ensure whether notice was sent before 21 days for AGM with Balance Sheet, Directors Report, and Compliance Certificate.
12. Ensure recording of Minutes in minutes book of AGM.
13. Ensure whether all provisions of Extra-Ordinary General Meeting are complied in case any EGM was held during the year.
14. Ensure whether approvals have been taken in case any loan has been given to Director or his interested relative, firm, Nigam.
15. Ensure whether all contracts, in which director is interested, are entered into

Register and vote of each director is mentioned.

16. Ensure whether provisions of director's appointment, re- appointment, removal, if any, and resignation, consent, by rotation, disqualification, register are complied with.
17. Ensure whether all directors have disclosed their interest in Form 24AA before end of financial year, recorded in register, put-up to Board?
18. Ensure whether borrowings are within limit and whether special approval of members obtained for excess borrowings.
19. Ensure whether any prosecution initiated or show cause notice or compounding done during the year.
20. Ensure whether all requirements are complied pertaining to any resolution passed by Postal Ballot.
21. Exceptions, if any should be highlighted in the Internal Audit Report.

## **II Employees Provident Fund & Misc. Provisions Act,1952**

1. Ensure Declaration / Nomination forms (Form 2) are filled by every employee who joins the fund for the first time.
2. Ensure addition of employees is recorder in Form 5 on monthly basis.
3. Ensure monthly record showing aggregate amount in recoveries made from the wages of all members and the aggregate amount contributed by the employer is maintained as stated under the Act.
4. Verify statements submitted by the contractors to UPCL showing PF recoveries from his employees within 7 days of the close of every month
5. Ensure timely submission of Consolidated Annual Contribution Statement in Form 6-A to the Commissioner after the close of the period.
6. Ensure timely deposit of PF contribution with the appropriate authorities on a monthly basis act required under the Act.
7. Ensure PF amount is calculated at the prescribed rates.

## **III Payment of Gratuity Act,1972**

1. Ensure gratuity is paid to employees who have rendered continuous service for a period not less than 5 years within 30 days of superannuation, retirement, resignation, death or disablement due to accident or disease.
2. Ensure whether abstract of the Act and Rules made there under as given in Form U are displayed in English and in the language understood by the majority of employees at or near the main entrance of the establishment.
3. Ensure Form L is submitted when gratuity becomes due within 15 days of the receipt of application for payment of gratuity.
4. Ensure Form M is submitted when gratuity is found not admissible within 15 days of the receipt of application for payment of gratuity.

## **IV Payment of Wages, Minimum Wages Act, ESI, Labour Cess Act, Building and other construction workers Act and other Labour Acts**

1. Ensure as a principal employer, the contractor has taken the license in the applicable labour acts and complied with the provisions of these Acts.
2. Ensure that proper monitoring mechanism is in place with adequate documentation and contractor's bills are processed only after ensuring compliance to these acts.

## **V Taxation Compliance Income Tax Act, 1961.**

1. Ensure deduction of tax at source (TDS) at prevailing rates

2. Ensure monthly deposit of TDS by 7th of next month.
3. Ensure timely issuance and collection of Monthly/ Yearly TDS Certificates (quoting PAN No of the deductee) as per the provisions of Income Tax Act, 1961.
4. Ensure filing of Form 15G / 15H in case of non-deduction / lower deduction of TDS.
5. Ensure filing of quarterly returns within 15 days after the expiry of each quarter. Correct PAN details in quarterly returns.
6. Ensure that TDS rates are ascertained by verifying the PAN No. of the assessee.
7. Ensure that there is no case where TDS needs to be deducted but was not deducted.
8. Ensure submission of income tax return within the due date mentioned under section 139 to avoid interest under section 234A, 234B and 234C.
9. Check to ensure timely payment of advance as per the provisions of the Act.
10. Check to ensure whether tax audit was done on or before the due date under section 44AB.
11. Check payments made in cash under section 40A.
12. Verify assessment status and assessment orders.



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Dated:03.03.2020

**Subject : Internal Audit Management System.**

An agenda for making the audit procedure robust and effective, was placed before the Whole Time Directors of UHBVN in the meeting held on 21.01.2020 which has been approved by the WTDs of the Nigam. The salient features of this Internal Audit Management System are as under:-

### **Part –A      REVENUE AUDIT**

**1. Categorization of Half Margins:-**The half margins would be categorized under two broad categories:-

- General Half Margins
- Value Half Margins

**2. Nature of Half Margins:**

**a) General Half Margins:**

Where there are some procedural lapses and loss of revenue cannot be quantified.

**b) Value Half Margins:**

- i) Involving Fraud/Embezzlement / Misappropriation of Nigam's funds.
- ii) Involving under assessment chargeable to consumers / incorrect refunds etc.

**3. Settlement of Half Margins:**

The audit party shall point out the period of under-assessment / duration of loss of revenue / amounts involved and also specifically mention the name of responsible employees for the lapse in their Half Margin / Audit Report. HMs will be settled in the following way:-

- **General Half Margins:** These types of Half Margins will be settled after receipt of satisfactory reply from concerned offices. Auditee office will be supposed to reply to these Half Margins within a period of 30 days. In case of non receipt of reply or the reply is not satisfactory, the office of Chief Auditor shall recommend suitable disciplinary action against the concerned officer / official. In case of reasonability/genuine-ness of delay in charging the Half Margin, the period may be extended beyond 30 days by the Chief Auditor.

- **Value Half Margins:-** Value HMs are divided into three parts:-

**i) Cases of Fraud/Embezzlement/misappropriation of Nigam's funds:-**

The following type of cases will be covered under this head :

1. Non/under posting of amount received from consumers in the CCR Book but amount directly credited in the consumer's Account.
2. Non/ less deposit of the amount in the bank as compared to the amount shown remitted in the Cash book/remittance register.
3. Under casting of totals in revenue cash book/General cash-book.



In the above mentioned cases, following procedure will be followed :-  
The audit party shall calculate the principal amount of loss and interest @ 12% p.a. thereon tentatively till the date of finalization of audit report and send the same to the Chief Auditor office.

The Chief Auditor after due diligence, will prepare a draft notice and send to concerned competent/disciplinary authority for major punishment as per Punishment & Appeal regulation of the Nigam for issuing notice to the responsible employee for taking suitable disciplinary action against the responsible employees. It should be ensured by the concerned authority while awarding punishment that in no case quantum of punishment/recovery made from delinquent is less than the loss sustained to the Nigam.

The office of Chief Auditor may recommend suitable disciplinary action against the delinquent officers / officials to concerned disciplinary authorities considering the gravity of individual case.

In case, the concerned authorities fail to take action against the delinquent within the prescribed timeframe, such cases shall be placed before the Managing Director / Director/Finance for taking necessary action in the matter.

ii) **Cases of under assessment on account of undue benefit to consumers:-**  
The following type of lapses would be covered under this head:-

1. Wrong refund/double credit.
2. Posting of incorrect advices/entries in consumer accounts.
3. Wrong entries of ACD/service connection charges deposited by the consumers resulting into less amount deposited.
4. Non charging of sundry item in case of dishonor of cheques.
5. Entry of less final reading while feeding in computer advice. However, correct reading is fed in CA-22 register.
6. Omission of multiplying factor.
7. Non posting of sundry charging items in consumer accounts.
8. Verification of wrong/less reading by JE concerned resulting in loss of revenue.
9. Any other case of similar nature.

In the above cases, the loss to the Nigam on account of interest due to delayed charging from the consumer shall be the responsibility of the officer/official named in the audit report and shall be recoverable from him.

The following procedure shall be followed:-

After the amount is charged to the consumer as per the procedure laid down in para 4 below, the exact amount of loss of interest @ 12% P.A. shall be quantified by the audit party considering the period from the date it was due and actually charged.

The Chief Auditor after observing necessary due diligence will send draft notice for effecting recovery from responsible employee, to concerned disciplinary/competent authority as per Punishment & Appeal regulation of the Nigam for serving upon the responsible employee and for taking decision in the matter. After receipt of decision from the competent authority, the concerned DDO shall make recovery from the delinquent employees as per rules.

The Chief Auditor may also refer the matter to the competent authority for taking exemplary/major disciplinary action considering the gravity of the case if some serious irregularity is noticed by the Chief Auditor office after carrying out due diligence.

ii) **Other cases of omissions/irregularities:-**

Following types of discrepancies shall be considered in this category:-

1. Omission of Peak load exemption charges due to wrong feeding of reading data.
2. Omission of charging of service connection charged/fixed charges in case of extension of load.



3. Omission of charging of MDI penalty.
  4. Under-assessment in calculation of penalty in case of theft of energy.
  5. Under assessment due to omission of reading or other factors.
  6. Delay in revenue assessment due to non-billing/delayed billing in case of new connections.
  7. Delay in feeding of advice in case of MCO/SJO.
- 
8. Omission of meter service charges.
  9. Omission of relevant charges in case of un-authorized extension of load.
  10. Omission of apportionment of difference of consumption recorded between meter installed at sub-station and at consumer premises in case of independent feeders.
  11. Billing of LT Ind. Consumers on KWH/Power Factor basis instead of KVAH consumption.
  12. Under-assessment relating to M&P reports.
  13. Any other case of similar nature.

These cases shall be analyzed and probed by the Chief Auditor. If some serious irregularity is noticed, then the matter will be sent to the competent authority for recovery / taking disciplinary action against the responsible employees by giving specific recommendation as per the procedure enumerated in para 3 ii) above as the case may be.

#### 4. Time Schedule for settlement of Value Half Margins:

Type of Half Margin	Maximum days allowed for charging/settlement of Half Margins
a) Half Margins agreed as chargeable by SDO.	<p>One week time to SDO to ascertain about the chargeability of the Half-Margins.</p> <p>30 days from the date of receipt of Half Margin by the Sub-Division (15 days as notice period to consumer and 15 days for charging of Half Margin by the Sub-Division.) SDO will return Half Margins duly charged alongwith email giving detail of charged HMs to audit party.</p> <p><b>Dealing with reply of consumer to the notice:</b></p> <p>The SDO will consider the reply and in case he is of the opinion that the HM is not chargeable, he will convey the RA through email and RA will respond the SDO within a week. If there is a difference of opinion then the procedure at (c) will be followed.</p>
b) Half Margins not found chargeable by Sub-division and agreed to by the audit party.	Half Margin to be dropped by the Audit Party.
c) Half Margins not accepted as chargeable by the Sub-division but audit party finds the same chargeable.	<p>Within 3 days of intimation of disagreement by RA regarding chargeability of HM, the SDO will forward such cases to the following authorities for settlement beyond the period at (a) above given to SDO for charging/settling the H/M. The period allowed for settlement of half margins to the following authorities is as under:-</p> <p><b><u>For any HM up to Rs. 2 lakhs :Xen concerned</u></b></p> <p>A time of 15 days will be given for consultation of XEN concerned with the concerned RA to resolve the matter.</p> <p><b><u>For any HM above Rs. 2 lakhs upto Rs. 10 Lakhs:</u></b></p> <p>A time of 15 days will be given for consultation of SE</p>

	<p>concerned with the concerned AO/Sr.AO to resolve the matter.</p> <p>The unresolved matters above and all the HMs above Rs.10 Lakhs would be sent to the office of Chief Auditor which would be dealt by a committee of CE/Comml. and Chief Auditor who would settle the matter within 15 days.</p> <p>In case of difference of opinion between CE/Comml. &amp; Chief Auditor, all unresolved cases will be put up to Director/Finance for final decision.</p> <p>After final decision, the concerned Sub-Division would charge the HM within 15 days, in case notice has already been served upon the consumer otherwise 15 days' notice would be served to consumer before charging and 15 days for charging the amount to the consumer.</p>
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The Half Margins raised by the audit parties should be charged/settled within the time frame specified above after adhering to all the formalities/procedures otherwise interest at the rate of 12% P.A. for the delayed period in no. of days shall be apportioned among the responsible employees in the proportion given below:-

Sr. No.	Consumer accounts maintained by	Extent of responsibility in percentage			
		LDC/Ledger Keeper	UDC (R)	CA/Asstt. Field	SDO
1	LDC/ Ledger Keeper	50	20	20	10
2	UDC/R	-	50	30	20
3	CA/ Asstt. Field	-	-	50	50

However, in case of reasonability/genuineness of delay in charging the Half Margin, the extension of period may be considered by the Chief Auditor depending upon case to case.

**5. Responsibility of RA/SO Incharge of Revenue audit Party in case of non-chargeability of Half Margins:-**

To address the issue of non-chargeability of Half margins raised by Revenue audit parties resulting into un-necessary correspondence and harassment to consumers, it is proposed that in case less than 70% of the amount of Half margins issued by audit parties during audit of a Sub-Division/office, are found chargeable/charged, then disciplinary action will be initiated against the concerned RA/SO on the recommendation of Chief Auditor office. The Chief Auditor after observing necessary due diligence, will send draft notice to concerned disciplinary authority as per Punishment & Appeal regulation of the Nigam for serving upon the responsible employee.

**6. Duties & responsibilities of various functionaries responsible for upkeep and maintenance of consumer accounts:-**

Extent of responsibility is attached at **Annexure-A**.

**7. Procedure for recovery from responsible employees after charging of Half Margins:**

The process of charging of Half-margins, issue of notice and monitoring action would be got computerized to the extent possible.

If the competent authority finds the concerned employee responsible and issues orders for effecting recovery in cases at 3 (i) and (ii) above, the amount so worked out shall be shown in the respective employee's account in the shape of O.B. on the website of the Nigam which will be monitored and regularly updated by the office of Chief Auditor.

Chief Auditor office would maintain employee wise O.B. which will be updated and hosted on the website of the Nigam which can be accessed by employees using their individual login ID and password.

It will be the responsibility of the concerned DDO to recover this amount after showing as recoverable from employees in the accounts and if it remains unrecovered till his retirement/transfer, the same will be shown in the NDC/LPC of the concerned employee by the DDO who will reconcile the recoverable amount from every such employee with the office of Chief Auditor on regular intervals essentially in case of transfer/retirement of any employee. The reconciliation shall be made through a software to avoid any manual intervention.

**8. Treatment of un-realized amount of O.B. relating to expirees of the Nigam in R/o Revenue and Works/expenditure audit:-**

The entries of responsibility amount outstanding against deceased employees of the Nigam appearing in the O.B. relating to Revenue and Works/Expenditure audit so far shall be deleted and concerned DDO shall clear the outstanding amount shown against deceased employee/retiree at their level by waiving off the outstanding amount. This amount will not be shown in the NDC of the expiree. This practice shall also continue in future.

**9. Disposal of cases relating to Non-production of record (NPOR) relating to Revenue as well as Works audit:-**

The problem of non-production of record is being noticed regularly. In case of NPOR of serious nature cases involving major financial implications, the office of Chief Auditor shall report such cases to the competent punishing authority for issuing Show Cause Notice to the delinquent employees besides directing for production of record to the audit.

The Chief Auditor after observing necessary due diligence will send draft notice to concerned DDO/competent authority as per Punishment & Appeal regulation of the Nigam for serving upon the responsible employee.

**10. Treatment of existing outstanding cases of Revenue Audit/Works Audit appearing in the O.B.:-**

a) **Revenue Audit:-** The outstanding cases appearing in the O.B. prior to operation of new procedure shall be scrutinized in detail. Cases of serious nature covered under point 3 i) above, shall be referred to competent punishing authorities for taking disciplinary actions as per Punishment & Appeal rules/regulations. However in respect of cases relating to point 3 ii) and 3 iii) above, the amount appearing in the O.B. against the employees will be waived off as a one-time measure being provisional responsibility due to non-realization from the consumers. However, regular pursuance for realization of outstanding amount from consumers shall be made with the field offices.

b) **Works/Expenditure Audit:-** The existing cases outstanding in the O.B. prior to operation of new procedure shall be dealt as per previous procedure.

**11. Winding up of Committees for deciding responsibility of employees:-**

Three no. committees were formed vide O/o no. 99 dated 12-12-2013 for deciding the responsibility of cases relating to un-realized amount of audit paras. But the amount lying as such is being on the increasing side due to non-convening of meetings by the field offices. As such, it is proposed to wind up these committees from the date of operation of new system.

**Part-B Works/Expenditure Audit**

**Categorization of Audit Paras**

The works audit paras are categorized in two categories namely:-

- i) Paras involving direct loss to the Nigam.
- ii) General audit paras involving procedural irregularities.

**i) Paras involving direct loss to the Nigam.**

All the cases of irregularities relating to direct loss to the Nigam and extent of responsibility of delinquent officers/officials in such cases is placed at **Annexure- B.**

The above responsibility sheet has been prepared for assistance of the competent authority to decide the cases. However, the decision of competent authority in this regard shall be final.

In all the above cases, instructions issued by the Nigam from time to time shall be followed and such cases shall be referred to competent punishing authorities for making recovery/action against the delinquents as per Punishment and Appeal Regulation of the Nigam.

**Procedure for recovery of direct loss to the Nigam.**

The following procedure for recovery of loss shall be adopted :-

- In case, where the reply is given by the auditee office and amount stands recovered or recovery has been initiated within stipulated time i.e. 60 days (after submission of audit report), loss of interest shall not be recovered.
- In case where neither reply of the para is submitted nor recovery has been found initiated by the auditee office within scheduled time ( i.e. 60 days) then the principal amount of loss along with interest thereon @ 12% shall be recovered from responsible employees after completion of 60 days time from the date of occurrence of such loss to the date of final recovery.

**ii)General audit paras involving procedural irregularities/indirect loss to the Nigam.**

All such cases are placed at **Annexure- C.**

These cases shall be analyzed by the office of Chief Auditor. If some serious irregularity is noticed, then the matter may be sent to the competent authority for taking disciplinary action against the responsible employees by giving specific recommendation.

**Settlement of Works Audit Paras:-**

In all the above cases, the auditee office will have to submit the justified reply of Audit Paras within 30 days, if the same is not received within this period or the reply is not appropriate, a notice of 30 more days will be given to the auditee office by the office of Chief Auditor. If proper reply is not received within this time, such cases shall be put up before the Director concerned for taking disciplinary action against the officer in-charge of concerned auditee office / expediting the disposal of audit paras.

The procedure for maintaining the O.B. relating to employees and effecting recovery from the responsible employee shall be same as in case of Revenue Audit.

The process of issue of notice, making recovery from responsible employees and monitoring action would be got computerized to the extent possible.

The O.B. shall be maintained in the office of Chief Auditor in two parts. Part-A of the O.B. shall deal with the cases of direct loss to the Nigam and Part-B of the O.B. shall be maintained in respect of General nature paras.

The Chief Auditor after observing necessary due diligence will send draft notice to concerned DDO/competent authority as per Punishment & Appeal regulation of the Nigam for serving upon the responsible employees.

This Internal Audit Management System will be applicable w.e.f. 01-04-2020.

The above instructions have been issued with the approval of Whole- Time-Directors of the Nigam. The above instructions supersede previous instructions issued in this regard from time to time.

**DA/Annexure-A,B&C**

**Chief Auditor,  
UHBVN, Panchkula.**

**Endst. No. CA/PA/PKL/Uniform-56/Ch.104**

**Dated: 03.03.2020**

Copy of the above is forwarded to the following for information and meticulous compliance of the instructions please:

1. All Chief Engineers in UHBVN.
2. All Superintending Engineers in UHBVN.
3. All Executive Engineers in UHBVN.
4. All Sr. Accounts Officers & Accounts Officers in UHBVN
5. All SDOs/OP Sub/Divn. & JE-1/Incharge-Sub Office in UHBVN.
6. All Section Officers/Revenue Accountants I/c Audit Parties in UHBVN

**DA/Annexure-A,B&C**

**Chief Auditor,  
UHBVN, Panchkula.**

**Endst. No. CA/PA/PKL/Uniform-56/Ch.104**

**Dated:03.03.2020**

Copy of the above is forwarded to the following for information and necessary action in the matter please:-

1. The Chief Engineer/Admn, UHBVN, Panchkula.
2. The FA/HQ, UHBVN, Panchkula.
3. The Chief Accounts Officer, UHBVN, Panchkula.
4. The Xen/IT, UHBVN,Panchkula for information and he is requested to upload the instructions on the UHBVN site.

**DA/Annexure-A,B&C**

**Chief Auditor,  
UHBVN, Panchkula**

**CC:-**

1. The Sr. P.S. to CMD, UHBVN, Panchkula for kind information of Worthy CMD please.
2. The Sr. PS to Director/Operations & Projects, UHBVN, Panchkula for their kind information please.
3. PA to CFO, UHBVN, Panchkulafor kind information of CFO please.
4. The Company Secretary, UHBVN, Panchkula
5. Deputy Secretary/Technical, UHBVN, Panchkula

## Annexure-A

Extent of responsibility in the cases of lapses / irregularities committed in OP sub-divisions in  
R/o Revenue Audit

Sr. No.	Types of errors leading to Revenue loss to the Nigam	Extent of Responsibility					
		Cashier	Head Cashier	Ledger Keeper	UDC (RAsstt.-Field)	Asstt.-Field	SDO
1.	Submission of wrong refund/fictitious advice to the billing agency/Posting of unauthorized refund.			60%	20%	10%	10%
2.	Non/Less / fictitious recording of amount received from the Consumers in CCR Book but credited in consumer's accounts.	60%	20%	5%	5%	5%	5%
3.	Non-posting of amount charged through SC&AR / Loss sustained by the Nigam due to delay in posting thereof			60%	20%	10%	10%
4.	Non adjustment of dishonoured cheques deposited by Head Cashier into Bank in the relevant record by making reverse entry and charging of amount through SC& AR from consumers.						
	a) If not intimated to Billing Section by the Head Cashier		70%		15%	10%	5%
	b) if intimated but not adjusted in Billing Section			60%	20%	10%	10%
5.	Entry of wrong reading in case of MCO						
	a.) In case of RAPDRP :			75% (JE)	10%	10%	5%
	b.) In case of non-RAPDRP :						
	(i) Wrong reading intimated by the JE to the Revenue Section.			75% (JE)	10%	10%	5%
	(ii) Correct reading intimated by JE but wrong feeding by the Revenue Section			75% L.K	10%	10%	5%
6.	Loss of interest of Revenue due to Verification of wrong /less reading by JE/Area Incharge.		60% ALM/LM	40% (JE)			
7.	Non-charging to consumers in the cases of "LOR" (Loss of Revenue) highlighted on M&P reports/ other cases relating to M&P reports.				50%	40%	10%
8.	Bogus entries of ACD/service connection charges deposited by the consumers resulting into less amount deposited.						
	i.) Intimation of wrong /excess amount by Head cashier/ consumer clerk of ACD/ Service connection charges deposited by the consumer.		45% (HC)	45% (CC)		5%	5%
	ii.) Intimation of correct amount by Head cashier of ACD/ Service connection charges deposited by the consumer but wrong amount fed by the Revenue Section in billing.			60%	20%	10%	10%
9.	Less totaling of CCR Books.	50%	10%		30%	5%	5%
10.	Non-transfer /less transfer of cash from the CCR Book to the Revenue Cash Book.		80%				20%
11.	Non-deposit/less deposit of the amount in the Bank than that of the amount has shown remitted as per Revenue Cash Book / Remittance Register.		80%				20%
12.	Loss of interest sustained by the Nigam due to non- returning or delay in returning of half margin issued by the audit.						



i) Consumer Accounts maintained by LDC/Ledger Keeper			50%	20%	20%	10%
ii) Consumer Accounts maintained by UDC/R				50%	30%	20%
iii) Consumer Accounts maintained by CA/Asstt. Field					50%	50%

13.	Loss sustained by the Nigam due to non-issue of bills in time.						
	(i) In case consumer case file after release of new connection is not returned by the JE.			20% (CC)	-	10%	60% JE 10% SDO
	(ii) In case file is received from JE but advice is not submitted to billing Agencies.			25%	20%	20% (CA) 25% (CC)	10%
	(iii) In case of bogus reading by Meter Reading Agency.		Action to be taken as per agreement.				
14.	In case of release of new connection at the premises of defaulting consumer		60% LM/ALM	30% (JE)		5% CC	5%
15.	Incorrect bogus certificates given on the RIB statement without physical verification of total.		80%				20%
16.	Non pursuance of realization of Cheques / DDs / Pay orders sent for collection into local bank by the Head Cashier of the Sub Division.		80%				20%
17.	Non pursuance of transfer of funds from local banks to Main Bank Branch regularly causing loss of interest to Nigam.		80%				20%
18.	Under casting of totals in revenue Cash book/Gen. Cash Book.		80%				20%
19.	Use of RO-4 without requisite certificate of Head Clerk / SDC.	50%	20%	25% SDC			5%
20.	Omission of Peak load exemption charges due to wrong feeding of reading data in case of HT industrial connections. i) Where status of feeder is wrongly fed. ii) Where correct reading is not fed or zero billing cases.			70% (JE)		70%	30% 30%
21.	Omission of levy of service connection charges/fixed charges in case of extension of load.			40% (CC)	20%	30%	10%
22.	Omission of charging of MDI penalty.				50%	40%	10%
23.	Omission of Multiplying factor.			60%		30%	10%
24.	Delay In feeding of advice in case of MCO/SJO.			60% LK or JE	25%	10%	5%
25.	Omission of meter service charges.			70%	20%	5%	5%
26.	Omission of relevant charges in case of unauthorized extension of load.			40%	30%	20%	10%
27.	Under-assessment in calculation of penalty in case of theft of energy.				40%	50%	10%
28.	Omission of apportionment of difference of consumption recorded between meter installed at sub-station and at consumer premises in case of independent feeders.				20%	20%	60%

29.	Billing of LT Ind. Consumers on KWH/Power Factor basis instead of KVAH consumption basis.				60% (JE)	10%	30%
30.	Non posting/debit of Sundry item in consumer accounts on account of theft of energy.			20%		60%	20%

**Note:-** In case of fraud/embezzlement, it should be ensured by the concerned authority while awarding punishment that in no case quantum of punishment / recovery made from delinquent is less than the loss sustained to the Nigam.

In case, the technical officials are working on the post of CA, Ledger Keeper, CC, Head Cashier and Cashier, he/she will still be held responsible in the same proportion of the post he/she is holding.

In case of irregularities of similar nature not covered above, the extent of responsibility shall be decided among various concerned functionaries with the approval of Chief Auditor.



**Annexure-B**

Cases of irregularities relating to direct loss to the Nigam and extent of responsibility of delinquent officers/officials in respect of Works Audit:-

Sr. No.	Types of irregularities	% extent of responsibility					
		XEN	SD O	JE/ AFM	DA	HC/ Dy. Supdt	CA/ UDC/ SDC
1.	Shortage of material worked out while analyzing work of LD system, improvement of LD system and construction of work etc.		25%	75%			
2.	Non deposit of estimated amount in case of deposit works carried out by the department/Nigam on behalf of the other department /consumers. Etc.	5%	30%	50%	10%		5% (SDC)
3.	Non recovery of excess payment made to meter reading, bill distribution/ cash collection/ billing/ work contractors etc.	20%	20%		30%		30%
4.	Drawl of excess Pay & allowances/Pension etc. and non-recovery thereof	10%			30%		60% (Dealing )
5	Material purchased beyond competency (i)Material purchased by SDO (ii)Material purchased by XEN	- 70%	70% -	20% -	- 30%	- -	10% (SDC) -
6	Non returning/ less returning of retrieved/scraped material.		20%	80%			
7	Non recovery of loans & advances and interest thereon	10%			30%		60% (Dealing )
8	Penalty for late deposit of Income Tax & other Tax Liabilities.	10%			30%	10% (HC)	50% (Dealing )
9	a) Cost of repair of T/Fs damaged within warranty period but returned to store beyond warranty period.  b) Cost of repair of T/Fs damaged within warranty period but returned to Firm by the Divisional Store/ beyond warranty period.  i) Cost of repair of T/Fs damaged within warranty period but returned to Firm by the Central Store beyond warranty period.  ii) Cost of repair of T/Fs damaged within warranty period but returned to Firm by the Central Store beyond warranty period.	-   10%  40%	20%   40%  -	80%   50% (JE/ Store/ Store Keeper )  60% (JE/ Store/ Store Keeper	-   -  -	-   -  -	-   -  -

				)			
10	Non deposit of consumer's contribution for theft of transformers.	20%	30%	30%		20% (HDM )	
11	Non deduction of penalty from contractor for delay in start / completion of work.	30%	20%		50%		
12	Various types of embezzlements i.e. postage stamps, fictitious payment, cash embezzlement and embezzlement of material drawn from Nigam store/purchased etc.	Dealing : 80%  Supervisor : 20% (Interest @ 12% shall also be recovered)					

**Note:-**In case of irregularities of similar nature not covered above, the extent of responsibility shall be decided among various concerned functionaries with the approval of Chief Auditor. The percentage of the responsibility may vary as per the circumstances of each case due to complexity involved in the cases related to works audit.

Other irregularities of General Nature for which no responsibility for recovery of individual is to be fixed but disciplinary action is to be taken against delinquent officers/officials: -

<b>Sr. No.</b>	<b>Type of irregularities</b>
1.	Material damaged during warranty period but not replaced by the firm and performance B.G. released without effecting of recovery (i.e. non obtaining of defect liability certificate).
2.	Loss to the Nigam due to issuing defective WO's/POs.e.g. omission of completion period and penalty clause in Work Order resulting in non –levy of penalty for delay.
3.	Transfer of material from work to work without approval of the competent authority.
4.	Non/delay in lodging of insurance & apprentice stipend claims.
5	Payment of compensation made against Fatal/Non-fatal accident cases where responsibility of employees fixed by competent authority but no action initiated by DDO.
6	Non/proper maintaining of record pertaining to civil advances & other advances.
7	Irregularities in making routine/emergency purchase of material.
8	Detail of surplus material supplied to SE/Disposal but not timely auctioned by the SE/Disposal.
9	Posting/engagement of excess staff against un-sanctioned posts.
10	Non recovery of different kind of amount outstanding as per GH-28.401 & 28.810.
11	Un-sanctioned/ excess over estimates i.e. drawl / issue of material in excess of sanctioned estimate.
12	Non conducting of physical verification of store items as per instructions of the Nigam.
13	Non repair of T/Fs damaged within warranty period lying in stores / workshops.
14	Mis-utilisation of drawing limit or diversion of Nigam funds.
15	Non-returning/ less returning of retrieved/scraped material where loss cannot be assessed.
16	Material purchased on higher rates.
17	Misuse of Nigam's vehicle
18	Any other case of similar nature not stated above.

Check list of Works Expenditure Audit in respect of \_\_\_\_\_ as per scope of work for the period \_\_\_\_\_ to \_\_\_\_\_.

Sr. No.	Description of record checked	YES / NO	Signature of the Auditor
1	Estimate sanctioned register: Has it been checked?		
2	Work register: Has it been checked?		
3	Patrolling books of the works: Have they been checked?		
4	Record of all JE's/AFM's: Have estimates, work orders/purchase orders, SRs, SRWs, STWs, Form-4, EMB, Dismantlement Register, and capitalization of works been checked?		
5	Position of pending Material At Site Accounts and shortage of material: Has it been checked?		
6	Deposit Works carried out in excess over estimates executed by Nigam: Have they been checked or not?		
7	Examination of Damaged Transformers and non-return of damaged transformers in the store: Has it been conducted?		
8	Shortage of broken/missing parts and transformer oil in damaged transformers: Has it been checked?		
9	Scrutiny of vehicle-lorry logbooks and vehicle maintenance registers, etc.: Has it been done?		
10	Record of Capital Works - Maintenance of LD System: Has it been checked?		
11	Record of Capital Works - Industrial Service Connection: Has it been checked?		
12	Record of Capital Works - General Service Connection and other allied works: Has it been checked?		
13	Check for financial accounts/misclassification of expenditure: Has it been done?		
14	Record of Meter Account (CA-21 & 22): Has it been checked?		
15	50% vouchers relating to expenditure of Rs. 10,000/- and above and 5% of the rest of the vouchers: Have they been checked?		
16	Scrutiny of payments made to suppliers with respect to the Purchase Orders, Work Orders, and other requisite formalities: Has it been done?		
17	Non-recovery of excess payments in respect of the Electrical Works by the Contractors: Has it been checked?		

18	TDS (Tax Deducted at Source): Has it been checked?		
19	GST (Goods and Services Tax): Has it been checked?		
20	Labour cess: Has it been checked?		
21	FAR (Fixed Asset Register): Has it been checked?		
22	Work in progress (capital): Has it been checked?		
23	Schedules: Have they been checked?		
24	General ledger: Has it been checked?		
25	Journal Book: Has it been checked?		
26	Government vehicle TEO: Has it been checked?		
27	Bill passing process according to the Nigam's Instructions: Is it in compliance?		
28	Ledger of contractor/supplier-wise payments: Is it being maintained?		
29	Are bank guarantees valid? Is proper record being maintained?		

**Checklist for Audit of Pay/Pension Section in respect of \_\_\_\_\_ as per scope of work for the period \_\_\_\_\_ to \_\_\_\_\_.**

<b>Sr. No.</b>	<b>Description of record checked</b>	<b>YES / NO</b>	<b>Signature of the Auditor</b>
1	Have you checked the scrutiny of Pay Ledgers?		
2	Have you examined the Ledger of Financial Assistance?		
3	Have you verified the scrutiny of Pension Ledgers?		
4	Have you reviewed the pay fixation process?		
5	Have you checked the payment of arrear of pay and pension?		
6	Have the Service Books been scrutinized?		
7	Have you checked the payment against TA Bills?		
8	Have you verified the payment against Medical bills?		
9	Have the payments against various allowances been checked?		
10	Is the recoverable amount being properly recovered?		
11	Have you checked the leave account?		
12	Have you examined the IUT/ICT register?		
13	Have you checked the Salary ledger of each and every employee to ensure compliance with their appointment terms and conditions?		
14	Have you verified the record of payments made to Daily Wagers, Part-Time Workers, etc. to ensure they are duly approved by the Competent Authority?		
15	Have you reviewed the schedules of loans and advances to employees?		
16	Have you checked the Schedule of Interest on Loan and advances along with the calculation sheet of interest for employees?		
17	Have you verified the non/short recovery as pointed out in the Incoming/Outgoing Last Pay Certificate?		
18	Has the recovery of excess Telephone/mobile Calls beyond permissible limits been made?		

19	Have you checked for short recovery on account of vehicles used for private purposes?		
20	Are the records of monthly Cash Vouchers and monthly accounts being properly maintained and preserved?		
21	Has Form-16 been provided timely?		
22	Have you ensured correct deduction and timely deposit of TDS of Employees?		
23	Have the Schedules been compiled accurately?		
24	Have you prepared Leave Salary & Pension Contribution of Officers on Deputation correctly?		
25	Have you checked the Stepping Up Cases?		

**Check list of Works Expenditure Audit in respect of \_\_\_\_\_ as per scope of work for the period \_\_\_\_\_ to \_\_\_\_\_.**

<b>Sr. No.</b>	<b>Description of record checked</b>	<b>YES/ NO</b>	<b>Signature of the Auditor</b>
1	Have you checked the T&P Register?		
2	Have you examined the court cases?		
3	Have the dates been updated on the LMS portal?		
4	Have you reviewed the Charge Sheet/Show Cause Notice (SCN) records?		
5	Have you verified the implementation of decisions on fatal/non-fatal accidents and compensation as per the Nigam's guidelines?		
6	Have you scrutinized all the Letter of Allotments and related documents?		
7	Did you check and report any variations in the budget allocation and actual expenditure?		
8	Have you physically counted the cash and reconciled it with the cash-book in the division office?		
9	Have you verified purchase orders issued beyond competency and non-compliance with PO terms?		
10	Have you examined the GPO records?		
11	Have you checked the CPO records?		
12	Have you audited the Leave Travel Concession (LTC)/Home Town Concession (HTC) records?		
13	Have you verified the Imprest/Temporary Advance records?		
14	Did you review the Stationery Register?		
15	Is the Diary/Despatch register properly maintained?		
16	Are the records of SMB/EMB books issuance properly maintained?		
17	Have you checked the work order issue register?		
18	Have you reviewed the purchase order issue register?		
19	Have you ensured that life certificates are taken from the pensioners?		
20	Have you checked the Imprest verification process?		
21	Have you audited Corporate Social Responsibility (CSR) activities, if applicable?		
22	Have you reviewed the Postage Stamp Register?		
23	Have you examined the Cheque Books records?		
24	Have you compared the limit obtained with cheques issued?		
25	Have you verified all types of sanction orders?		
26	Have you ensured that all formalities for loans and advances are completed?		
27	Is the cash book properly maintained?		
28	Have you assessed the handling of RTI applications?		



29	Have you evaluated the handling of CM window complaints?		
30	Have you reviewed the handling of CGRF complaints, if applicable?		
31	Have you ensured that retiral benefits are given on time?		
32	Have you obtained the incumbancy?		
33	Have you checked the stipend amount claimed with the Skill Development Department?		

Check list of Works Expenditure Audit in respect of \_\_\_\_\_ as per scope of work for the period \_\_\_\_\_ to \_\_\_\_\_.

Sr. No.	Description of record checked	YES/ NO	Signature of the Auditor
1	Have you checked the Estimate sanctioned register?		
2	Have you examined Un-sanctioned Estimates?		
3	Have you verified the damaged rate records?		
4	Have you reviewed the line losses data?		
5	Are the Transformers being returned timely?		
6	Are the damaged items covered under warranty being returned to the store within the specified period?		
7	Is the Connected load register being maintained by the S/Divisions?		
8	Is the Transformer maintenance register being maintained by the Sub/Divisions?		
9	Are the EMBs (Electrical measurements books) being issued regularly by the SDOs (Sub-Divisional Officers)?		
10	Is the T&P (Tools and Plants) Register being maintained JE (Junior Engineer)-wise?		
11	Have you verified the documents and working of the employees hired through agencies?		