JHARKHAND BIJLI VITRAN NIGAM LIMITED

Office of the General Manager (F&A)- Internal Audit
Engineering Building, HEC Dhurwa, Ranchi- 834004
Email Id: gm.ia@jbvnl.co.in

JBVNL

EXPRESSION OF INTEREST

NIT NO.:298/PR/JBVNL/2026-27 Issued on 03.11.2026

FOR

REQUEST FOR PROPOSAL

FOR

APPOINTMENT OF INTERNAL AUDITOR

FOR

FINANCIAL YEAR's 2021-22 to 2025-26

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Section - I

1. Introduction

Jharkhand Bijli Vitran Nigam Limited (JBVNL), a wholly owned subsidiary of Jharkhand Urja Vikas Nigam Limited (JUVNL), hereinafter referred to as Company is engaged in Distribution of power in the state of Jharkhand. JBVNL has its Head Office (HO) at Ranchi (Jharkhand) and functions with the field offices layered into jurisdictional hierarchy of Seven Electric Supply Area's (ESA's), Fifteen Electric Supply Circle's (ESC's), Forty Four Electric Supply Division's (ESD's), One Hundred Nineteen Electric Supply Sub-Division's (ESSD's), supported with Section's (ESS's) and Power Sub-stations (PSS's). Additionally, an ESC also houses one Central Store (CS), one Transformer Repair Workshop (TRW) and one Meter Relay Testing (MRT) unit.

At Headquarters (Hqrs.), there are various departments such as Finance, HR, IT, Civil, S&D, S&P, C&R, Planning, Inspection and Projects (RE, APDRP, R-APDRP). Each department is headed by General Manager and the project departments are supported by respective finance wings. The Finance function at the Hqrs. is sub-divided into various functional departments / sections e.g. Accounts & Revenue, Project and Financial Management, Internal Audit & Fund Management etc. under the overall control of respective General Manager's (F&A).

Each ESA is headed by General Manager-cum-Chief Engineer (GM cum CE) and the Circle office is under the overall control and supervision of Electrical Superintending Engineer (ESE). The Divisions are headed by Electrical Executive Engineer (EEE), sub-divisions by the Assistant Electrical Engineer (AEE) and sections by Junior Electrical Engineer (JEE). The Drawing and Disbursing Officer (DDO) at each ESA is Senior Manager (F&A) and Manager (F&A) is the DDO at Circle office, while at ESD the function of DDO is performed by the EEE.

Most of the departments at HO along with the ESAs, Circles and divisions are established as the accounting units. The transactions of the Divisions[1] are being consolidated at the respective Circle offices. Revenue accounting is done at the level of Division and is incorporated in the Circle Accounts. Accounts are being maintained in TALLY accounting software along with manual books of accounts. ESAs and ESCs submit their accounts to the HO for consolidation of accounts for JBVNL as a whole.

Further in accordance with the provisions of the Electricity Act, Jharkhand State Electricity Regulatory Commission (JSERC) has notified the JSERC (Terms and Conditions for Determination of Distribution Tariff) Regulations 2015 for determination of wheeling and retail supply tariff and Aggregate Revenue Requirement (ARR) for distribution business. These Regulations prescribe for submission of Accounting Statement as a part of the filings with JSERC. JSERC has also notified the JSERC (Power Regulatory Accounting) Regulations, 2016 on preparation of accounting manual, policies and procedures for maintenance of Regulatory Accounts, audit and submission of annual audited regulatory accounts to JSERC.

JBVNL, in order to comply the requirements of Companies Act, 2013, invites Request for Proposal (RFP), in sealed envelopes, from experienced, reputed professional firms for conducting Internal Audit of JBVNL for the Financial Year 2021-22 to 2025-26

[1]Divisions aggregate the expenditure of the sub-divisions under its jurisdiction.

2. Important Dates

a) The schedule of issue, submission and opening of RFP documents are given hereunder

S. N.	Action	Date & time
1	Issue of RFP document	RFP documents to be downloaded from www.jharkhandtenders.gov.in from 03.11.2026 at 10.00 hrs
2	Last Date & Time of submitting completed RFP	RFP documents to be submitted online in two separate envelops; Part-I as Technical Bid & Part-II as Financial Bid. Online submission of RFP documents has to be made within due date of **13.11.2026** up to 17:00 Hrs

b) If any "Holiday" falls on any of the scheduled date, then the next working day (between mentioned working hours) shall be considered as the scheduled date.

3. Qualifying Criteria (Eligibility conditions)

S.N.	Criteria	Particulars	Documents
1	**Form of Entity**	Firms of Chartered Accountants, Cost Accountants	Certificate of Incorporation
2	**Tenure of Establishment**	10 Years or more as on date of submission of / Bid	Certificate of Incorporation. The tenure shall be determined based on the date of constitution/establishment mentioned in the valid Constitution Certificate issued by ICAI/ICMAI
3	**Office**	Head / Branch Office should be situated in the States of Jharkhand / Bihar / Orissa / West Bengal / Chhattisgarh / Uttar Pradesh	Certificate of Incorporation
4	**No of Partners**	5 (Five) full time working partners in the immediately preceding three financial years up to 31.03.2026	Certificate of Incorporation Certificate of Practice of all Partners Firm Registration Number and Date of Establishment
5	**Turnover of Firm (Professional Receipts)**	Rs 50* Lakh or more in each of immediately preceding four financial years. The audited Balance Sheet for FY 2025-26 shall be considered. In case the audited Balance Sheet for FY 2025-26 is not submitted, the audited	Audited Balance Sheet and Profit & Loss A/c OR Income Expenditure A/c and Receipt Payment A/c Return of Income Tax

		Balance Sheets for the preceding four financial years shall be considered.	
6	**Experience**	Minimum of 5 assignments in total of Internal Audit, during last Five Financial Year (FY) excluding the FY of bidding i.e., if the bid is submitted in FY 2026-27, then experience during last Five Years should be starting from 2021-22 and upto 2025-26 preferably in Power Sector For the minimum eligibility requirement of **5 Internal Audit assignments**, only assignments specifically undertaken as **Internal Audit** shall be considered. Statutory Audit, or Management Audit assignments shall not be considered under this criterion. Assignment relating to physical verification of stock, fixed assets, etc. which are mere counting of physical items against book quantity and not an independent check and / or audit on the functional & system control, shall not be considered as Internal Audit experience.	Engagement Letter along with terms of reference and type of audit supported with Completion Certificate / Final Payment Certificate.
7	**Other**	Valid PAN Valid GSTIN Registration No Criminal Proceedings are pending w.r.t the Firm and / or Partner in any Court of Law in India or before any Disciplinary Committee of ICAI / ICAI (Erstwhile ICWAI)/ ICSI or any other professional institutes / bodies.	Copy of PAN Card Copy of Registration Certificate Affidavit

4. Evaluation Criteria for Selection of Internal Auditor (Selection Criteria)

A. <u>Technical Evaluation:</u>

Evaluation Criteria for selecting the auditor are mentioned below:

S.N.	Criteria	Points over the Min Eligibility	Total Points	Supporting Docs

1	**Tenure of existence of Firm**	More than 10 and less than 15 Years: 7 Marks More than 15 Years: 10 Marks	**10**	Certificate of Incorporation
2	**No of Partners**	2 Marks per FCA / FCMA up to maximum of 10 Marks 1 Marks per ACA / ACMA up to maximum of 7 Marks Additional 1 Marks for qualification as DISA/ CISA/DISSA up to Maximum of 3 Marks	**20**	Certificate of Incorporation from DISA-ICAI/ DISSA - ICMAI./CISA Certificate from ICAI/ICMAI of Individual Partner
3	**Semi-Qualified Personnel (Employee's not Article's)**	0.5 Marks for each Staff. Semi Qualified from Institute of chartered accountant of India/Institute of cost accountants of India Professional continuing during last 3 immediately preceding financial years shall be considered.The **last three immediately preceding financial years, i.e. FY 2023-24, FY 2024-25 and FY 2025-26**, with **31.03.2026** as the cut-off date.	**5**	Documentary Evidence/ Affidavit
4	**Associate/Fellow member of ICAI (Employee)**	1 Mark for each Staff Accordingly, the clause shall be read as: "1 mark shall be awarded for each qualified professional employee of the firm. Qualified professionals from both CA and CMA streams shall be considered Qualified Professional from Institute of chartered accountant of India/Institute of cost accountants of India continuing during last 3 immediately preceding financial years shall be considered. immediately preceding financial years shall be considered. **The last three immediately preceding financial years, i.e. FY 2023-24, FY 2024-25 and FY 2025-26**, with **31.03.2026** as the cut-off date.	**10**	Copies of engagement / appointment letter & final pass certificate issued by the Institute. . Along with the copy of affidavit duly affirming that qualified professional continuing during last Three years immediately preceding financial years shall be considered
5	**Turnover of Firm (Professional Receipts)**	In each of last 4 immediately preceding financial year. The audited Balance Sheet for FY 2025-26 shall be considered. In case the audited Balance Sheet for FY 2025-26 is not submitted, the audited Balance Sheets for the preceding four financial years shall be considered. Rs 50.00 lakh to Rs 75.00 lakh: 5 Marks Rs 75.01 lakh to Rs 100.00 lakh: 8 Marks More than Rs 100.00 lakh: 10 Marks	**10**	Audited Balance Sheet and Profit & Loss A/c OR Income Expenditure A/c and Receipt Payment A/c Return of Income Tax

6	**Office**	2 Marks per Branch in Jharkhand and 1 Mark per Branch outside Jharkhand as per the eligibility criteria.	**5**	Certificate of Incorporation from ICAI
7	**Experience**	Internal Audit – 2 Marks per Assignment of Corporation / PSUs/ Limited Companies, having turnover of Rs 50 Crore or more. The Experience of preceding 5 years shall only be considered. Experience in One Corporation / PSU / Limited if the bid is submitted in FY 2026-27, then experience during last Five Years should be starting from 2021-22 and upto 2025-26.. (Maximum – 6 Marks) Where a single work order covers multiple financial years, marks shall be awarded for each completed financial year subject to submission of supporting documents clearly indicating the financial years covered. However, where a single work order covers multiple units/locations for the same financial year, it shall be treated as one assignment for that financial year and no additional marks shall be awarded for multiple units/locations. This interpretation has also applied on Internal Audit assignment. Internal Audit in Power Distribution Company – 5 Marks per Assignment. The Experience of preceding 5 years shall only be considered. Experience in One Corporation/ PSUs/ Limited. if the bid is submitted in FY 2026-27, then experience during last Five Years should be starting from 2021-22 and upto 2025-26 (Maximum – 30 Marks) Where a single work order covers multiple financial years, marks shall be awarded for each completed financial year subject to submission of supporting documents clearly indicating the financial years covered. However, where a single work order covers multiple units/locations for the same financial year, it shall be treated as one assignment for that financial year and no additional marks shall be awarded for multiple units/locations. This interpretation has also applied on Internal Audit assignment. Statutory Audit Assignment in Power Distribution Company- 1 Mark per Assignment. The Experience	**40**	1. Work Order, and 2. Completion Certificate/ Proof of Final Payment Received

		of preceding 5 years shall only be considered. Experience in One Corporation/ PSUs/ Limited. if the bid is submitted in FY 2026-27, then experience during last Five Years should be starting from 2021-22 and upto 2025-26 (Maximum – 4 Marks) Where a single work order covers multiple financial years, marks shall be awarded for each completed financial year subject to submission of supporting documents clearly indicating the financial years covered. However, where a single work order covers multiple units/locations for the same financial year, it shall be treated as one assignment for that financial year and no additional marks shall be awarded for multiple units/locations. This interpretation has also applied on Internal Audit assignment.		
	Total Marks= Tp (Score Technical)		**100**	

B. <u>Financial Evaluation:</u>

The formula for determining the financial Score (Fp) is as below:

Fp= 100 x Fm/F

Where, Fm: Price of L-1 bidder &

F: Price of the concerned bidder

The final evaluation shall be based on Quality Cost Based System (QCBS) where the weights given to the Technical (T) is 70 % and to the Financial Proposal (F) is 30%

Final Score= 0.7xTp + 0.3xFp

5. Submission of RFP

a) The RFP is to be submitted online in www.jharkhandtenders.gov.in in two parts viz Part-1: Technical Bid marked as "RFP for Internal Audit Appointment - PART-1"& Part-2: Professional Fees cum Price Bid marked as "RFP for Internal Audit Appointment - PART-2" separately within the due date prescribed in this RFP document.
The bidders should be careful, not to place the two separate folders of technical & financial part, in one folder for uploading. Rather two separate folders need to be uploaded, one for technical and one for financial.

b) The quoted rate in Part-2 of RFP shall be Exclusive of taxes and taxes indicated separately.

c) Prices quoted by the bidder remain valid for six months from the next day of opening of RFP, within which the evaluation will be done. There will be no provision for escalation of the prices.

d) The quoted Professional Fees cum price Bid has to be written in figures as well as in

word. In the event of any difference, lower of the two prices would be considered.

e) All the sections of price offer are to be quoted and nothing should be left blank. If any of the sections of the offer is left blank, then it will be considered as zero for evaluation.

6. Scope of Work

(A) The Scope of the Internal Audit will be as per Annexure-I enclosed. The organisation is in the process of implementation of software for ERP. As such, the firms need to consider this fact at the time of submission of bids. A separate Annexure containing the details of auditable units under each of the 9 Packages shall be uploaded/provided

(B) Further, a separate Annexure for the Financial Bid shall also be provided. Bidders shall submit the Technical Bid and Financial Bid separately, in the respective prescribed Annexures. The Financial Bid/Financial Quote shall not be included or disclosed in the Technical Bid. Inclusion of the Financial Bid in the Technical Bid shall render the bidder disqualified.

7. Tenure of Engagement

a) The tenure of engagement under the RFP shall be for financial years of 2021-22 to 2025-26

8. Validity of RFP

a) The offered rate shall be valid for acceptance for a period of 6 months from the next day of opening of RFP, and shall not be withdrawn or revised on or after the opening of bids till the expiration of the validity period or any extension agreed thereof.

b) RFP offer made valid for a period less than the required time as stipulated above would liable to be rejected.

c) In exceptional circumstances, prior to expiry of the original bid validity period, the JBVNL may request the bidder for a specified extension in the period of validity. The requests and the responses shall be made in writing. The Bidder will undertake not to vary/modify the bid during the validity period or any extension agreed thereof.

9. Responsibility of Bidder

a) The bidder is expected to examine and confirm to all instructions, forms, terms and specifications in the RFP document before submission of RFP. Failure to furnish and / or not complying with RFP conditions towards all the instructions, forms, terms and specifications in the bidding document may be treated as non-responsive and result into rejection of the RFP without seeking any clarification.

b) It shall be sole responsibility of the bidder to determine and satisfy themselves by such

means as they consider necessary or desirable for all matters pertaining to this RFP including, in particular, all factors that may affect the cost, duration and execution of the work.

c) The bidder shall entirely & exclusively bear all costs and expenses associated with conference, discussions, presentations etc and providing any additional information, development, preparation and submission of RFP Document. JBVNL will in no case shall be held liable for those costs and expenses regardless of the outcome of the bid.

10. Formation of Cartel & Penal Measures

a) Any form of canvassing / lobbying / influencing etc. by the bidder / participant will result into disqualification of such bidder.

b) Any evidence of unfair trade practices, including overcharging, price fixing, cartelization etc, as defined in various statues, will automatically disqualify the bidder / participant.

c) Occurrence of such evidence shall be viewed seriously by JBVNL authority and penal measure as deemed fit; barring from present & future bidding process, along with referring the matter to disciplinary committee of the respective Institute could be considered.

11. Language of RFP

The RFP submitted by the bidder shall be in 'English' language and all correspondences between the Bidder and JBVNL shall be in 'English' / 'Hindi' language.

12. Currency in RFP

Bidders should quote firm prices in Indian rupee only. Prices quoted in any other currency shall not be considered.

13. Termination of Engagement

JBVNL reserves the right to terminate the contract pre-mature, if the reporting of the firm is not considered satisfactory.

In case a firm fails to commence the stipulated audit within one month from the date of award of the contract, JBVNL shall have right to terminate the contract awarded to the concerned firm by giving a notice of termination. All costs associated in this regard will be recovered from the firms.

14. Audit Reports

a) The Internal Audit Reports must be submitted in triplicate along with Audit Programme, Sign-off Checklists, Issue Summary Sheet, Audit working papers & other documents

forming part of the report, within 15 (fifteen) days from the scheduled date of completion of field work of Audit. A soft copy of the report in a DVD / USB drive also needs to be submitted.

b) The report to be included with an Executive Summary of the critical issues/ findings that requires attention of the senior management by providing financial involvement, wherever applicable. The report should be structured in a manner giving the observations / weaknesses, the implications, suggestions for improvement and the auditee comments. The status of the actions taken by the management on the recommendations of the previous report should also be provided.

c) The Internal Audit report as submitted is subject to review of their intended coverage and focus on the existence, design & operating effectiveness of internal control. In course of review of submitted Audit Reports, if those were found incomplete / deficient / partial and thus forming an opinion on the design / operating effectiveness of control and / or the business process could not be formed for management reporting, those shall not be accepted and returned back for necessary revision / rectification and resubmission. The Company shall not be liable for any cost & expenses as may be incidental for carrying out such revision / rectification and will be borne by the relevant firm only.

15. Ownership of Material

a) Any study report or other documented material, presentation, graphics, software or otherwise prepared / developed by the Audit firm exclusively for the purpose of conducting internal audit as per engagement under this RFP shall belong to and remain the property of the Company.

b) Publication and/or any other form of use by the Audit firm of those documented material, presentation, graphics, software or otherwise prepared / developed cannot be made without written permission of the Company.

16. Completion Time

a) Timely completion with satisfactory performance of each audit assignment including submission of report is the essence of contract. Internal Audit Report to be submitted within 15 (fifteen) days from the scheduled date of completion of field work of Audit.

17. Penalty

a) The Firms should submit the Internal Audit Report within 45 (forty-five) days of commencement of the Audit. If there is delay in submission of Internal Audit Report Penalty shall be imposed @ 1/2% (half percent) per week or part of delay subject to a maximum of 10% (ten percent) of the professional fees w.r.t. each Audit.

b) For the FY 2021-22 to 2025-26 annual audit report might be submitted,

18. Performance Standards

a) The Audit firm should perform the Audit with the highest standards of professional and ethical competence and integrity.

b) It is expected that compliance to different standards of auditing as may have been issued time to time by professional institutes / bodies etc with particular emphasis on Risk Assessment & Internal Control including Information Technology General Control (ITGC) shall be harmoniously exercised while carrying the audit work under the engagement.

c) Regular review of audit performances shall be conducted in assessment of improvement in quality of services and effective utilization.

19. Controlling Officer

The JBVNL designates General Manager (F&A)-IA as the Project Administrator. The Project Administrator will co-ordinate all the activities under the engagement viz the acceptance and approval of reports, approving bills for payment and other deliverables.

20. Confidentiality

During the tenure of this engagement and within two years after its expiration, professional firm should not disclose any proprietary or confidential information relating to the Services under this engagement or the JBVNL's business or operations without the prior written consent from the Authorities of JBVNL.

21. Assignments

The firm will not be able to assign any part of the services as contained in the engagement under this RFP to a Third Party and / or any Associates without prior written consent of the Company.

22. Terms of Payment

The payment is subject to completion of each audit assignment in accordance with respective audit programme followed by submission & acceptance of Audit Report. All the Invoices should be GST compliant.

23. Force Majeure

a) In the event of either party to the engagement under this RFP being rendered unable by

Force Majeure to perform any obligation required to be performed by them, the relative obligation of the party affected by such Force Majeure shall be suspended for the period during which such cause lasts.

b) The term "Force Majeure" as employed herein shall mean acts of God, War, Civil Riots, Fire directly affecting the performance of the engagement, Flood and Acts & Regulations of respective government of the either party to the engagement.

c) Upon the occurrence of such cause and upon its termination, the party alleging that it has been rendered unable as aforesaid thereby, shall notify the other party in writing, the beginning of the cause amounting to Force Majeure as also the ending of the said clause by giving notice to the other party within 72 hours of the ending of the cause respectively. If deliveries are suspended by Force Majeure conditions lasting for more than 2 (two) months, the Company shall have the option of canceling the engagement in whole or part at his discretion without any liability at his part. Time for performance of the relative obligation suspended by Force Majeure shall then stand extended by the period for which such cause lasts.

24. Dispute Resolution

a) Applicable Laws: - This contract shall be governed as per relevant provision of Applicable Laws of India.

b) Amicable settlement of dispute. Efforts be made by the parties to resolve the disputes amicably through mutual negotiation.

c) If the matter still unsettled, then either party can invoke arbitration as per relevant provision of Arbitration & conciliation Act'1996. (including Subsequent amendments) Place of Arbitration shall be in Ranchi

d) In case of litigation, between the parties, it will be within the jurisdiction of High Court, Ranchi or any competent Subordinate Courts Ranchi.

25. General Terms & Conditions

a) All the sections of both; Part-1: Technical Bid & Part-2: Professional Fees cum Price Bid has to be filled in. Any section left blank would be considered as zero for evaluation. Please write "Not Applicable" wherever necessary.

b) Any RFP document submitted in a manner other than as set out in this RFP document and / or attaching any condition shall not be treated as eligible and rejected in the selection process.

c) This Request for Proposal (RFP) document has been prepared solely to enable JBVNL for framing Risk Based Internal Audit model for further strengthening Internal Controls in the

company. The RFP document is not a recommendation offer or invitation to enter into a contract, agreement or other arrangement in respect of the services.

d) Participation in this RFP in the form of a Consortium and/or Joint Venture is not allowed.

e) No binding relationship will exist between any of the Bidders and the Company until constitution of the contract.

f) The Internal Auditors engaged under this RFP will not be eligible to take-up any other Job/Services/Work for the Company till the continuance of the engagement.

g) No preference based on size and geographical location will be considered for the purpose of selection. All participants to the RFP will be treated with same status.

h) The Audit firm to be engaged as the Internal Auditor of the Company will not render an attestation or assurance report or assurance report opinion under the engagement, but may include:

   i. An audit, review or examination of financial statements in accordance with generally accepted accounting standards,

   ii. An examination of prospective financial statements in accordance with applicable professional standards,

   iii. A review to detect fraud or illegal acts

i) Non-solicitation of Personnel: - During the tenure of engagement and for subsequent 12 (twelve) months following its termination for any reason, the Audit firm will not solicit for employment, or hire, any personnel of the Company.

j) The Audit Firm, including any Partner or other personnel in the firm will not solicit for a position on the Company's Board of Directors, nor hire, any present professional employee of the Company, if such solicitation, hiring or employment may impair the independence of the Company under ANY other law, regulation, rule, listing requirement or professional standards governing the independence of accountants. Without limiting the foregoing, the Internal Auditors agrees not to solicit, hire or employ, without the prior written consent of the Company, any present professionally qualified employee of the Company.

k) The Company reserves the right to accept / reject any or all the RFPs without assigning any reason whatsoever.

l) The Company also does not bind itself to accept the lowest quotation.

Section - 2

(In the Letter Head of Firm)

REQUEST FOR PROPOSAL- Part-1 TECHNICAL BID

(PLEASE FILL THE FOLLOWING IN BLOCK LETTERS)

Particulars	Details		
1a. Name of the Firm.			
1b. Date of establishment (in dd/mm/yyyy format)			
1c. Firm's Registration Number			
1d. Address of the Firm (Head Office) with contact details.			
1e. Address of the Branch Office (if any) with contact details.			
1f. Nature of the Firm (CA/CMA)			
2a. Total number of Partners (as on 31st March of respective year)	**FY-2023-24**	**FY-2024-25**	**FY-2025-26**

2b. Details of Partners as on 31.03.2026 (enclose required documents in the manner as specified in the RFP)

Full Name of the Partner	Membership number with date (dd/mm/yyyy)	FCA/FCMA/ ACA/ACMA	DISA/ CISA/DISSA	Date of admission as Partner in the current firm (dd/mm/yyyy)

3. Details of Semi- Qualified Staff (enclose required documents in the manner as specified in the RFP)

Full Name of the Staff	Qualification	Month of Qualification (mm/yyyy)	Date of appointment as Employee in the current firm (dd/mm/yyyy)

4. Details of Qualified Staff (enclose required documents in the manner as specified in the RFP)

Full Name of the Staff	Qualification	Membership number with date (dd/mm/yyyy)	Date of appointment as Employee in the current firm (dd/mm/yyyy)

5. Annual Turnover of the firm (in Rs and as per audited financial statements & Return of Income)	**FY2021-22**	**FY-2022-23**	**FY-2023-24**	**FY-2024-25****

6a. Experience of the firm in Internal Audit(enclose required documents in the manner as specified in the RFP)

Name of the Auditee Organization	**Type of Organisation**	**Date of engagement (please mention from most recent)**		**Concerned Financial Year**	**Turnover of concerned Financial Year**	**Is the Auditee Organisation engaged in Power Distribution? (Yes / No)**
		From	**To**			

6b. Experience of the firm in Statutory Audit of Power Distribution Organisation (enclose required documents in the manner as specified in the RFP)

Name of the Auditee Organization	**Date of engagement (please mention from most recent)**		**Concerned Financial Year**	**Turnover of concerned Financial Year**
	From	**To**		

7. PAN number of the Firm:
8. GST Registration number of the Firm:
9. Whether any criminal proceedings are pending w.r.t. the firm and/or Partner in any Court of Law in India or before any Disciplinary Committee of ICAI / ICAI (erstwhile ICWAI) / ICSI or any other professional institutes / bodies: YES/NO [Please Tick (√) appropriately]
10. List of documents uploaded attested with name & designation under common seal of the Firm.

Please Tick (√) appropriately:

a) Copy of Incorporation Certificate and / or Constitution Certificate by the institute YES / NO
b) Copy of Firms Registration Certificate YES / NO
c) Copy of Certificate of Membership (refer point 2 & 4 above) YES/ NO
d) Copy of Certificate of Practice of all the Partners (refer point 2 above) YES / NO
e) Copy of latest Certificate of Reconstitution of Firm (if any) YES/ NO
f) Copies of Qualification certificates of the fully qualified and semi qualified staff (refer points 3 & 4 above) YES/NO

g) Copies of Appointment letter issued to the fully qualified and semi qualified staff (refer point 3 & 4 above) YES / NO

h) Copies of Audited Financial Statements

1. FY 2021 – 22 YES / NO
2. FY 2022– 23 YES / NO
3. FY 2023– 24 YES / NO
4. FY 2024 – 25** YES / NO

i) Copies of Income Tax Returns for the period –

1. FY 2021 – 22 YES / NO
2. FY 2022 – 23 YES / NO
3. FY 2023 – 24 YES / NO
4. FY 2024– 25** YES / NO

j) Copy of PAN card YES / NO

k) Copy of GST Registration Certificate YES / NO

l) Affidavit in original (duly notarized in non-judicial stamp paper of Rs) in support of no criminal proceedings are pending w.r.t. the firm and/or Partner in any Court of Law in India or before any Disciplinary Committee of ICAI / ICAI (erstwhile ICWAI) / ICSI or any other professional institutes / bodies as per template in Section-3 of this RFP (refer point 9 above) YES / NO

m) Copies of Engagement Letter along with terms of reference/ Work Order in support of Internal Audit/ Statutory Audit experience of the firm (refer point 6 above) YES/NO

n) Copies of Certificate for Turnover from Auditee Organisation / Audited Financial Statement of Auditee Organisation (refer point 6 above) YES/NO

o) Copy of work completion certificate/ proof of final payment received by the Organisation (refer point 6 above) YES/NO

Date:

Place:

(Signature of the authorized signatory with name & designation under common seal of the Firm)

**** Submission of Audits completed for FY 2025-26 will also be considered.**

(In the Letter Head of Firm)

REQUEST FOR PROPSAL- Part-2 PROFESSIONAL FEES CUM PRICE BID for the FY 2021-22 to F.Y 2025-26

(PLEASE FILL THE FOLLOWING IN BLOCK LETTERS)

S. N.	Particulars	Professional fees	GST in RS	Total Amount (in Rs)
1.	Package- 1 (Nigam HQ-I: All Central & State Govt funded Projects)			
2.	Package- 2 (Nigam HQ-II: All Departments at HQ, other than Projects)			
3.	Package- 3 (ESA, Ranchi)			
4.	Package- 4 (ESA, Singhbhum			
5.	Package- 5 (ESA, Dhanbad			
6.	Package- 6 (ESA, Hazaribagh			
7.	Package- 7 (ESA, Giridih			
8.	Package- 8 (ESA, Medininagar			
9.	Package- 9 (ESA, Dumka			

Note:

Details of the auditable units are as per **the details of auditable units under each package shall be provided/uploaded along with and shall form an integral part of the RFP.**

Further, a separate Annexure for the Financial Bid shall also be provided. Bidders shall submit the Technical Bid and Financial Bid separately, in the respective prescribed Annexures. The Financial Bid/Financial Quote shall not be included or disclosed in the Technical Bid. Inclusion of the Financial Bid in the Technical Bid shall render the bidder disqualified

- A bidder can submit bid for all the packages. However, a maximum of two packages only can be allotted to any single firm.
- GST will be paid on actual basis. However present rate of applicable GST may be indicated by the bidder.
- The bidder is deemed to have thoroughly studied and examined the technical specification, important instructions and general terms and conditions of the tender documents and fully informed as to nature of the work and conditions related to its performance.
- The price quoted by the bidder shall be for the entire period from FY 2021-22 to FY 2025-26.

Date:

Place:

(Signature of the authorized signatory with name

& designation under common seal of the Firm)

Section - 3

Format of Declaration

Non Judicial Stamp Paper – Rs. 10/- Duly Notarized

DECLARATION

I Sri ..... on behalf of M/s. ..... do hereby solemnly affirm as follows:

1. I along with my audit team have carefully perused the RFP in its totality and understood its implication.

2. I along with my audit team have carefully examined the entire RFP and having obtained all requisite information about the assignment. We do hereby propose to provide the desired professional service as detailed in the RFP.

3. I along with my audit team accept the professional fees earmarked for this assignment as stated in RFP and it should remain firm during the tenure of the audit.

4. I along with my audit team do state that if JBVNL sustains any damages or loss as a result of negligence on our part, such loss or damages should be mitigated by indemnifying JBVNL without any preconditions and pretext.

5. I along with my audit team do declare that no criminal proceedings are pending w.r.t. the firm and/or Partner in any Court of Law in India or before any Disciplinary Committee of ICAI / ICAI (erstwhile ICWAI) /ICSI or any other professional institutes / bodies.

Signature of the Authorized signature

**** Submission of Audits completed for FY 2025-26 will also be considered.**

SCOPE OF WORK

JHARKHAND BIJLI VITRAN NIGAM LTD.

Engineering Building, HEC, Dhurwa

(CIN: U40108JH2013SGC001702)

SCOPE AND EXTENT OF COVERAGE

The auditor will lay emphasis on compliance of all the rules, regulations, policies, procedures, accounting standards, manuals, statutory obligations etc. The professional expertise and judgment of the auditors will have to be exercised in all areas. The Management may add/delete/ modify the scope of work or may assign additional specific areas for audit. The scope of internal audit should include:

1) Review of Internal Control System and Procedures

a) The internal auditor should determine whether the internal control system is in consonance with the organizational structure. As far as possible, control should be inbuilt in operating functions if they are to be cost effective.

b) Each control should be reviewed and analyzed in terms of costs and benefits. It should also be seen whether internal controls were in use during the whole period of internal reliance. A breakdown in the internal controls for specific portion as intended reliance would need special attention.

2) Review of Safeguarding of Assets

The internal auditor should review the control system to ensure that all assets are fully accounted for. He should also review the means used for safeguarding assets against losses, e.g., fire, improper or negligent activity, thefts and illegal acts, etc.

a) Review of Compliance with Policies, Plans, Procedure and Regulations

I. The internal auditor should examine whether the management has a system by which its policies, plans, procedures and regulations are communicated to all concerned as per their responsibility and authority, so that the operations are carried out in a coordinated manner. Internal auditor should also point out specific weaknesses and suggest remedial actions.

II. The principal of audit i.e. **"General is more important than particular"** should be followed and where omission is found made/irregularity is found committed in general, the point should be reported to the auditee staff and the same should be mitigated. Such omissions/irregularities should not be ignored.

III. It should also be checked that the instructions issued by the Nigam are followed meticulously and timely. Non-compliance/non-observance of instructions should be taken seriously and should be dealt accordingly and wherever required, should be reported to the management.

b) Review of Transactions

The internal auditor should carry out the audit of transactions which involves examination of supporting documents and occurrence of transactions. He has to ensure that transactions are recorded in time after proper verification and under the appropriate Head of Account. All the transactions should be approved by the competent authority.

c) Extent of Checking

The internal auditor should select sample items in such a way that the sample can be expected to be representative of the population. Based on various factors, the sample size should be selected for various business processes/ sub-processes. The sample size may be increased or decreased after discussion with the HoD, considering the audit location, project stage, volume of activities, etc. The following is the guiding factor in respect of detailed extent of checking.

Sl. No.	Area	Coverage
1.	**WORKS CONTRACTS** Contracts with value more than Rs. 20 lakh Contracts between Rs.10 lakh to Rs. 20 lakh Contracts below Rs.10 lakh	 100% 50% 25%
2.	**PROCUREMENT** Contracts with value more than Rs. 10 lakh Contracts between Rs. 5 lakh to Rs.10 lakh Contracts below Rs. 5 lakh	 100% 50% 25%
3.	**FINANCE*& ACCOUNTS*** Vouching- Cash, bank & journal All other areas	Apr, Sep, Nov, Mar, any one more month in each phase. 50%
4.	**PERSONNEL & ADMINISTRATION**	50%
5.	**STORES**	50%
6.	**COMMERCIAL**	50%
7.	**CONSULTANCY SERVICES**	50%
8.	**IT & COMMUNICATION**	50%
9.	**OPERATION AND MAINTENANCE**	50%
10.	**WORKSHOP AND TRANSPORT**	50%
11.	**OPERATING RESULTS**	100%

REPORTING AND FOLLOWUP

Exit Meeting

1. The audit team should have formal meeting with the location/unit head and head of finance to discuss audit issues/observations.

2. All the point of disagreement must be discussed during the exit meeting and an attempt to sort out the same should be made. However, the disputes not sorted out must be reported through a separate audit report.

3. It is recommended that audit team should prepare an exit-meeting note providing the details of discussions held with auditee office.

Follow up

Action to be taken at headquarter

On receipt of the Audit Report from the Audit Party the same shall be scrutinized at the Headquarter and the report of findings relating to the office audited will be prepared. The report shall be put up to the DGM-Audit (Works) duly commented and highlighting the excess payment detected & got accepted, details of half margins pending with the office audited & excess payment involved therein, status of upkeep and maintenance of expenditure' accounts and Works accounts, irregularities / omissions found committed and existence of Internal Control in the auditee office. The DGM-Audit (Works) shall pass orders regarding action to be taken on each point and also obtain approval/concurrence of the GM- Audit wherever required.

1. The Draft Audit Report submitted, if any, shall also be scrutinized and the observations raised by the audit through half margin, the reply submitted by the Auditee office and further observations made by the audit party shall be examined and submitted to the DGM-Audit (Works) dully commented. The DGM-Audit (Works) may pass orders to take further action or submit the case to GM-Audit for concurrence/approval of his orders. The GM-Audit after careful consideration of the case may concur with the orders passed by the DGM-Audit (Works) or record his own orders.

2. Further action on the Draft Audit Report shall be taken by the office as per orders recorded by the DGM/WA or GM-Audit as the case may be and the follow up action shall be taken till the case is finalized.

3. The irregularities / omissions / shortcomings as reported by the audit party shall be conveyed to the concerned In-charge of Auditee office with a copy to his senior officer, asking to set right all the omissions/shortcomings/ irregularities and submit the compliance report within a stipulated period. In case the irregularities/omissions etc. are not discontinued and are repeated in the Auditee office, a report of the same shall be prepared and put up to GM-Audit for taking up the matter with higher authorities or to report the facts to management.

4. The Objection Book of all the Works audit Paras shall be maintained at Headquarter. Where any item is placed in the Objection Book of Paras of Serious Nature; the name of the officer/official involved in the Para as well as extent of his responsibility shall also be recorded in the Objection Book and vigorous pursuance shall be made till the finalization. The

withdrawal of Paras shall be watched regularly and the vigorous pursuance shall be made till recoveries/settlement of Para.

5. The amount got accepted by the audit cannot be withdrawal without concurrence of audit. In case after accepting of the amount of any account, it is noticed that the amount is not acceptable, the In-charge of the Auditee office concerned shall prepare a detailed case along with the documentary evidence on the basis of which the amount is not found acceptable and shall submit to the GM-Audit for approval of withdrawal of Para from the Objection Book.

6. There may be certain cases in which the amount charged to the officer/ official concerned account on the behest of audit is objected by the officer/official on one pretext or the other. In such case the In- charge of the office concerned shall prepare a detailed case quoting the instruction as well as his comments as why the amount in question is not recoverable and submit the same to the GM/ Audit for approval for withdrawal of Para. The case shall be examined at headquarter and shall be submitted to GM-Audit for decision through DGM/WA.

Management Information Reports (MIR)

Objectives

1. To report the important information periodically to various officers responsible for internal audit function so that they can review, monitor and carry out the function efficiently and effectively.

2. To report the important information regarding the performance/ progress and observations of internal audit to the management periodically so that remedial action to correct any adverse trends/variations can be taken and decision making process can be facilitated.

3. To review the performance of the internal auditors regarding their efficiency and effectiveness.

Contents of MIR

1. To report the status of various outstanding audit paras till date on half yearly /quarterly basis. The report will show the number of paras outstanding at the beginning of the period, raised during the period, settled during the period and at the close of the period including age-wise analysis showing number of paras outstanding for less than six months, between six months to one year, between one year to two years and more than two years.

2. To submit the significant findings made during the audit and impact of the same, if any, on half yearly / quarterly basis to all the Directors.

3. To report the sanctioned v/s actual strength of internal audit staff.

Formats

In order to carry out internal audit function efficiently, effectively and to submit a report regarding various observations/suggestions, it is essential to ensure that all the relevant information/details

have been collected so that the observation/suggestions pointed out in the report can be understood properly. However, before submission of the report, it is very essential to ensure that each and every observation/suggestion/para has been discussed with the In-charge of auditee office concerned and to maintain a proper record for the same in order to avoid any reverse comment at a later stage. The following is the format in respect of "Discussion on observations / suggestions":

Discussion on observations/suggestions

Name of the Unit / Office	
Period of the Audit	
Name of the Wing	
Observation No.	
Date	
Audit observation	
Nature of observation (Very Imp. / Imp. / Less Imp.)	
Comments of Head of Auditee Office If agrees If does not agree	
Signature of Auditor	Signature of Head of Auditee Office

The compliance of outstanding paras and other issues should also be reviewed and discussed and recorded in the following format:

Status of Compliance

Name of the Unit / Office			
Period of the Audit			
Name of the Wing			
Outstanding Para No.	Brief Observation	Compliance steps taken / comments	Status
Signature of Auditor		Signature of Head of Auditee Office	

In order to assess the efficiency of the audit team in completing the audit assignment within the estimated / budged man days and the cooperation extended / lack of cooperation from the Auditee Office concerned to get the audit assignment completed within the estimated / budged man days

and to know the reasons for variances including the lack of cooperation extended by the Auditee Office concerned, the following format is required to be filled up on conclusion of the internal audit of each phase so that necessary action can be taken in future accordingly :

Assessment of actual days vs. Budgeted

Auditee Office	Budged / Estimated	Actual	Variance
Prepared by		Reviewed by	

These are some of the formats as a guiding factor. The internal auditor may maintain more formats in order to carry out the function efficiently and effectively and to ensure that all the relevant information / details have been collected and all the observations / suggestions / paras have been discussed.

Audit Observation Compliance Matrix

At the end of each financial year the GM shall summarize the nature of audit observations (i.e. High Priority, Medium Priority, Low Priority) across the Group/Functions/Entities as may be desired by the management and prepare an Audit Observation Compliance Matrix indicating the status of the audit observations. Following template may be used:

Name of the Group/Functions/Entities:

Implementation Status	Nature of Audit Observation (Priority – High, Medium, Low)		
	High	Medium	Low
Implemented			
Not Implemented			
Total number of audit observations			

Scope of Work

WORKS CONTRACT (INCLUDING CAPITAL AND O&M CONTRACTS):-

Pre-Award

I. Approval of Proposal

1. Enquire with the process owners and check that the policy guidelines in respect of sanction and approval are in place.

2. Check whether technical and administrative sanctions of the proposal have been obtained from the competent authority as per the DOFP.

3. Ascertain whether reasonability is established before award of the contract.

4. Examine that in case of excess of cost estimates over the DPR/annual plan, reasons for variations have been analyzed and presented to the approving authority for appraisal.

5. Ascertain in detail the time involved in the whole of the approval process. Highlight the instances of undue delays and enquire the reasons thereof.

II. Preparation of Estimate and its Approval

1. Examine whether administrative and expenditure sanction of the proposal has been obtained from the competent authority as per the Delegation of Powers. Accordingly cost estimates have been properly made out and award values compared with estimates.

2. Enquire with the process owners about the basis for calculating the cost estimates – market rates, Schedule of rates or previous rates. Verify that the basis taken was adequate and justifiable.

3. If the cost estimates are prepared on the basis of scheduled rates, ensure the following:

   a) Estimates have been prepared on the basis of updated/latest scheduled rates. If scheduled rates for particular items/work are not available, adequate loading for differential factors/circumstances have been duly considered and proper Analysis of Rate for that item has been made and got approved from the competent authority.

   b) Loading on account of inflation (wage rates, diesel and other cost factors) is reasonable and within prevailing wage rates of the state/market rates etc.

   c) Estimates have been prepared on the basis of scheduled rates of the same items/scope of work and if scheduled rates for the same scope of work are not available, then adequate adjustments have been carried out and the Analysis of Rates has been made correctly justifiably.

4. In case cost estimates are prepared on the basis of the previous purchase rates, ensure the following:

a) The latest purchase base should be taken considering the inflation factor if the time gap of purchase order is too long. There should be justification for not inviting new quotations for obtaining fresh estimates.

b) The item specification/make/location of the previous supplies is similar to current requirements.

5. Ensure the reasonableness of the estimates in case any other method of costing was adopted, by considering the facts and circumstances of the case.

6. Besides the basis of costing, examine the following as well: All the cost parameters such as basic cost, transportation, loading and unloading, duties and taxes have been duly considered. Provision for overhead and administrative expenses, as also incidental expenses, has been made.

   Provision for contingencies has been taken as per the normal norms. Approval from the competent authority is required in case there is an element of foreign exchange in the cost. Estimate is free from arithmetical errors and omissions. Reasonable profit margin has been considered in preparation of the estimates.

7. Ensure that the estimates have been duly approved by the competent authority as per the DOFP.

8. Also ensure that the expenditure incurred has remained within the prescribed limit and if exceeded revised estimate has been prepared on actual basis and got approved from the competent authority as per DOFP.

TENDER INVITATION PROCESS

I. Fixation and Evaluation of Pre-Qualification (PQ)Criteria

1. Enquire whether written policy/guidelines stating the detailed procedure for fixing the qualification criteria are followed. The criteria are defined in clear and understandable terms. It should be properly documented. Check that pre-qualification criteria have not been changed/ modified after receipt of tender.

2. Ascertain whether pre-qualification bids have been evaluated on the basis of minimum qualifying criteria stated in PQ document.

3. Examine whether all parties selected for tendering hold valid labour license and applicable registration in respect of Income Tax/PF/ESI/Indirect Taxes /Works Contract Tax, etc., where it is specifically mentioned in the bid documents.

4. Ascertain in case of first-time bidders (with JBVNL) whether detailed assessment of their technical/financial capabilities has been done by the bid evaluation committee as per terms and conditions laid down in the bid documents and its report considered by the competent authority. The award of contract has to be made to financially sound and capable parties.

II. Circulation of Notice Inviting Tender (NIT)

1. Examine whether an approved list of contractors has been drawn up and updated as per the guidelines / procedure in this regard.

2. A summary of the contracts awarded with values, with full classification, should be included in the list, for each of the modes:

   a. Open tender,

   b. Limited tender,

   c. Single tender.

3. Analyze and comment on the reasonableness of the justification in single/limited tender in single/limited tender cases. Check that no preference has been given in selection of parties.

4. Ensure that proper sanction and approval has been taken from the competent authority as per the Delegations of Powers.

5. Ensure that bid specifications, i.e., description of items, tender number, address for communication, opening and closing dates, Earnest Money Deposit (EMD), etc., are clear, unambiguous and consistent with approved needs.

6. Check the NIT-circulation documents and ensure that the tender has been circulated to all the parties which fulfill the pre-qualification criteria.

7. Ensure that adequate time has been given to parties for receiving of tender document and submission of bids.

8. Check that necessary fee for tender document and EMD for tender has been fixed as per relevant circular of JBVNL.

9. Ensure that there is no change in the tender requirement and if there is some, it is as per the Delegation of Powers.

RECEIPTS AND EVALUATION OF TENDER BIDS

I. Receipts of Tender Bids

1. Ensure that there is a proper system for receipt and recording of tender documents.

2. Check that all the tenders are received within given time frame and ensure that bidders fulfill all the requirements of the tender and those which do not satisfy the criteria are rejected.

3. Verify that the system for the safe custody of bid/offer is well explained.

II. Tender Bid Opening and Earnest Money Deposit

1. Ensure that tender is opened in the presence of tender committee and representative of bidders who choose to be present at the time of tender opening.

2. Ensure that proper recording is done in the tender register immediately after the opening of the tenders.

3. Check and ensure that EMD received on tenders is correct and properly recorded in the register. Waiver off of EMD has been allowed by competent authority as per Delegation of Powers.

4. Technical bids are opened only for those bidders who have given valid and requisite amount of EMD.

5. In case of receipt of bid document from less than three bidders, the competent authority should be informed for its decision and are processed further only after having approval of competent authority.

III. Tender Evaluation

1. Ensure that the composition of the Tender Evaluation Committee (TEC) has been duly approved by the competent authority as required under JBVNL Procurement Manual.

2. Ensure that persons involved in receiving tenders are not included in the TEC while carrying out the process of evaluation.

3. Ensure that related parties such as associated firms/partners have not joined hands by submitting the offer in different names.

4. Check that due weightage has been given to various factors like difference in payment terms, delivery, make of items, etc.

5. Ascertain whether all tendering procedures, like approval of tendering, invitation for bids, requirement of EMD/bid security, specifying bid-opening dates in the IFB, maintenance of tender box, minutes of the bid- opening and formation of the TEC have been followed in all cases.

6. Verify whether the finance Wing has given its concurrence.

7. Review the recommendations of the TEC and verify the approval of the competent authority.

SELECTION OF SUITABLE PARTY AND CONTRACT AWARDING

I. Comparative Statement

1. Verify whether the comparative statement, which shows the evaluation of tenders, has been drawn up correctly considering all the relevant facts, viz., basic cost, taxes and duties, transportation cost, various discounts (cash/trade), etc.

2. Check whether the comparative statement is duly approved by the competent authority.

3. Whether DGS&D rates have been obtained and compared wherever relevant.

4. Examine the cases where the lowest evaluated commercially and technically responsive tenders have been overlooked and whether the same are justifiable. Highlight cases where the same are not considered reasonably.

5. Ensure that cost estimates have been revised considering the prevailing competitive market price not just to match with the cost of the lowest bidders.

6. Ensure that price preference to PSU, if any, has been given in accordance with the applicable government directives/policies/guidelines.

7. Check the records of negotiations, if held by SPC / TEC as per guidelines of the CVC, and ensure the process adequacy by verifying the following points:

   a) Negotiated rates higher than the schedule of rates/market rates have not been allowed.

   b) Negotiations were not held without getting/ensuring the price reasonableness of the price quoted by the party.

   c) Special consideration on high and low rates items, e.g., during negotiations heavy reduction in low rate items as compared to high rate items.

8. Check the comparative statement and contract documents and ensure that the contract has been awarded to the lowest bidder and in case of rejection of lowest bidder, approval for re-bidding or for negotiations with the L-2 vendors has been sought from the competent authority.

II. Awarding of Contract

1. Ensure that, after finalization /selection of parties, a final contract has been signed within a reasonable period of time.

2. Check that the contract is as per the prescribed format and contains the necessary clauses.

3. Check that major contracts are duly vetted by the legal Wing.

4. Ensure that a duplicate copy of the contract has been signed by the contractor as a token of his acceptance to all the terms and conditions in the contract.

5. Check the terms and conditions of the contract and ensure that any alteration, modification, addition or deletion in the contract terms and conditions has been duly approved by the competent authority.

6. Ensure that all the changes agreed to at the time of pre-award discussion between the supplier/contractor and the TEC and approved by the competent authority have been incorporated suitably in the final agreement.

7. Verify performance guarantee as stipulated in the contract has been furnished within the stipulated time and post confirmation thereof from the issuing bank branch.

8. Examine whether there has been a delay in processing the award having financial implications to the JBVNL.

9. Confirm that EMD of all unsuccessful bidders has been returned within a reasonable time of award of the contract. Report the list of unpaid EMD outstanding for more than one year.

EXECUTION

I. Advances to Contractors

1. Review applications for advance payments. Verify whether initial advance, interim advance, mobilization advances, etc., have been released in accordance with provisions of the Letter of Award (LOA) and have been given with the approval of the competent authority.

2. Verify that amount of advances is being adjusted from the running account (R/A) bills.

3. In case of interim advance, verify the confirmation by the engineer nominated for relevant contract, certifying the completion of specified stage in the contract, on which the advance is payable.

4. Verify the documents submitted by the contractor in support of the advance payment and ensure that machinery/equipment/material is hypothecated in favour of JBVNL.

5. Verify the insurance cover taken by the contractor with endorsement in favour of the JBVNL.

6. Verify that the bank guarantee furnished by the contractor is unconditional, adequate and valid.

7. Verify that the deduction of Tax at source under various provisions of Direct and Indirect Tax has been made.

8. Whether interest has been charged and accounted as per contract terms and conditions. Approval for waiver of interest has been taken from appropriate authority.

II. Processing of Bills and Release of Payments

Test check the Running Account bills submitted by the contractors for various works, verifying the following:

1. The payment due is in line with rates provided in the contract and quantity recorded in the Measurement Book (MB) and approved by the competent authority.

2. Adequate supporting documents, i.e., abstract of MB, test check certificates, etc., are attached along with bills.

3. Ensure that deductions/recoveries have been considered on account of following items:

    a) Security deposits/retention money, advance granted;

    b) Material supplied to the contractor;

    c) Charges recoverable for the other facilities granted; such as electricity, accommodation, machinery hire charges etc.

    d) Penalty/liquidity damage, Early Payment Rebate if any, provided for in the contract; deduction of tax at source.

    e) Examine on test verification whether escalation bills are paid as per applicable indices with reference to formula instruction mentioned in the LOA.

4. Ensure that no escalation payment is allowed in case of fixed price contract and in case of delay in completion of work due to fault of the contractor.

5. Verify the rates charged as per contract/agreement and check all the calculations.

6. Examine the works contract register to confirm that the cumulative amount is entered in the Analyze column.

III. Insurance Coverage

1. Obtain the list of major contracts awarded during the period of audit and check that required insurance policy has been taken by the contractor concerned.

2. Examine the reasonableness of insurance coverage and indemnity bonds furnished by the contractor for material issued to them.

3. Ensure that insurance policy has been taken before starting of construction or erection activities and that they are valid.

4. Verify that necessary endorsement in favour of the JBVNL has been recorded on the policies.

5. Enquire with the process owner in respect of system of controlling and monitoring insurance policies furnished by contractors and timely intimation for renewal of policy is given to contractor.

IV. Material Issued to Contractors

1. Verify the process of material issuance and ensure the following:

    a) Issue of material against the approved and sanctioned indent/requisition;

    b) Issue of material to the authorized representative of the contractor;

    c) Acceptance of the material issue note by the contractor’s authorized representative;

d) Accounting of the issue in the correct party code and for correct quantity, Adherence to contract's terms and conditions;

e) Issue of material is commensurate with the requirement (i.e. issue of material in line with consumption).

2. Review the timely recovery of material issued to contractor from every running bill at the rates provided for in contract.

3. Verify that records in respect of consumption of material are updated regularly and abnormal wastage, if any, has been charged to the contractor's account.

4. Physical verification of the material lying with the contractor is carried out at regular intervals.

5. Review the records pertaining to material/equipment issued on loan/returnable basis to the contractor, ensuring the following:

a) That the issue was as per terms and conditions of the contract and on the basis of approval of the competent authority;

b) That adequate records are being maintained on a regular basis;

c) That proper steps are being taken for recovery of the material lying with the contractors;

d) That in case of non-recovery of material/equipment within the stipulated period/extended period, an adjustment has been made in the contractor's account.

V. Material at Site

1. Ensure that due care is exercised to the material which is unutilised and lying at the site, and ensure that proper checking is done by the site in-charge.

2. Ensure that a monthly report is prepared regarding unutilised material and it is duly checked by the contract Wing with the records.

VI. Monitoring of Progress

1. Verify the Measurement Book(s) maintained by various Wings ensuring the recording of correct item as per agreement/contract, actual date of execution, duly approved and authorised by the competent authority.

2. Ensure that Measurement Books are updated on regular basis. Any cutting or overwriting should be duly authorised.

3. Obtain the progress reports (e.g. PERT, CPM charts, minutes of periodic site management meeting) and ensure that progress of development is adequately monitored and timely reported.

4. Ensure that approval regarding Extension of Time (EoT) is granted after taking proper approval

from the competent authority and recording of the reasons for the same is made.

5. Check that no undue advantage was given to the contractor and it should be based on the valid reasons and approved by the competent authority as per the DOFP / Procurement Manual.

6. Ensure that prescribed documents/registers are being maintained by the contractor in respect of PF, ESI and under any other labour laws.

VII. Release of Final Payment to Contractor

1. Check the final bills submitted by the contractors on test check basis and ascertain that following steps have been taken before releasing the payment:

   a. Whether material reconciliation statement has been made?

   b. Ensure that recovery of balance material has been made, if any.

   c. Performance Guarantee (PG) has been received from the contractors as per the terms of the contract.

   d. Whether material/equipment given on returnable basis has either been received back or adjusted against the final payment.

2. Scrutinise contractor's ledger to ensure that amount recoverable, if any, from the contractor has been deducted. Also verify that an NOC has also been obtained from the Engineer-in-Charge (EIC) concerned/ Wing concerned.

3. Verify and ensure that the documents retired through bank against LC are as per terms and conditions of LC including the amendments issued thereafter.

4. Verify deduction of tax under section 194C of the Income Tax Act and work Contract Tax as per Act.

5. Verify that royalty has been deducted for all the materials as per the relevant Mining Acts.

6. Verify that security deposit has been released on completion of the contract/as per terms of the contract, after prior approval of the competent authority.

7. Obtain a list of security deposits pending for payment for more than one year.

BANK GUARANTEES RECEIVED FROM THE CONTRACTOR

I. Validity

1. Verify from the records maintained in respect of Bank Guarantees (BG) and ensure that BG has been taken for an adequate amount and period from the contractors as per the terms and conditions of the contract.

2. Check whether a written confirmation in respect of the BG has been obtained from the issuing bank.

3. Ensure that BG was issued as per specified format and showing the terms and conditions in respect of purpose, its validity and invocation.

4. Original BGs are kept in the custody of an authorised official.

5. In case of mobilization advances/other advances, ensure that these are released only after receipt of a valid BG.

6. Where BG is acceptable in lieu of EMD, ensure that the NIT specifically contains a clause to that effect.

7. The BG should mention the reference number of the NIT, the date of its publication, etc.

8. Ensure that the BG register is renewed on a regular basis and list out the cases of the expired BGs.

9. Ensure that on satisfactory completion of the contract, BG is released after a prior approval of the competent authority.

10. Ensure that the concerned Wing takes prompt action to invoke the BG in case of a default by the contractor, as per the terms and conditions of the contract, with the approval of the competent authority.

II. Renewals

1. Identify the cases of renewal of BGs after the prescribed time limit, as per the terms and conditions of the contract and the reasons of such delay.

2. Timely action is taken to review the BG at least one month before its expiry and ensure that necessary costs are borne by the contractor or the supplier concerned.

INSURANCE OF PLANT AND MACHINERY (P&M)

1. Ensure that relevant corporate insurance policies/guidelines regarding plant and machinery are available.

2. Check their amount and validity with their respective insurance papers.

3. Determine whether a cost-benefit analysis is carried out for taking an insurance policy for various risks.

4. Obtain a list of uninsured items of P&M and examine the reasons given thereof.

5. Check that adequate insurance cover is obtained for all items of P&M, keeping in view their replacement values/depreciated values, as per the corporate guidelines.

6. Ensure that quotations were invited from various companies and comparative statement was prepared before finalisation of the policies, considering that all possible discounts were availed for the JBVNL.

7. Ensure that an approval from the competent authority has been taken for the purchase of the insurance cover.

8. Ensure that the cover note clearly contains the required details in respect of the amount covered, type of risk covered, validity clause, etc.

9. Ensure that the records for insurance of assets are being maintained properly and on a regular basis.

10. Ensure that the policies are being renewed timely after making a risk assessment.

11. Ensure that proper claims are lodged and records are maintained thereof.

12. Check the claim records, consisting of claim register and files, to ensure the following:

    a) The claim has been lodged correctly within a reasonable time after occurrence of the event.

    b) A proper follow-up action has been taken, especially in case of claims pending for a longtime.

13. Verify that unclaimed amounts/losses are written off as per the JBVNL guidelines/delegations.

14. Obtain a list of pending insurance claims and seek the reasons for long-pending claims and the follow-up action in that regard.

PROCUREMENT

I. INDENT/PURCHASE REQUISITION

1. Verify that purchase requisitions have been raised, approved and sanctioned by the competent authority as prescribed in the JBVNL Procurement Manual and Delegation of Powers.

2. Ascertain whether all tendering procedures like approval of tendering, invitation of bids, requirement of EMD/bid security, specifying bid opening dates, maintenance of tender box, certification of tender opening by Contracts/Finance, formation of the tender committee has been followed in all cases as per JBVNL Procurement Manual and Delegation of Powers.

3. Ensure that there is availability of adequate budgetary provisions and in the absence of budgetary provisions, an approval of the competent authority has been obtained.

4. Ensure that in the case of purchase requisition involving expenditure in foreign currency, a prior approval of the competent authority has been obtained.

5. In case of repeat order, ensure that terms and conditions as prescribed in Procurement Manual have

been duly complied with.

6. Ensure that the detailed purchase order has been issued in standard format and contains all the relevant terms and conditions, e.g., description, quantity, price, delivery schedule, payment, freight payment, etc.

7. Make sure that any modification/change in any terms in the PO has been done only after taking prior approval of the competent authority.

8. Ensure that due concurrence of the Finance Wing has been obtained.

9. In case of purchase order on urgency basis, verify that there is no undue time gap between award of contract and supply of the order.

10. Check that in case the PR is for purchase of an item for replacement of an existing asset, proper justification for the replacement, i.e., obsolescence etc. along with the proposed action plan for disposal of the existing asset has been recorded.

II. VENDOR SELECTION

1. Check the nature of the tender and ascertain, adhering to the provisions of the Procurement Manual whether it is: Single Tender, Limited Tender, or Open Tender.

2. In case of single tender/limited tender, the basis of procurement proposal, where adequate justification for the same like source standardisation, technical suitability, urgency, etc. have been given; analyse the reasonableness of the justification furnished.

3. Verify that the enquiry was issued to competent parties, preferably to PSU/Government agencies – manufacturers, authorised dealers, etc. – dealing in the same item.

4. Verify that approval on the selected names of the vendors have been obtained from the competent authority.

5. Ensure that no preference has been accorded to any party in the selection process.

III. ANNUAL RATE CONTRACT

1. Enquire with the process owners and ensure that a system of vendor source standardisation is in place and in line with the provisions of the Procurement Manual.

2. Check and ensure that annual rate contracts are reviewed at regular intervals.

3. Ensure that annual rate contracts have been finalized as per provisions of Procurement Manual.

4. Ensure that the annual rate contract/vendor source standardisation has been carried out by the committee constituted for the purpose and as per the provisions of the Procurement Manual

5. Review the system of quantity estimation and ensure that quantity estimation is in line with the

consumption pattern.

IV. RECEIPT OF MATERIAL AND MONITORING OF PENDING PURCHASE ORDERS

1. Review the statement of pending purchase orders/follow-up action at regular intervals.

2. Check the instances of delay in receipt of material. Ensure that penalty for late delivery has been recovered from the supplier or waived off after the approval of the competent authority.

3. Where extension in delivery schedule was made, ensure that due approval has been obtained from the competent authority.

4. Auditors should check if there are any purchase orders placed on suppliers that have not been executed by them. Make comment on the follow-up action being taken by the unit concerned. Auditors should also comment on action taken for procurement of the items not supplied by parties on whom POs have been placed from other sources along with details of additional cost incurred and penal action taken against defaulting suppliers.

V. SUPPLIER'S BILL

1. Examine the supplier's bill with the purchase order.

2. Compare the quantity and rates of the bill with the purchase order and the stores receipt voucher/ challan. Verify that correct quantity is received and quality is approved after proper inspection.

3. Examine the supplier's account in the subsidiary ledger and confirm whether advances have been deducted while making payment.

4. Verify that the date of payment is in accordance with the payment terms in the purchase order. In case payment made is considerably earlier than what is stipulated, this is to be reported in the audit report.

5. In case of shortages, excesses, rejections, etc., verify that deductions have been made from the bill.

6. Where debit/credit notes have been issued for shortage, excesses, rejection, etc., trace them in supplier's account in the subsidiary ledger

7. Check that LD has been recovered from the party, where applicable, for delivery of materials beyond contractual delivery, etc.

8. Check that Early Payment Rebate has been recovered from the party where applicable for Early Payment i.e, before due date of payment.

9. Review the claim for advance from supplier and refer to the relevant purchase order to confirm the terms regarding advance payable.

10. Match the amount payable with the payment voucher.

11. Confirm that the approval of the competent authority has been obtained on the payment voucher.

VI. SPOT/CASH/LOCAL PURCHASE

1. Ensure that spot purchases have been made only in emergency cases. Verify the justification of the same from the concerned authority.

2. Ensure that in case of cash purchases the amount should not exceed the maximum amount prescribed in the Procurement Manual/DOFP and check the relevant bills for rates computation etc. Ensure that a committee consisting of one representative each from the indenting, finance & accounts and procurement division has made spot purchase beyond the amount prescribed.

3. Verify the instances of spot/local purchase and ensure that spot purchases are duly recorded in store records and not directly issued to end-user.

FINANCE AND ACCOUNTS

CASH TRANSACTIONS

I. Cash Payments and Receipts

1. Verify the vouchers selected along with supporting documents and ascertain that these have been approved by the competent authority in accordance with the DOFP/instruction. Also ensure that correct head of account has been debited.

2. There is no manual change on the cash payment voucher.

3. Ascertain reasons if payment in cash exceeds Rs. 20,000/- in contravention of Income Tax Act 1961 and report these in the audit report. Also ensure that voucher and supporting documents have been stamped “PAID”.

4. Verify that the date of the receipt for payment and the date of payment is the same. In case the date of receipt is later than the date of payment mentioned in the cash payment voucher/cash book, report this in the audit report.

5. Check the entry in the cash book with vouchers for the amount, date and the account debited.

6. Verify that cash payments made on holidays or beyond working hours are supported by the reason for making such payments.

7. Verify that all cash payments are duly stamp-receipted wherever necessary.

8. Review the request for imprest and confirm that this has been duly approved by the competent authority prior to the amount of the imprest having been paid.

9. Select the receipts to be audited and ensure that these have been signed by the competent

authority.

10. Ensure that there is a proper system for issue of official receipt for all cash receipts, which are serially controlled.

11. Ensure that cash receipts have been properly accounted for and the same is deposited into the bank on the same/next day of the receipt.

12. Verify the nature of receipts and in case of certain items such as sale of scrapped assets etc., ensure that the approval of the competent authority has been obtained.

13. Trace the receipt into the cash book and check the date of the receipt and entry. Ensure that the continuity of serial numbers of the receipts is in order.

14. Verify the receipts control register to ensure that there are no missing receipt books. A physical count of the receipt books may sometimes be carried out.

15. Take physical verification of cash at the beginning of selected dates and note the details there of in the audit working papers. Surprise check is to be made without any prior information or indication to cash section.

16. Check that the cash book is written up-to-date. Observe whether cash tally statement is prepared daily with periodical checks by higher official.

17. Check if there is dual control of the safe and that the amount being kept in the chest is not abnormally high.

18. Check that at the close of month balance is made nil by depositing the surplus cash in the Bank and the balance amount is not deposited with sole intension to use the same in the next month.

19. Check that the amount deposited with Nigam is not utilized for making payment and the same is deposited in the Bank at the earliest.

II. Bank Transaction

1. Select the vouchers to be checked.

2. Verify that all cheque books have been kept in safe custody under the authorised officials.

3. Verify the vouchers along with the supporting documents and ascertain that these have been approved by the competent authority in accordance with the DOFP /instruction.

4. Ascertain that correct classification of capital and revenue expenditure has been made and debited to the correct head of the account with reference to the Corporate Chart of account codes.

5. Ensure that the voucher and the supporting documents have been stamped “Paid”.

6. Verify that the payment has been made by an account payee cheque and the payee receipt is

available.

7. Trace the entry into bank book and tally the amount and account debited with correct account code.

8. Verify the posting from the bank book to the general ledger and the sub-ledger.

9. In case the cheque is outstanding for more than six months, report this in the audit report.

10. Unpaid cheques for more than 6 months should be transferred to unpaid cheques account and review this account to see further that cheques outstanding for more than 3 years are transferred to misc. receipts account.

11. In case of issue of a duplicate cheque, ensure that permission from the approval authority has been taken and instructions were also issued to the bank for stopping the payment of the earlier cheque.

12. Foreign currency payments by DD/transfers:

    a) In addition to the above checks, verify the exchange rate and calculations for conversion.

    b) Check exchange permit and its endorsement as to the date and rate of remittance and verify the same.

13. Retirement of documents through bank:

    a) In addition to the above checks, verify the purchase order as to the terms of payment.

    b) Check the calculation of interest and bank charges with reference to the terms of the purchase order, verify by whom these are to be borne and ensure that this has been complied with.

    c) Verify the stores receipts voucher with bank documents.

14. Ensure that the receipts have been duly approved by the competent authority.

15. Verify the receipts into the bankbook.

16. Verify postings from the bank book into the general ledger and the sub-ledger.

17. Check the entry into the cheques receipt register and ensure that cheques are under safe custody until they are promptly deposited with the bank.

18. Verify the entry of the cheque into the bank pay-in-slip, duly authenticated by received stamp of the bank.

19. Verify that cheques are properly checked at the time of receipt for completeness and validity.

20. Ensure that post-dated cheques received are properly recorded, kept in safe custody and presented on due dates.

21. Bank receipts In Foreign Exchange paid directly

    In addition to the above checks, verify the exchange rate and its calculations.

    Ascertain the amount receivable on this account in rupee value and ensure that the difference on account of exchange fluctuation has been accounted for in the exchange rate fluctuation account.

III. Cash Withdrawals from Bank

1. Examine the bank withdrawal voucher and ascertain whether it has been duly authorised by the competent authority.

2. Verify that total cash in hand has not exceeded the sanctioned limit for cash in hand and it is within the limit of insurance coverage for cash in safe, fidelity insurance and cash in transit policy.

3. Report all cases of withdrawal from bank where the withdrawal was made in excess of requirement and the cash withdrawn was kept in the chest for substantial time without any cogent reasons.

4. Ensure that cash withdrawal is accounted on the same day and adequate custody procedure is followed to keep the cheque for cash withdrawal in case cash is not withdrawn on the same day.

IV. Bank Reconciliation

1. Verify that the bank reconciliation for all bank accounts is made as per schedule.

2. Select the months for which BRS's are to be checked and obtain the bank reconciliation statements and the corresponding bank statements.

3. From the previous month's bank reconciliation statement, tick the outstanding items which have been cleared during the month under review. Regarding items still outstanding, report any inordinate delays in the audit report including inordinate delays in respect of current month's outstanding items.

V. Journal Vouching

1. See that all journal vouchers are serially numbered and all transactions should be approved by the competent authority.

2. Ensure that all journal vouchers are supported by the relevant documents and see that the narration given is as clear as possible.

3. Check that the payments made from imprest account are for the purpose for which imprest was sanctioned. Imprest account should be closed as soon as it is required for recoupment but not later than a month. The imprest in any case should be closed at the end of the financial year and the unspent balances be remitted.

4. Check that the imprest accounts are operated by the person to whom the imprest has been sanctioned.

5. Examine the justification for passing the journal entries for making rectification of errors.

6. Verify the accuracy of entries made for various adjustments for expenses/incomes accrued but not received or paid.

VI. Fund Transfers / Limit Transfers to Units, Fund transfer from Collection Centers

1. Whether monthly fund requirement from various units are received as per time schedule duly approved by head of the unit.

2. Whether funds transferred exceed the budgeted provisions. Ensure that transfer of additional funds was duly approved by concerned Director/MD/ competent authority.

3. Verify that fund utilisation statements are received on monthly basis from all the units.

4. Test check the fund utilisation for a few months and verify that no surplus/idle balance was lying in the unit.

5. Check the inter unit reconciliation and related bank reconciliation's and confirm that all inter unit fund transfers have been accounted.

6. Obtain the list of long outstanding entries and review the explanation given by unit for the outstanding amounts.

FIXED ASSETS

I. Procurement of Fixed Assets

1. Obtain the list of fixed assets purchased during the period of audit. Examine the relevant vouchers and confirm that the amount has been provided for in the capital budget duly approved by the competent authority.

2. Purchases of fixed assets have been duly authorized by the competent authority.

3. If fixed assets have been purchased without any provision in the approved budget, special approval was obtained as per guidelines provided in this regard.

4. Verify the freight, insurance, registration, installation expenses, any directly attributable cost incurred for bringing the assets to its working condition or for its intended use etc. with the relevant vouchers and that these have been included in the cost of assets.

5. Verify the entry into the fixed assets register and ensure that the assets have been classified and coded in accordance with specified classification and codification procedure.

6. Ensure that Assets Identification Number (AIN) is allotted to all assets at the time of preparation of Store Requisition (SR), if routed through stores. Otherwise AIN is allotted at the time of capitalisation.

7. Ascertain whether valid insurance policy for the assets exists. In case insurance policy has been lapsed and not renewed, report this in the audit report.

8. Verify that all cost elements for procurement of land have been included in the cost such as purchase price of land/compensation paid for land, compensation for structure, trees, crops on the acquired land, legal charges, stamp duty, resettlement/rehabilitation and community development expenses.

9. In case of building, verify that its cost includes purchase price/compensation paid for acquisition of building, stamp duty and legal charges, payment to tenant at the time of acquisition, fees paid to architects and amount incurred on repair/alteration/improvement.

10. Where building is purchased along with land at a consolidated price the purchase cost shall be bifurcated between land and building.

11. Ensure that machinery spare parts/standby equipments procured, whose use is expected to be irregular, have been capitalised with the main equipments.

II. Capital Work-in-Progress

1. Review the details of capital work in progress and trace out the purchase orders raised for its procurement. The amount has been booked under various heads / accounts codes as per JBVNL's Chart of Accounts Codes.

2. Incidental expenditure during construction should include corporate office expenses for the year as apportioned to capital work in progress.

3. Claims for price variation/exchange rate variation in case of contracts are accounted for on acceptance.

III. Incidental Expenditure during the Construction Period (IEDC)

1. Ensure that IEDC have been computed accurately and capitalised accordingly. The incidental expenses comprise borrowing cost, exchange rate variation, administrative and other general overheads attributable to assets, depreciation, etc.

2. In case a building is constructed, ensure that all cost relating to construction has been identified and capitalised.

3. Ensure that borrowing cost in respect of construction/acquisition of the fixed assets for the period up to completion of construction of fixed assets have been capitalised to the cost of related assets. Ensure that Accounting Standard-16 issued by the ICAI has been followed.

4. Verify that all the incomes during construction period i.e. sale of scraps etc. have been adjusted

against expenditure during construction period. Ensure that in case such income is taxable as per Income Tax Act, then tax liability in this respect has been considered.

5. Ensure that the sales revenue during the period has been deducted from the commissioning expenses and the net expenses have been capitalized.

6. Check that cost incurred on start- up and commissioning of any plant including expenses on trial run have been capitalised.

IV. Interest during Construction Period

1. Ensure that while calculating interest relevant provisions issued by the ICAI are being followed.

2. Check and ensure that interest for the period is being charged on the closing balance of capital work-in- progress items.

3. Ensure that payment of interest is being made as per the provisions of the DOFP and after taking prior approval from the competent authority.

4. Also ensure that all the interest payments are made timely and obtain statement of the financial institution/bank showing the outstanding amount of loan.

V. Accounting and Capitalization of Fixed Assets [Fixed Assets Register (FAR)]

1. Ensure that acquisition cost of fixed assets have been computed considering the relevant accounting standard issued by ICAI. Also check that proper classification of assets have been made as per Accounts Code Book of the JBVNL.

2. Ensure that fixed assets register (FAR) is being maintained as per requirements of CARO, 2003. Verify that the same is regularly updated.

3. Check whether FAR shows all necessary details regarding every item, viz.,

   (a) Assets identification number (AIN).

   (b) Location, quantitative details and description of all assets.

   (c) Historical cost of fixed assets.

   (d) Accumulated depreciation.

4. Verify that FAR is regularly reconciled with the General Ledger.

5. Ensure that every movement of fixed assets has been recorded in FAR stating date of transfer and quantitative details.

6. FAR should also contain the information in respect of assets located at residential premises of employees, if any.

7. Ensurethatanymortgageorencumbranceagainstafixedassethasbeenproperlydisclosedin accordance with Schedule-VI of the Companies Act,1956.

8. In case of revaluation of fixed assets, verify whether it has been disclosed properly in the accounts as per AS-10 issued by the ICAI.

VI. Sale/Disposal and transfer of fixed assets

1. Check that a register for recording scrapped/obsolete assets and sale and disposal thereof is maintained and updated regularly.

2. Review the procedure for identification and disposal of fixed assets and ensure the following:

   (a) Regular system for identification of obsolete and scrapped items is as per guidelines of the JBVNL.

   (b) Net realisable value of assets has been determined as per guidelines issued in this regard.

   (c) Ensure that disposal of assets have been made as per the guidelines and authorised as per DOFP through tendering process except when sale is made to Government or to PSUs.

3. In case sale of fixed assets is made to employee of JBVNL ensure that the sale has been made in accordance with the rules of JBVNL in this regard.

4. Ensure that there is a proper system to identify any impairment of tangible/intangible assets. Verify that provisions of AS-28 are complied with.

5. Verify that any loss/profit on sale of fixed assets has been properly accounted.

6. Check the cases of transfer of assets during the period under audit and verify the followings:

   (a) Requisitionfortransferofassetsdulyapprovedbyheadoftheunithasbeenreceivedfromtransferunit.

   (b) The transfer of assets has been approved by competent authority.

7. Ensure that Inter-unit advise prepared by transferor unit contains all relevant details such as original cost, accumulated depreciation, date of capitalisation, rate of depreciation etc. to facilitate the transferee unit for making necessary accounting entry.

VII. Depreciation / Amortisation

1. Ensure that depreciation is being charged on various assets as per JBVNL policies and procedures and is in conformity with AS-6. Check whether the JBVNL is providing depreciation on rates as per Schedule- VI of the Companies Act, 1956 or as per the rates notified under The Electricity Act, 2003 whenever applicable and as per the Income Tax Act, 1961 for Tax audit purposes.

2. Check the computation of depreciation and verify entry of provision for accumulated depreciation in the general ledger.

3. Where historical cost of depreciable assets is changed due to change in long term liability consequent upon exchange rate fluctuation, price adjustments, changes in duties or similar factors etc., the depreciation on revised unamortized depreciable amount has been provided over the residual life determined on the basis of the rate of depreciation of the assets.

4. Depreciation should be charged even if fixed assets remain idle during the accounting period under reference.

5. Check that depreciation on assets acquired is provided on proportionate basis from the month in which assets was ready to use.

6. If cost of depreciable assets is covered partly by Government Grants (GG), one of the two following alternative accounting approaches as per policy of JBVNL are suggested for accounting purposes:

   (a) Amount of GG is deducted from cost of fixed assets and depreciation is charged on the net cost, or

   (b) Amount of GG is credited to a subsidy reserve and depreciation is charged on the original cost of the fixed assets and the balance standing in the credit of the subsidy reserve is transferred to profit and loss account systematically in proportion of depreciation.

7. In case of transfer of assets to other units, verify that depreciation is provided for by the transferee unit for the whole year, irrespective of the period for which such asset was actually used by the transferor.

INVESTMENTS

1. Ensure that the investments are made as per the DOFP and proper approval from the competent authority. Also ensure that all investments at Hq are made by the GM/Finance, JBVNL and in case of any other field office, with the approval of the competent authority.

2. Check and ensure that a detailed study of risk and returns for various investments is carried out after considering factors like past returns, etc., for determining the line of direction for future investments.

3. Check and ensure that a register is maintained for recording of investments u/s 372(A) of the Companies Act, 1956 and there is a system of intimating the Company Secretary for the details of investments made / disposed off, to enable him to update the register on a regular basis. Also ensure the compliance of AS-13 issued by the ICAI.

4. Ensure that proper bifurcation of the nature of investments is made regarding trading/non-trading, quoted/unquoted, short-term/long-term investments, etc., and proper procedure and documentation is followed for the same.

5. Ensure that a physical verification of all the investments has been made by the competent authority and during the period of audit, surprise checks are done so that proper reliance is being

placed on that and obtain confirmation for investment lying with the bank/third parties.

6. Ensure that a separate register is being maintained for the income from investments and check that all incomes are booked on accrual basis.

7. Ensure that whenever an investment is sold, proper approval is taken from the competent authority and necessary adjustments are made in the investment register. Also ensure that no investment is sold below the acquisition cost and if it is so, ask for the reasons for the same.

8. Ensure that if the investments are made in shares/mutual funds, a statement is received periodically from the broker / depository participant (DP) or the original certificates are checked on sample basis.

9. Review the valuation of investments in the books of accounts and check whether any provision for permanent diminution is required to be made.

10. Ensure that TDS certificates are obtained monthly or at the end of the year in case of deduction of tax at source in respect of income earned.

11. Ascertain that all the investments have been stated in the Schedule of Investments as per the requirements of Schedule-VI of the Companies Act,1956.

12. Income/gains and losses on disposal of investments have been properly recorded.

13. Proper disclosure of any encumbrance of an investment or contingent liability in respect of partly paid shares.

LOANS AND BORROWINGS

I. General Aspects Applicable to All Loans

1. Obtain details of loans and borrowings raised in foreign currency during the period of audit and ensure that an approval had been taken from the Board of Directors.

2. Ensure that terms and conditions of loan agreement have been vetted thoroughly by the legal Wing.

3. Whether necessary charge on assets has been registered with the Registrar of Companies within the prescribed time limit after signing of loan agreement.

4. Check that drawls have been made as per schedule given in the loan agreement.

5. Verify that proper accounting entries have been passed for each drawl.

6. Verify the computation of interest as per rate given in the loan agreement. Penal interests levied, if any, are due to the default. Reasons for the default have also been informed to the competent authority.

7. Interest payment is accounted for on accrual basis and made in time.

8. Check that processing charges, commitment charges, and other fees paid are as per the terms of the loan agreement.

9. In case of prepayment of loan, check whether detailed cost-benefit analysis had been made justifying the prepayment.

10. In case of closure of loan, ensure the following:

    a) Satisfaction of charge has been filed with the Registrar of Companies within the prescribed time limit.

    b) NOC has been obtained from the lender.

    c) Securities provided for the loan have been received back.

    d) Loan master has been updated.

11. Ensure that no long-term borrowing was used for short-term requirements and vice versa.

II. Specific Aspects Related to Loans Raised in Foreign Currency

1. Verify the following:

    a) Rate of interest is reasonable considering the risk of exchange rate variation

    b) Exchange rate variations have been computed and loan liability has been restated at the end of each accounting year.

    c) In case of forward exchange contract, analyse the terms like period of contract, premium/discount, etc.

2. Ensure that in case of External Commerce Borrowings (ECB), guidelines issued by Ministry of Finance/RBI have been duly complied with.

3. Verify that Accounting Standard 11 in respect of accounting for effect of changes in foreign exchange rate issued by the ICAI has been followed.

III. Specific Aspects Related to Funds Raised Through Bonds

1. Ensure that bonds are issued after complying with the requirements of Companies Act, 1956, SEBI Guidelines or any other guidelines applicable and issued from time to time.

2. Check that interest on bonds has been paid as per terms of the issue after deducting the tax at source at the applicable rate.

3. Check that redemption of bonds, if any, made during the year was as per terms of issue and on due date.

4. Ledger account of bonds is reconciled with bond issue register on regular basis.

5. Confirm that unclaimed amount of matured bonds and interest thereon over 7 years have been credited to Investor Education and Protection Fund established as per the provision of Sec. 205C of the Companies Act.,1956.

6. Ensure that stock of stationery is physically verified and reconciled with record maintained in this regard.

PAYABLES

I. Bill Passing and Payments

1. Ensure that a proper system exists for bill passing and release of payments to suppliers.

2. Verify the following:

   a) Documentary evidence in respect of goods/services received and inspected.

   b) Calculation of bill amount with regard to rates charged, allowable discount, TDS or other statutory dues if applicable, adjustment of advance, retention money/other claims.

   c) Expenditure was made as per approval by the competent authority and within the budgetary limits.

   d) Report the inordinate delay between passing of bill and actual payment made to suppliers.

3. In case, the payments are made to suppliers before the due date verify that approval from the competent authority was taken. Early Payment Rebate was also availed from suppliers as per terms of the contract.

II. Reconciliations, Confirmations

1. Scrutinise the sub-ledger of creditors and report the debit balances/advances outstanding for more than six months.

2. Check whether some old or disputed bills have been booked just to adjust the long outstanding debit balance / excess payment.

3. Check whether debit balance / advance payment has further been accumulated without adjustment of earlier debit balance / advance payment unreasonably.

4. Obtain the list of creditors showing long outstanding credit balances but not written back till date.

5. Ensure that creditors' accounts are reconciled on regular basis.

6. Check and ensure that there is a system of obtaining balance confirmation from the creditors at the year-end.

BUDGETING

1. Ensure that there is a clear policy of the JBVNL on preparation of the budget, portraying with precision the overall business activities and determining targets of performance for each section or Wing of the JBVNL. It includes a detailed procedure for budget preparation and compilation, basis of estimation and justification for the budgeted amount.

2. Review the procedure for preparation and compilation of the budget at various levels and verify the following:

   a) The formats used are standardised.

   b) Adequate consideration has been given to representations from concerned Wings on the budget proposals. It provides yardsticks against which actual performance can be compared with the predetermined targets.

   c) It provides a detailed procedure for analysing the deviations, if any.

3. Obtain a copy of the budget for one or two Wings and verify the following:

   a) The budget lays down the responsibility of each executive and other personnel for making objective assessment of activities.

   b) Whether budget proposals were made timely and approved by the competent authority.

   c) Verify that the basis of estimation, used in the budget, has been computed as per budgetary guidelines issued by the JBVNL. Review the compilation process of the budget.

4. Ensure that budget was approved by the competent authority and sent to concerned Wings in time.

5. Review the overall budgetary process and ensure that expenses were made within the constraint of the budget, and necessary approval is sought from the competent authority, when the amount exceeds the budgetary provisions.

6. On the basis of overall budget working report, showing variance analysis in respect of actual expenses vis-à-vis budgeted expenses, ensure that variances are shown as a part of the MIS and report it.

7. Test check whether these variances have been correctly calculated and analysed with the reason to take an appropriate plan of action.

8. Ensure that a corrective action has been taken timely on the basis of action plan.

SCRUTINY OF EXPENSES

1. Check the expenditure with source document i.e. expense bills, rent receipts, insurance policies, electricity bills, telephone bills, etc. (in case, the same have not been or could not be covered during vouching).

2. Ensure that expenses have been booked for the relevant quarter/half-year and at the correct value for the purpose of preparation of quarterly/half-yearly results accurately.

3. Ensure prepaid expenses have been properly booked and year-end provisions for outstanding expenses have also been made on accrual basis as per the accounting policy of the JBVNL. All provisions should be based on unaccounted bills and other calculations justifying the amount of provisions.

4. Ensure that amount of all the provisions have been reversed in the beginning of next accounting year.

5. Ask for the explanation if any expense account has negative balance.

6. Ensure that prior period expenses/incomes are identified and booked separately under the head "Prior Period Expenses", if they exceed the limit prescribed in the accounting policy of the JBVNL and in terms of AS-5 issued by the ICAI.

7. Examine whether expenses are within the budgetary provisions.

8. Compare the major expense heads with the previous year and make out the detailed analysis in case of large variation. Also analyse the monthly trend of major expenses and carry out the scrutiny of expenses showing abnormal increase or decrease.

9. Verify the JBVNL office expenses and allocation of the same as per JBVNL policies and procedures.

Electricity and Water Expenses

1. Check whether rebate for timely payment is availed.

2. Ensure that there is a system for passing the electric and water bills on the basis of consumption shown by relevant meters.

Rent

1. Verify the amount of rent for the premises with the rent agreement. In case of new premises refer the approval of the competent authority and legal Wing.

2. Check that TDS is deducted at the prescribed rate wherever applicable and it is deposited with the concerned Department within the stipulated time.

Advertisement and Publicity

1. Examine whether an approved list of advertising agencies has been drawn, reviewed and updated at a reasonable interval.

2. Verify the matter advertised had prior approval of the competent authority.

3. Examine whether the bills have been duly sanctioned and approved by the competent authority, the agreeddiscounthasalsobeenavailedandcontractshavebeenawardedatthebesteconomicalrates.

4. Ensure that there is a budgetary provision for the amount.

Repair/Servicing of Vehicles

1. Compare the expenses with the sanctioned estimates.

2. Ensure that expenses have been approved by the competent authority.

3. Check the entry in vehicle maintenance register and history record of a particular vehicle.

Miscellaneous Expenses

1. Verify that amount has been duly approved by the competent authority.

2. Examine the nature of expenses and ensure that the same has been correctly charged as per accounting policy of the JBVNL with correct accounting code.

REVIEW OF SUB-LEDGERS

I. Employees' Sub-Ledgers

1. Report the detail of all the debit balances in various accounts outstanding for more than six months.

2. Enquire about the credit balances for taking the appropriate steps for their adjustment. Report the detail of all the credit balances in various accounts outstanding for more than six months.

3. Some of the accounts in respect of various loans, advances and recoveries are asunder:

   HBA, conveyance advance, computer advance, multipurpose advance, furniture / household items advance, TA, LTC advance, pay advance, four months' pay advance, other temporary advance, amount recoverable from employees (salary), amount recoverable from employees (store), amount recoverable from ex-employees, electricity charges recoverable from employees / others etc.

II. Sub-Ledgers for Contractors, Suppliers, Govt. Deptts. / Agencies & Others

1. Scrutinise the sub-ledgers in respect of various advances / balances of contractors including security deposit, EMD, retention money, deduction on account of performance guarantee etc. and examine whether the balances in the control account in general ledger have been duly reconciled with sub ledger balances.

2. Review and comment on old balances appearing in sub-ledgers after taking the feedback from the

Wing. Report the list of old outstanding balances (both debit balances & credit balances) for more than six months.

3. Verify that recoveries in respect of rent, electricity and water, accommodation charges, machinery hire charges, cost of departmental materials issued on recoverable basis etc. are being made and are being properly accounted for.

4. Ensure that all the deductions, i.e., retention money, EMD, security deposit, etc., are being made and properly accounted for.

5. Some of the accounts in r/o various advances, recoveries etc. relating to the contractors are asunder:

   Mobilisation advances against bank guarantee (BG), machinery / equipment advances, unsecured advances, material issued to contractors, amount recoverable from contractors (works), electricity charges recoverable from contractors etc.

6. Some of the accounts in respect of various advances, recoveries etc. relating to the suppliers are as under:

   Advances to suppliers- revenue, advances to suppliers- capital, amount recoverable from suppliers (purchase), amount recoverable from suppliers (considered doubtful) etc.

7. Some of the accounts in respect of various advances, recoveries etc. relating to the Govt. Deptts / Agencies and other parties are asunder:

   Advances to Govt. Deptts. / agencies, advances to others, amount recoverable from Govt. Deptts.- salary / store / welfare / machinery / equipment hire charges recoverable from Govt. Deptts. / agencies / others.

INTER-UNIT ACCOUNT

I. Remittances / Inter-Unit Adjustments

1. Examine the debit notes/credit notes and ascertain whether the same have been authorised by the competent authority.

2. Check that the bank payment/receipt voucher has been duly approved by the competent authority, along with supporting documents. Trace the entry in the bank book and see that the concerned unit has been debited/credited with the same amount.

3. Check whether the concerned project/office has issued a corresponding credit note for the amount.

4. Verify the payment made on behalf of other unit and check the entry in the bank book and in the general ledger in order to check that the concerned unit's account is debited.

II. Reconciliation

1. Verify the inter-unit reconciliation statement and check whether outstanding items are adjusted subsequently.

2. Verify the year-end reconciliation between units and ensure that their balances are in agreement.

3. In case of unadjusted items beyond a reasonable period, the same should be reported with comments of project/office concerned.

SALARY SECTION

I. Preparation of Salary

1. Scrutinise the attendance records of a few employees and check the calculation of the number of working days with the payroll, including earned leaves, half-pay leaves and leaves without pay.

2. Obtain the list of increments, promotions, etc., and verify whether the same have been incorporated in the payroll on test check basis.

3. In the case of a few new employees / transferred cases, check with relevant appointment letters and personnel records for their rate of pay and the basis of remuneration.

4. If any difference occurs in respect of basic pay, dearness allowance, HRA, city compensatory/project allowance, PF contributions, etc., note it properly and verify it with personnel section's memos and individual pay record and ensure that the differences observed are properly reported in the audit report.

5. List out the salary advances outstanding for more than three months.

6. Scrutinise the loan accounts of these employees to check whether the data regarding amount of loans and monthly deductions thereof are being correctly stated and deducted accordingly.

7. Verify that the net amount payable figure is arrived at after accounting for all types of recoveries of loans/advances, interest thereon (viz. HBA recovery, conveyance advance recovery, pay advance recovery, unspent balance of TA/TTA/LTC etc.).

8. Ensure that all supplementary packages have been updated before processing the salary for the month, i.e., attendance records, advance records, leased accommodation, TDS accounting system, PF system, etc.

9. Check the journal voucher prepared for the gross amount deducted and paid to appropriate authorities in time and check for any differences. The above vouchers should also be compared with the payroll. Challans /receipts received should also be verified and amounts compared.

10. Ensure that the final processing of the salary is made after due verification of trial processing.

11. Whenever an employee is relieved on transfer, it is to be ensured that the unit has issued the LPC immediately and the advances outstanding against his name has been incorporated.

12. Verify the negative pay cases and enquire reasons for the same.

II. Salary Disbursement

1. Verify the documents generated in respect of a few employees subsequent to final processing of payroll, such as final pay bill, bank payment voucher and pay slips etc.

2. Where salary is disbursed through direct transfer to employees' bank accounts, ensure that employee's bank account particulars are updated at the time of appointment, transfer, resignation or death, in the master data.

3. Where salary is disbursed through cheque, authorised pay slips are forwarded to the head of office for distribution of salary.

III. Payments of Arrears

1. Test check the arrear payments based on orders received for revision / promotion. Calculate the arrears retrospectively from the date specified in the order. Ensure that relief under section 89 (i) of the Income Tax Act has been correctly calculated.

2. Verify the Inter Unit Advice raised for the arrear paid to the employee for the period of service rendered in other units.

IV. Leave Encashment

1. Check whether a well-defined leave policy for the JBVNL is inexistence.

2. Ensure that the amount of leave encashment has been correctly calculated as per the rules and paid on the basis of order issued by the competent authority.

3. Verify that the earned leave encashment is made as per instruction and TDS has been made, if applicable.

4. Check that the earned leave register is updated on the payment of leave encashment.

5. Compare the leave records with the provision for leave encashment.

V. Shift Duty Allowance

1. Verify whether the shift duty allowance has been paid to the eligible employees only, as per JBVNL guidelines in respect of payment of such allowance.

2. Verify on test check basis that the amount of shift duty allowance has been paid to the employee as per prescribed rates. Care should be taken in case an employee has been rostered for the shift

but he does not attend the same.

3. Verify that proper records are being maintained for shift duty allowance and the prior approval of the competent authority has been taken.

VI. Payment of Lease Accommodation and its Recovery

1. Ensure that lease masters are updated as per the new lease agreements/amendments during the year.

2. Check entitlement of the employee for lease and lease recovery from him as per rules of the JBVNL. In case lease rents are paid in excess of rent entitlement; ensure that recoveries for the excess amount are being made through the payroll.

3. Lease rentals, paid in case of transferred employees, have been transferred to the concerned units through Inter Unit Advices.

4. Ensure that TDS affected on payment of lease rents are deposited with the government within the stipulated time limit.

VII. Payment of Staff Loans and Advances – HBA, Computer, Furniture, Conveyance etc. and its Recovery.

1. The principal amount and the interest accrued have been correctly computed and recovered as per terms of the sanction order.

2. List out the cases where recoveries have not been affected from the due date.

3. Ensure that employee's records for loan sanctioned and repayments are updated on a regular basis.

4. Verify the cases where new advances were given to employees without adjusting the previous outstanding advance in contradiction of JBVNL rules.

5. In case of transfer of an employee, ensure that a detailed recovery schedule is sent to the transferee unit for the outstanding amount of the advance and interest thereon.

VIII. ESI, PF, TDS and other Deduction and Timely Deposit thereof.

1. Test check the employer's contributions and confirm that these have been correctly computed while preparing payroll and have been duly entered in the PF account.

2. Ensure that the deductions against PF advance made through the payroll are in accordance with the terms of the advances.

3. Ensure that relevant evidence for claiming various deductions under the Income Tax Act have been received, along with his declaration submitted with the JBVNL, viz. rent receipt, saving certificates, certificate for payment of housing loan for claiming negative income under the head

"Income from House Property".

4. Ensure that TDS made are deposited within the prescribed time limit and timely returns are filed accordingly.

5. Verify the payment voucher for the deposit of amount into the bank. In case there is an inordinate delay, reasons for the same are to be obtained and reported in the audit report.

IX. Scrutiny of Employee Remuneration and Benefits

1. Reconcile the salary and wages booked in the books with payroll section records and provident fund records.

2. Analyse monthly trend of expenses and verify the instances of abnormal variations (increase/decrease).

3. Compare the salary and wages with previous year's figures and analyse reasons whether the differences are due to new recruitment, employee retirement, payment of arrear of salary normal hike in the wages rates, etc.

4. Check the provision for gratuity and leave encashment and ensure that provision has been made accurately on actuarial basis and provisions of AS-19 (revised) issued by the ICAI in respect of accounting for retirement benefits of employees have been complied with.

5. Ensure that the muster roll for casual labour has been approved by the competent authority.

OTHER ISSUES RELATING TO EMPLOYEES

I. LTC – Advances and Claims

1. Test check the LTC claims which were duly supported with rail /bus/air tickets, taxi bills etc. and duly sanctioned by the competent authority.

2. LTC rules had been complied with and various criteria, e.g., eligibility as per block year, family members, their age, etc., have been met.

3. LTC advances have been paid as per entitlement of employees prescribed in rules and circulars issued from time to time.

4. Ensure that the advance against LTC has been refunded to the JBVNL if not utilised within fifteen days. Ascertain that the unspent advance has also been returned immediately i.e. within fifteen days from the date of advance.

5. Verify that penal interest has been charged in case of delay in submission of bills or deposit of unspent amount.

6. List out the advances outstanding for more than three months.

II. Tour Advances and Claims

1. Verify that the tour advance is released on the basis of application, duly approved by the competent authority.

2. Where an earlier advance is outstanding, verify whether second advance has been paid with the specific approval of the competent authority.

3. Ensure that the quantum of advance has been determined on the basis of duration of trip, rules laid down and circulars issued from time to time in this regard.

4. Review the tour authorisation and confirm that the tour undertaken by an employee has been authorised in advance.

5. Verify that mode of travel, conveyance, hotel expenses and out-of-pocket expenses claimed by the employee are in accordance with the Travelling Rules of the JBVNL.

6. Check where journey tickets etc. are provided by the JBVNL, no claim is made in the bills.

7. Ensure that the travelling bill has been approved by the competent authority.

8. Ensure that the travelling bill has been submitted within the prescribed time limit from the completion of the tour.

9. Ensure that the advances are refunded immediately in case of cancellation of journey.

10. Verify that penal interest has been charged in case of delay in submission of bills or deposit of unspent amount.

11. List out the advances outstanding for more than six months.

III. Medical Advances and Claims

1. Test check the cases of reimbursement of medical claims.

2. Verify that bills for medical claims have been verified as per entitlement of employees and medical attendance rules laid down in the Medical Attendant Rule and circular issued from time to time.

3. Check that the payment of bills have been authorised by the competent authority with reference to employees and their dependents.

4. Test check the direct payment made to the hospitals.

5. Verify that TDS made and deposited in time on the payment of medical claims in excess of the amount specified in the Income Tax Act.

6. List out the advances outstanding for more than six months.

7. Test check the employee's individual details for claim in respect of dependents.

REVIEW OF SALES AND OTHER INCOME

I. Sales

Since the main business activity of JBVNL is sale of power; detailed, intensive and concurrent audit of Revenue matters, including Energy Accounting, Billing, Collection, unlocking revenue from disputed and sub-judice cases and allied matters is required to be carried out. Accordingly, a separate and independent wing headed by the DGM/ Revenue Audit will be looking after it.

REVENUE AUDIT

Risk Assessment for Revenue Audit

The following are the sample expected risks:

S. No.	Item	Risk
1.0	**Billing**	
1.1	**Prepare & Validate Customer Data for Billing**	
1.1.1	Absence of a defined process for change / updation in consumer data	In the absence of a defined process for updation of changes like load extension, reconnection, etc. consumer history may not reflect pertinent information. As a result accurate billing may not be done.
1.1.2	Pertinent changes not updated in consumer ledger	Inability to make pertinent changes in consumer ledger like increase in sanctioned load, change in billing address, change in ownership, change in type of connection, etc. may result in incorrect billing.
1.1.3	Meter details like meter no., make, seal details are not entered in database	Failure to update consumer history with changes in meter details like meter no., make and seal details may result in billing with respect to older data. The same may be redundant.
1.2	**Billing Programmes**	
1.2.1	Absence of consumer mapping with the distribution transformers	Inability to map all consumers (industrial, domestic, agricultural, commercial) to their respective distribution transformers may lead to some consumers being left out of the meter reading cycles.
1.2.2	Delay in preparation of meter reading and billing programmes	Failure to prepare meter reading and billing programmes in time may lead to delay in revenue realisation. Further, the due dates for different zones/ areas may not be staggered on different dates.

1.2.3	Meter reading dates for consumers not finalized	In the absence of meter reading dates being finalised for different zones/ areas, meters may not be read with in the planned timelines. This may subsequently delay the bill generation and distribution.
1.2.4	Unapproved changes to meter reading schedule	Unapproved changes to meter reading schedule may disturb the process of obtaining meter readings and billing.
1.2.5	Sundays and monthly holidays not considered	Inability to consider Sundays and other monthly holidays may disturb the billing programme. Meter readings for bulk consumers may not be obtained on holidays since the company personnel may be on leave
1.2.6	Non consideration of natural calamities and external factors in billing programmes	Inability to read far stretched areas during flood or riots may result in non billing of consumers in time. Facilities to obtain meter readings in time may be provided to team
1.2.7	Lack of coordination in working of various groups involved in energy billing	Excessive gaps between working of meter readers, accounts clerks and bill distributors may delay the billing process
1.2.8	Requests for special meter readings are not considered in reading cycle	In case requests for special meter readings (like final billing in case of surrender, meter change, etc.) are not built into the normal reading cycle, the consumers may be left out of the billing net
1.3	**History advice, updation and change**	
1.3.1	Lack of adequate consumer information	In the absence of comprehensive database with details like meter change removal date, old and new meter number, reading, meter type, seal number, type of disconnection, etc consumers may not be tracked
1.3.2	Delay in history updation	Real time accurate information about the consumers may not be available in case their history is not updated. Decision making may thus be affected
1.3.3	Unstructured database	Lack of defined structure for data capture may result in non availability of important information like last meter read date, billing period, last billed amount, change of billing period if any, etc
1.3.4	Unauthorised access to consumer history	Due to unrestricted access to consumer database, important details like applicable tariff, multiplying factor, etc may be changed in an unauthorised way
1.3.5	DOFP not defined for changes to consumer database	Unauthorised changes to database may be made in case DOFP is not defined for approving changes to consumer history

1.4	**Validation of error corrections and bill advice**	
1.4.1	Delay in resolution of exceptional cases	Absence of proper categorsiation of reading errors with their respective solutions may result to delay in resolution of the exception cases
1.4.2	Delayed billing since exceptional cases are not resolved	Delay in resolution may lead to delayed billing of consumers whose readings have been obtained
1.4.3	List of validation errors is not updated timely	Errors in metering and reading process may not be identified if the list of validation errors is not updated on a periodic basis
1.4.4	Escalation matrix not defined for timely resolution	In the absence of a formalised escalation matrix, resolution of validation errors may get delayed
1.4.5	Variation in consumption not dealt appropriately	Inability to detect major consumption variations may prevent identification of unauthorised usage of electricity
1.5	**Current Bill Calculation**	
1.5.1	Delayed billing due to equipment failure	In the absence of adequate backup for failed equipments (meter reading instruments) readings for HT consumers may not be obtained in time. This may result in delayed billing.
1.5.2	Delayed billing for street lighting	Inability to bill consumers such as municipal corporations, public parks, other government bodies for street light on time, may lead to delayed revenue realisation.
1.5.3	Non adherence to regulatory guidelines	In case dates for meter readings are not fixed, gap between two billing cycles as prescribed by SERC may not be maintained
1.5.4	Loss of revenue / consumer dissatisfaction due to incorrect billing	In the absence of edit checklist for analysis of readings obtained, incorrect reading may not be identified. This may result in erroneous billing.
1.5.5	Loss of revenue / consumer dissatisfaction due to incorrect billing	Exception readings (negative, wide variation, etc) cases are not identified. Consumers are billed based on the faulty meter readings obtained.
1.5.6	Loss of revenue / consumer dissatisfaction due to incorrect billing	Incorrect meter reading entry by the electric supply offices may result in under/ over billing.
1.5.7	Delay in revenue realisation due to delayed billing	Lack of coordination amongst meter reading group, supply stations and the district computer centres may result in delayed billing to the consumers

1.5.8	Unauthorised changes in Tariff Rates	Due to absence of proper controls, tariff rates may be changed without proper authorisation. This will affect the energy bills generated
1.5.9	Arrears are not reflected in consumer ledger	In case outstanding energy charges are not reflected in the consumer ledger, they may not be billed and therefore the risk of revenue loss
1.5.10	Multiple bills issued to consumers	Due to lack of adequate control, multiple energy bills for the same period are issued. This may result in litigation and/ or consumer grievance.
1.5.11	Energy bills are not subjected to quality check	In the absence of well defined checklist for ensuring quality, bills may not be subjected to quality check. Hence inaccurate bills may be generated and distributed
1.5.12	Changes in consumer history not considered	Delayed updation of changes in consumer history may result in erroneous information in billing. Changes such as connected load, meter change, tariff changes due to changes in category etc may not be considered
1.5.13	Loss of revenue due to incorrect billing	Inability to update database with changes in tariff and statutory duties may result in incorrect billing.
1.5.14	Incorrect billing due to non consideration of adjustment	Non consideration of adjustments (Dr/ Cr) due to reasons such as premises closed assessment, meter , meter/stop/sticky etc may result in incorrect billing.
1.6	**Calculation of delayed payment interest**	
1.6.1	Incorrect calculation of delayed payment interest charges	Incorrect calculations for delayed payment interest charges may lead to revenue leakages for the company, or instances of over-billing and consumer dissatisfaction.
1.7	**Accounting of Revenue – category wise**	
1.7.1	Delayed revenue accounting	Non availability of revenue journals from district computer centres may result in wrong accounting of sale of power
1.7.2	Inaccurate data for calculation of ATC losses	In the absence of accurate energy consumption details including collection with respect to HT and L&MV/EHV services division wise and Zone wise ATC may not be accurately calculated
1.8	**Process for Bill Preparation**	
1.8.1	Delay in bill preparation	Delay in receipt of meter reading data from various Electricity Supply offices may delay the process for bill preparation. Internal timelines may not be adhered to.

1.8.2	Incorrect bill preparation	Non matching of meter reading data with blue cards and Meter Reading books may result in incorrect bill preparation
1.8.3	Inappropriate treatment of civil disturbance and water logging cases	Service connections which are not reachable due to civil disturbance and water logging may result in non billing for those particular consumers
1.8.4	Non reconciliation of left out/ not billed cases	In the absence of reconciliation, premises closed or not read cases may not be identified and provisional bill is not generated
1.8.5	Incorrect billing for consumers	Non segregation of consumers into various category may lead to use of incorrect bill forms used for bill printing
1.8.6	Bill quality not checked	In the absence of sample checking of bills for quality, printing quality, font size, whether details are provided at the respective places, etc bill quality may not be ensured include this in the bil preparation section
1.8.7	Misapplication of tariff	Due to lack of adequate control urban consumers may be charged at rural rates and vice versa
1.9	**Disputed dues**	
1.9.1	Age analysis for debtors/ disputed cases not conducted and auctioned upon	Failure to perform age analysis and take corrective action may lead to foregoing right of realization as per Negotiable Instruments Act. Any dues outstanding in excess of three years may become time barred.
1.9.2	Absence of a central repository for disputed cases	In the absence of a centralised repository for tracking dispute cases, timely action for compliance to court orders may not be taken. This may also result in regulatory non compliance.
1.9.3	Separate accounts for disputed dues not maintained	In the absence of separate accounts being maintained for disputed cases, segregation of receipts against disputed cases may not be done. Further these receipts may not be appropriately treated in books of accounts.
1.9.4	Change of name allowed for disputed cases	Outstanding energy dues may not be recovered in case request for name change is processed without the dispute being settled
2.0	**Debit/ Credit Processes (Adjustments)**	
2.01	Process for preparation, approval and accounting not defined	In the absence of a defined process for preparation, approval and accounting of Dr / Cr notes (adjustment), the process may not be structured

2.02	Reasons for Dr/ Cr notes preparation not defined	In the absence of a well defined list for preparation of Dr/Cr notes (such as stop meter assessments) timely adjustments may not be done for all reasons
2.03	Regulatory non-compliance	Delay beyond timelines prescribed by JBVNL for effecting Dr / Cr adjustments may lead to regulatory non compliance
2.04	Revenue losses due to excess credit/ short debit	Absence of adequate controls over the number of Dr / Cr notes being adjusted against a particular reason may lead to revenue losses due to excess credit / short debit.
2.05	Dr / Cr adjustments not reflected in consumer ledger	Failure to update Dr /Cr adjustments in time may prevent depiction of actual current balances in consumer ledger.
2.1	**Collections**	
2.1.1	Improper recording of collections	In the absence of adequate infrastructure like scanners for recording consumer details from the energy bill, important details like consumer number, billing period, etc may not be accurately recorded
2.1.2	Facilities for collection not provided as per JBVNL guidelines	Failure to run collection centers as per regulatory guidelines may lead to regulatory non compliance and imposition of penalty / loss of reputation / consumer dissatisfaction.
2.1.3	Collection centers not located at suitable locations	Inability to set up collection centers at convenient locations for eg. within two kilometers for an urban consumer and four kilometers for semi urban areas and villages may become major hindrances to revenue collections.
2.1.4	Inadequate payment avenues to consumers	In the absence of alternative payment facilities being made available like ECS, Internet banking, etc, consumers may not be able to make payments through other convenient means.
2.1.5	Non reconciliation of cheques and cash received at collection centers	In the absence of daily reconciliation of cash and cheques received against energy bills, incorrect postings may not be identified.
2.1.6	Non reconciliation of cheques and cash received at collection centers	Inability to match receipts generated by cash trac machines at remote locations on a daily basis may lead to misappropriation of funds and incorrect/ inaccurate accounting

2.1.7	Responsibility for daily cash reconciliation not defined	Non compliance to established guidelines regarding signoff of the cashier on the cash register may lead to fraud; responsibility for such frauds may not be affixed
2.1.8	Delay in posting of receipts	Delays in posting receipts against energy bills on a daily basis may lead to inaccurate reflection of balances in consumer ledger. This may also leave chances for misappropriation of funds by personnel involved and action as per stated guidelines.
2.1.9	Absence of adequate infrastructure at cash collection centers	Lack of adequate infrastructural facilities like cash counting machines, fake note detectors, standby cash collection machines, UPS for computers and safe deposit vaults may lead to inefficiencies in the cash handling process
2.1.10	Relevant details not ensured	In case of cheque payment, non availability of consumer number, bank details etc may delay the process of daily reconciliation / reconciliation between collections and funds banked.
2.1.11	Lack of security cover for cash collection offices	In the absence of adequate security cover like gunned security personnel, round the clock security, access control door locks, etc cash collected at these offices may be prone to theft and pilferage
2.1.12	Non deposition of cash collections on a daily basis	Inability to deposit cash collected on a daily basis from the remotely located supply centers may lead to accumulation of large balances. This may increase possibilities of misappropriation / theft.
2.1.13	Unsafe methods for deposit of cash	For electric supply offices/ collection centers located at remote places, cash/ cheques/ other receipts may not be collected by the banks. In the absence of adequate security escorts there may be chances of theft and safety concerns.
2.1.14	Lack of adequate insurance Coverage	Risk of loss due to misappropriation/ theft not adequately covered under insurance.
2.2	**Debtors Control & Analysis**	
2.2.1	Inaccurate debtors database	Lack of accurate debtors database may prevent identification and action on long outstanding debtors
2.2.2	Delay in updation of billing data	Delay in updation of billing data to consumer database may result in incorrect reporting

2.2.3	Lack of segregation between secured and unsecured debtors	In the absence of segregation between secured and unsecured debtors, appropriate action may not be taken. Further, realisation from these consumers may not have been prioritised.
2.2.4	Non analysis of debtors ageing and recovery status in management meeting	Non availability of adequate data regarding debtors may not enable decision making about the steps to be taken for realization
2.2.5	Lack of real time information	In the absence of real time on debtor status across various categories, decisions may not be taken promptly.
2.2.6	Corrective action to minimise debtors not taken	Due to lack of awareness about debtors at the electric supply office, appropriate action may not be taken. Special drives to identify and realise pending bill charges, other dues may thus not be taken at their end.

Work Steps for Revenue Audit

The checking of following records shall be continued to be checked on cent percent basis as here to: -

i. Service Register.

ii. Test Report Register.

iii. Electric Measurement Books.

iv. Consumers' cases of all new connections released.

v. Consumers' cases of all extension/reduction of load/Contract Demand.

vi. Register of dismantlement of permanent and maintenance works

vii. Streetlight Register

viii. Meter Reading Record/ Meter sealing record.

ix. RS-III and RS-IIIA.

x. Energy Variation Register.

xi. All job orders viz. Service Connection Orders, Reconnection Order, Disconnection Order, Sundry Job Order, Meter Change Orders and Fuse Replacement Orders etc.

xii. All Meter & Premises (M&P) checking reports issued from the date of last checking. The

cases of delay in checking / non-checking within the prescribed time shall also be watched and pointed out. Further it shall also be checked whether Register of M&P Checking Register is maintained properly or not.

xiii. All checking reports of checking carried out by Vigilance/Special checking parties and authorized officers. It will be duty of the Sub Division to get checked each checking report from audit. No audit party/audit personnel shall be held responsible in case any such report is not got checked from audit or is not produced to audit. However, where a proper register of such checking is maintained, it will be duty and responsibility of audit to check cent percent checking report as entered in the register or point out the missing reports.

xiv. Each and every item entered in the Service Connection & Advice Report (SC&AR) with reference to its correctness and admissibility. It would also be checked and verified that the same has been entered in the advice register and has duly been posted in the ledger.

xv. Revenue Cash Book, Remittance Register, Bank Ledger and Main Cash Book. Revenue collected during a month as per Revenue Cash Book shall be compared with the total realization posted in the ledgers as per payment Final Listing (Date wise and group wise). The variation/discrepancies, if any shall be pointed out by the audit but the account-wise reconciliation shall be made by the Sub Division under intimation to audit.

xvi. Implementation of awards announced by the Arbitrators and the court cases decided by the courts of law.

Sr. No.	**Name of exceptional lists**	**Action to be taken at the billing Unit**
1.	List of bills checked before issue.	All such bills are required to be checked and where any discrepancy is noticed is to be corrected before the same is issued i.e. delivered to the consumers. This is required to minimize complaints regarding issue of incorrect bills to the consumers.

2. 3. 4. 5.	Faulty/ defective meters. Meter Burnt. Meter Glass Broken. M&T seals found broken.	Copies of these lists should be immediately passed on to EEE (MRT) / AEE (MRT) I/c area for verification of the meter. Where the meters are found faulty / defective / burnt / glass broken / M&T seals broken, the same should be replaced immediately and where working of meter is found within permissible limit, the corrective advice is to be sent to billing center. It is also to be verified and checked that the average / adhoc units billed to the consumer are not less than actual consumption recorded by the meter even if it is faulty. In such cases difference should be charged immediately to avoid accumulation of dues and average units based on the connected load/reasonable consumption should be got enhanced besides immediate replacement of the defective/faulty meter. The adhoc charges billed by the Computer Center are always provisional charges and the consumer account is required to be overhauled on the basis of average consumption recorded during corresponding months of preceding year, failing which average consumption of preceding 6 months failing which average consumption of preceding 3 months for meter being defective. In case no reasonable base is available or the available base is less than 3 months the consumer account is to be overhauled on the basis of average consumption of succeeding 3 months after installation of a correct meter.
6.	Negative reading.	The actual reading shall be got verified through EEE (ESD) / AEE (ESSD) I/c In-
	Dial over. High/Nil /low consumption .	charge of area and further action shall be taken as per report of finding.
7.	Provisional (PL) basis.	The consumption of the consumer shall be got ascertained by issue of notice of assessment or through EEE (ESD) / AEE (ESSD) In-charge of area. Where the reading cannot be taken even after issue of notice/deputation of EEE (ESD) / AEE (ESSD) the supply of the consumer shall be disconnected from the pole and shall not be restored till reading is taken. In case the consumer does not come forward for concurrent two billing cycles after temporary disconnection of supply his premises shall be disconnected permanently. In no case the premise should be allowed to be shown as locked for 6 months concurrently.

8.	Meter and /or Reading correction	The bills issued before and after making correction in the previous data/master data file shall be checked to ensure its correction.
9.	PDCO/RCO/Status change cases	All the cases appearing in this list are to be checked to ensure its correction and charging of additional amount/average charges, if any, under the existing instructions.
10.	List of new connections	The particulars entered in the master data file at the time of starting of billing is shown through this statement. It shall be checked that the billing has been raised from actual data of connection and that all the particulars of consumer as entered in the master data file are correct.
11.	Meter change cases	The final reading as well as new initial reading shall be verified to ensure its correction. It shall be further checked and ensured that where any additional amount including average charges is required to be charged the same is charged. The cases in which the meter has been changed being defective and which were being billed on 'PL' basis are to be checked with care to ensure that the PL charges are not adjusted by the computer. In such cases, the consumer account is to be overhauled and the provisional charges are to be adjusted only at the time of overhauling of consumer's accounts.
12.	List of defaulters	A list of such consumers who were issued bills in the last month and have not made payment is being supplied along with each billing cycle. For example while issuing the bills for cycle 21 the list of defaulters for cycle 11 is supplied. The Sub Division shall examine these lists and take action to get realized the payment by issue of TDCO / PDCO. A list involving defaulting amount more than a specific amount can be obtained from the computer center on specific request.

The checklists as under are supplied by the computer-billing agency regarding realization of amount as posted in the computer ledger. The action required to be taken on these lists is explained against each.

The audit parties shall check these exceptional lists on cent percent basis and shall point out omission/irregularities etc. if any.

1. Payment first listing	These lists can be considered as a print out of DCR Book / Bank Challan as the case may be. These lists are generated batch card wise and date wise. The Sub Division is required to check that the amount as shown in payment first listing agrees with the amount shown in the DCR Book. In case there is any difference in the amount as shown in the check list and amount shown in the DCR Book / Bank Challan, the account wise discrepancies are to be ascertained and the mistake is to be set right through SC&AR. Necessary remarks has also be recorded in these check list to avoid duplicity. These lists shall be properly maintained in a separate folder.
2. Payment final listing (Ledger-wise and data wise)	The amount as shown in the payment first listing is segregated ledger wise and group wise. Through these statements the amount to be posted in the ledger at the time of next billing cycle is shown. In other words only the realization as appearing in the payment final listing should be found posted in the ledgers. These check lists therefore should be maintained ledger wise or should be placed with ledger. These check lists are much important and require double-checking. All the entries of this checklist must appear in payment first listing and all the realization posted in the ledger must appear in these check list. The Sub Division shall therefore, carry out the checking of the same accordingly.
3. Payment final listing (Group-wise & date wise abstract)	Group-wise and date wise totals of payment final listing are shown in this list. This list is generated at the time of each billing cycle or for the batch cards submitted by the Sub Division. As such, at least 4 lists are supplied during a month. Reconciliation of cash realization as posted in the consumers ledger and amount received as per Revenue Cash Book can be made only with this statement. These lists are, therefore, required to be maintained in a separate folder.
4. Check list of SC&AR (JE List)	The amount debited / credited to the consumer account through SC&AR is shown in this checklist. It is therefore, required to be checked that all the entries made in the advice register appears in the check list and vice versa only the amount as shown in the advice register is appearing in the check list. Further in ledger also all the items appearing in the checklist and vice versa only the amount appearing in the checklist should be found posted. These lists should also be placed with ledgers.

In addition to above checking the audit party shall also carry out following checking:-

(a) Compliance of audit observations raised during previous audit inspections through audit note(s) if specifically asked to do so.

(b) Realisation of revenue audit paras issued by IAPs / AGAPs and reporting of it to Head-quarter.

(c) Watching of compliance of instructions issued by the Nigam in the Sub Division. The cases in which financial loss is involved shall be reported to Headquarter through a specific report.

Checking on other points as assigned by Headquarter from time to time.

II. Other Income

1. Ensure that other incomes are booked only with source documents, viz., interest income with interest warrant/loan agreement, dividend income with dividend warrants.

2. Reconcile the income of consultancy in financial records vis-à-vis records maintained in the consultancy division.

3. Test check the details of miscellaneous income with the relevant source documents and ensure the correctness and accuracy of the amount booked, income pertaining to current year only, etc.

4. Ensure that the approval from the competent authority is obtained before writing back the provisions/liability not required.

STORES ACCOUNTS

I. Maintenance of Price Stores Ledger

1. Verify that the price stores ledger is prepared and reconciled at periodic intervals with bin cards/stores ledger and the general ledger.

2. Check whether coding of receipts and issues has been done properly.

3. Obtain a list of items purchased but not issued.

4. Report on odd balance quantity without value, value without quantity, and negative balances.

5. Ensure that discrepancies found during physical verification are adjusted after approval of the competent authority.

II. Valuation

1. Verify that receipts of items are valued at landed cost basis and issues at monthly weighted average price basis.

2. Verify whether AS-2 issued by the ICAI has been followed in the valuation process.

3. Ensure that valuation of inventories has been made in accordance with the policies and procedures adopted in the previous years.

AUDIT OF FINAL ACCOUNTS

1. Ensure that the amount has been debited to the correct accounting head and there is no error of principal.

2. Ensure that the generally accepted accounting standards issued by the ICAI and provisions of Companies Act, 1956 and all other laws have been complied while compiling the accounts.

3. Ensure that there is no change in the accounting policy of the company as adopted by the company and if any change was made the same has been brought on the record.

4. Ensure that the contingency liability, if any, has been brought on the record.

COST AUDIT

1. Verify that units are maintaining necessary accounting records and cost statements as provided in Cost Accounting Records (Electricity Industry) Rules,2001.

2. Verify that proper quantitative records are being maintained for received/sale of electricity.

3. Ensure the following:

   a) There is a proper reconciliation between cost and financial records.

   b) Maintenance of store accounting records showing quantity and relevant components of cost in respect of receipts/issues including wastage, spoilage/loss of stores etc., if any.

4. Review the expenses in respect of salary & wages, repair & maintenance, depreciation, all other over heads, royalties, financial cost, human resource development, expenses on various measures of pollution control etc. with a view to facilitate the cost audit.

PERSONNEL AND ADMINISTRATION

A. MANPOWERPLANNING

I. Preparation of Manpower Requirement

1. Ensure that there is a clearly defined policy of the JBVNL in respect of manpower requirement.

2. Verify that manpower planning is based upon various factors, like upcoming project requirements, nature of vacancies, retirements during the year etc. and as per the manpower approved by the BoD.

3. Ensure that a proper sanction is received from the competent authority and all the basic criteria are fulfilled as per the Recruitment Policy considering the requirement of JBVNL / other regulatory

guidelines in respect of manpower planning.

4. Check that comparative statements are made in respect of own staff vs. outsourcing option.

II. Monitoring of Actual v/s. Sanctioned Strength

1. Verify whether there is a formal reporting system for existing manpower which clearly shows actual manpower grade-wise deployed at various units.

2. Check whether periodic reports are received in respect of employees outsourced or deployed on contract basis, while calculating the actual manpower.

3. Check and highlight the cases where shortage/surplus of certain manpower positions is continuing for a long time and ensure from the competent authority that necessary steps are being taken to correct the same.

4. Ensure that excess employees of certain categories not required in one project are shifted to other construction projects.

5. Certain categories of employees essential to control the O&M projects have been transferred to other projects before commencement of commercial operations.

6. Check the requisition for casual labour and ensure that these have been sanctioned by the competent authority.

B. <u>RECRUITMENT</u>

I. Receipt and Approval of Manpower Requirement

1. The manpower requirement advices are received timely to provide sufficient time to the recruitment cell to recruit the personnel on the basis of given selection criteria.

2. Check the reports of various units showing their manpower requirement and ensure that a proper approval has been taken from the competent authority to fulfill the same.

II. Advertisement for Inviting Applications

1. Check the means of communication used for the advertisement for recruitment having wide reach to the people. Ensure that proper approval has been taken from the competent authority for such advertisement in the media. Check where the posts are not advertised whether other resources for recruitment as prescribed in the regulation have been used.

2. Verify few advertisements on test check basis and ensure that proper details as per pre-determined criteria have been given.

III. Receipt and Scrutiny of Applications

1. Enquire whether procedures for collection of application are proper and facilitate to short list the

application as per pre-defined procedure.

2. Verify that registration number has been written on each application and particulars of application are recorded in the register.

3. Ensure that reasons have been recorded for rejecting the application.

4. Check that the project/Wing concerned has scrutinised the applications and selected the short-listed candidates.

5. Check that the selected applications have been verified and approved by the competent authority.

IV. Conducting Written Test

1. Ensure that there is a reasonable procedure to intimate short listed applicants about date, time and venue of written test.

2. The process for setting and printing of question paper, appointment of invigilators, venue, etc. are carried as per the policy guidelines of the JBVNL in this regard.

3. Approval is taken from appropriate authority if no policy/guidelines exist.

4. Check that various aspects were considered regarding confidentiality in respect of selection of test paper, collection and safe keeping of answer sheets, etc.

5. Travel expenses are reimbursed to the candidate if same are allowed as per rules of JBVNL.

V. Short-Listing of Candidates

1. Ensure the evaluation criteria for test sheets and test check a few test sheets to ensure that the same has been followed.

2. Check that the list is free from personal bias and that there is a proper authority, which checks the entire procedure to ensure the accuracy.

3. Short listing process is made within reasonable time limit and ensure that result has been declared on the basis of marks secured.

4. Candidates are invited for interview as per the final list as approved by the competent authority and call letters have been issued to them.

VI. Interviewing the Candidates

1. Enquire about the procedure of conducting interviews.

2. Ensure that interviews were conducted by the panel of people from relevant discipline constituted as per instruction.

3. Obtain the details of expenses incurred on the interview and ensure that the same is as per policy /

budget of the JBVNL.

VII. Selection and Issue of Appointment Letters

1. Ensure that appointment letters are sent only to the selected candidates as per standard format containing the terms of appointment and authorised by the competent authority. All terms in respect of monetary benefits have been duly authorised.

2. Check and ensure that there are no unreasonable delays in issuing appointment letters after the selection of employees.

VIII. Induction, Assignment of Designation and Job Profile

1. Ensure that a reasonable induction procedure exists in the JBVNL to introduce a newly appointed employee to the JBVNL's general decorum and other rules and regulations.

2. Selected candidates are appointed at the required location after assigning the designations as approved by the competent authority.

3. Ensure that detailed job profiles are prepared and issued to employees with concurrence of the functional head in writing.

IX. Exit Interviews

1. Enquire about the existence of a reasonable system of taking an exit interview at the time of relieving an employee.

2. Analyse the data on employee turnover for the last one year and necessary steps taken to minimise the same in case of high employee turnover.

3. There should be a system of regular analysis of the remarks given by the employees and reporting the same to the management.

C. <u>TIME OFFICE</u>

I. Attendance

1. Understand the procedure of marking and recording the daily attendance of employees.

2. Take a dummy and test the attendance recording and conversion by using it at all the machines installed in the premises.

3. Check the procedure of setting the time on all machines and ensure various security measures exist to avoid any manipulation of time which should be uniform in all the machines and regularly tallied with Indian standard time.

4. No manual intervention should be possible in the attendance data after punching, except as authorised by the competent authority.

5. Obtain the manual register kept for taking attendance in case an employee fails to punch and ensure that it is not resorted to regularly.

6. In case employees record their attendance manually in separate registers maintained at different Wings, obtain the same and check that attendance, leaves, absence etc. have been properly recorded and compare the same with the absentee statements sent by the Wings concerned.

7. Compare the monthly absentee statement with the manual attendance register and ensure that there are no discrepancies.

II. Leave Management

1. Understand the system of maintaining leave record. Check whether a well-defined leave policy for the JBVNL is inexistence.

2. Test check the sample leave application and verify that leaves are sanctioned as per entitlement in accordance with leave rules of the JBVNL and sanctioned by the competent authority.

3. Check the attendance sheets forwarded to finance deptt. containing all types of leaves including leave without pay, the amount of which is to be deducted from the salary.

4. Ensure that leave records are maintained properly and comply with the statutory requirement in this regard.

5. Check that leave records are timely updated. Verify whether the number of leaves as stated in the records in respect of each employee is correct as compared with employee's handbook on test check basis.

6. Check that balance leaves are carried forward to the next period.

7. Obtain a copy of the employee handbook issued to new joiners and check if it contains all the information regarding the leave rules.

III. Late Coming and Early Going

1. Check whether a well-defined policy exists in respect of late coming and early going.

2. Test check few cases for late coming and early going and ensure that half day has been deducted as per the requirement of the policy and also check that out-duty slip, duly approved from the competent authority, is available in the file.

D.<u>PAYROLL</u>

I. Pay Fixation and Maintenance / Updation of Employees' Master Records

1. Understand the procedure of maintenance and updation of employees' master records.

2. Test check few cases of new appointment, promotion, increment in salary and ensure the following aspects:

3. Pay fixation order has been issued by the authorised executive and is as per pay fixation rules notified from time to time.

4. Records for pay fixation and employees detail are updated from time to time.

5. In case of increment, date is fixed for making the payment as per pay fixation rules.

6. Ensure that the right to access the employees' master record is available only with authorized executives.

7. In case of computerized records, appropriate back up procedure exists.

II. Promotion/Transfer of Employees

1. Ensure that promotion/transfer orders of employees are issued by the executive duly authorised by the competent authority.

2. In case of transfer of employee, Last Pay Certificate (LPC) is issued by his DDO annexing the details / documents regarding payroll ledger, recovery schedule of advances, pay details, entitlements etc.

3. Inter unit advise has been made at the time of transfer showing various advances /loans.

E. <u>LEGAL</u>

I. Empanelment of Lawyers

Verify the empanelment process of the lawyers and ensure the followings:

a) Minimum qualification and experience criteria and field of specialisation has been defined.

b) Empanel number of advocates as per requirement of JBVNL.

c) Provision of DOFP has been complied with.

II. Fixation of Fees

Review the fees fixation criteria and ensure the following:

a) Various factors such as seniority and expertise of lawyers, market standing of lawyer, prevailing rates have been considered.

b) Entitlement for expenses such as boarding and lodging, travelling has also been determined and specified in agreement.

III. Controls on Expenditure

Details of expenditure incurred on various cases are prepared and submitted to appropriate authority.

1. Verify that expenditure incurred on cases are monitored and controlled as far as possible.

2. Appropriate decision for withdrawal of case or any other remedial action has been taken with the approval of appropriate authority.

F. <u>Hospitals/Dispensaries</u>

1. Ensure that proper records are maintained for receipt, issue and availability of medicines and consumables.

2. Check that approval of officer in-charge is obtained for making the indent for procurement of medicines and consumables.

3. Ensure that approval for procurement of medicines is given on the basis of average consumption and seasonal requirements.

4. Verify from the records that costly medicines are being purchased as per the actual requirements.

5. Ensure that a monthly summary of medicine consumption is prepared and reviewed by the competent authority. Obtain one of the monthly summaries and check a few entries from the daily medicine issue register. Investigate if any differences are noted in the same.

6. Ensure that expired medicines are disposed off as per the approval of the competent authority and in the presence of a senior executive of the hospital.

7. Ensure that all the receipts of surgical equipments, apparatus and tools received are recorded in the register maintained for the purpose.

G. <u>TOWNSHIP</u>

I. Allotment

1. Examine the applications for allotment of houses and ensure that employees' particulars have been verified by the personnel department.

2. Obtain the following registers and ensure that they are being properly maintained and updated:

   a) Township occupancy register,

   b) Register of contracts/agreements,

   c) Recovery register.

3. Ensure that houses have been allotted on the basis of recommendation of the Housing Committee (HC) formed for this purpose.

4. Check the basis of allotment of houses and ensure that allotments have been made as per the pre-defined criteria e.g. entitlement, seniority of employee, as well as the order of application, etc.

5. Ensure that in cases allotment of house is made to contractors, other persons not entitled for allotment, approval from the competent authority has been obtained. Also ensure that in case of such type of allotment, corporate rules and guidelines have been followed.

6. Check a few entries in township occupancy register and ensure that these are as per the terms and conditions given in the allotment letter.

7. Verify that agreements have been entered into with all the persons other than employees whose names are appearing in occupancy register.

8. Verify the entries in the register of agreement and ensure that terms of agreement have not been expired and in case date has been expired and the premises has not yet been vacated , then investigate the reason of non-vacation of the premises or the renewal of agreement.

9. Review the allotment register and ensure that accommodation has been allotted to the eligible persons only and no unauthorised allotment has been made.

II. Recoveries

1. Verify that rent, electricity, water and other charges are being recovered on the basis of rules/rates specified in the circulars issued from time to time.

2. Ensure that proper records are being maintained for taking meter readings in respect of electricity consumed.

3. Ensure that a statement of outstanding recoveries is prepared on a periodic basis and an appropriate action has been taken for recovery of charges.

4. Ensure that charges for rent, electricity, water and other charges are being recovered from contractors/commercial premises as per rates stipulated in the contract/agreement.

5. Ensure that in case recovery of such charges is made in the form of deduction from the contractor's bills, the recovery should be from the running bills/final bills as per the terms and conditions of the contract.

III. Vacation

1. Verify the case of vacation of houses and premises by employees and outsiders with the vacation orders and ensure that fittings etc. have been duly verified by the office concerned.

2. Verify the recoveries in case of shortage/breakage etc.

3. Verify that all the recoveries in all cases of vacation have been effected before issuing vacation orders.

4. Ensure that vacation orders are sent to finance deptt. immediately for updation of their records.

5. Check whether the houses are being vacated timely. Report the cases where the vacation date has been expired or the employee has been transferred but the house has not yet been vacated. Investigate the reasons, why the premises have not yet been vacated.

H. GUEST HOUSE/TRANSIT HOSTELS/TRANSIT CAMPS(TCs)

1. Check whether the following registers are being maintained in the guest house or not:

   a) Guest occupancy register,

   b) Register of non-consumable items,

   c) Register for consumable items.

2. Obtain the aforesaid registers and ensure that they are being properly maintained and updated.

3. Ensure that all entries in the guest register are properly filled in and no unauthorised alteration is being made.

4. Ensure that allotment of guest house facility has been provided only to the guests entitled for availing it and as per approval of the competent authority.

5. Verify the charges recovered from the guests as entered in the register with cash receipt from the employees and outsiders and ensure that the same are in conformity of the rules.

6. Check that the amount of rent and other charges collected from the guests are being deposited to the DDO on weekly/ monthly basis.

7. Compare the actual expenditure and income of the guest house with that of earlier year and note the deviations.

8. Check and verify the assets register maintained by the guest house in-charge with the fixed assets register maintained in the finance Wing.

9. In case of stay of guest for more than 5 days ensure that prior approval of competent authority has been taken.

I. OTHER ISSUES

I. Leave travel concession and claim

1. Ensure that the leave Travel concession is allowed as admissible to the claimant under the rules as applicable at the time of sanction.

2. Ensure that the approval has been granted by the authority competent to grant such permission.

3. Check and ensure that the actual claims are submitted within the stipulated period and the same are adjusted without any delay.

4. Check and ensure that where the advance are not utilized within the stipulated period or where advance was in excess of the claim the same were deposited within the stipulated period.

5. Ensure that penal interest has been recovered wherever applicable.

II. Staff Loans and Advances – HBA, Computer, Furniture, Conveyance etc. and its Recovery

1. Ensure that loans/advances were sanctioned to the employees on the basis of advance requisitions in the prescribed format and duly approved by the competent authority as per entitlement of the employee.

2. Required documents in respect of loan sanctioned have been collected and vetted by the legal cell before issue of necessary office orders for disbursement.

3. In case of HBA, ensure that the employee concerned has given the intimation in respect of possession taken so that the DDO can start the recovery of instalments as per terms of the agreement.

4. Ensure that the insurance cover on house was taken for an amount not less than the advance amount with the necessary endorsement for hypothecation in favour of the JBVNL.

III. Leased Accommodation

1. Ensure that lease masters are updated as per the new lease agreements/amendments during the year.

2. Verify personnel records to ensure that the approval of the competent authority has been obtained before leasing the accommodation to the employee.

3. Examine the lease deeds of the rented accommodation and ensure the interests of the company have been safeguarded.

4. Ensurethatthesystemisworkingproperlyregardingtimelyrenewalofleasedeedsbeforetheduedate.

5. Ensure that all the documents required for lease deed are complete and are duly vetted by the legal cell.

STORES AND TRANSFORMER REPAIR WORKSHOPS

I. RECEIPT OF MATERIAL

1. Review the material receipt process and ensure that material is checked and recorded at all the locations, viz. security gate, at stores etc. Ensure that gate inward register has been maintained by the gatekeeper and entry of receipt of material has been recorded on a timely basis. Undue delay with reason should be viewed.

2. Check that store challan control registers/stock registers and store requsition (SR) are maintained as per JBVNL's policies and procedures. Verify that proper serial control exists over SRs. Test check whether Store Challan and Store Requsition are being controlled properly with reference to stores records.

3. Verify the procedure for receipt of material on test check basis and ensure that all documents like Purchase Order, Challan, Gate Entry Note, Invoice and Inspection Note/Report are attached to the Store Challan including a note regarding shortage/rejection, if any.

4. Examine the Store Return Warrant (SRW) duly signed by the authority approving return of stores and stores giving reasons for return and references of Store requisition in respect of unused material.

5. Check that any deviation from the purchase order is intimated to the procurement Wing for their necessary action.

6. Ensure that damaged/rejected goods are kept separately and reported to procurement Wing for necessary follow-up action.

7. Verify the receipt/consumption certificate in case of direct unloading of material at site.

8. Ensure that wherever required an adequate transit insurance cover has been taken.

9. Check the computations of pricing of the returns and verify the basis and confirm it to be in accordance with the pricing of the issues of the relevant items.

10. Verify entry into the stock register and priced stores ledger.

11. In case of returns by contractor, check the difference on receipt of materials and necessary adjustments are made in contractor's account.

12. Confirm that the competent authority has duly approved the relevant vouchers for the above entries.

13. Check the Store Challan and ensure that all goods received have been accounted for and recorded under the correct item code.

14. Report the variations in rates of a particular item purchased on different dates in the period under review.

15. Verify the cases of material returned from various offices duly authorised by the concerned Officers. Verify that material returned has been inspected for proper condition, quantity of material before issuing SRW.

II. ISSUE OF MATERIAL

1. Verify the Store Requisitions on test check basis showing the detail of work, work order number and name of the Wing to which the cost is chargeable and also that the Store Requisition is authorised by the competent authority.

2. Verify that over-writing on the Store Requisition is duly authorised.

3. Ensure that bin card/stock register has been updated on every receipt/issue of material and accounted for in correct item code.

4. Verify that Value Ledger is also updated on every issue made and valued as per accounting guidelines. Ensure that material has also been issued on monthly moving average basis in accordance with the AS-2 issued by the ICAI.

5. Intimation is given to procurement Wing when the stock level reaches at reorder level.

III. INVENTORY MANAGEMENT

1. Enquire that inventory level have been fixed viz. minimum, maximum and reorder level considering the lead time of procurement, consumption pattern etc.

2. Enquire that aforesaid inventory levels are reviewed at reasonable intervals.

3. Verify that actual inventory in respect of A and B class items are not kept in excess of maximum inventory level.

4. Whether list of slow moving/non- moving inventory item are being made and intimated to user Wing for review and chalking out action plans for disposal/alternate use of such items also ensure that the said list is being submitted to Head office/management regularly and specifically with regard to A and B class items.

5. List out the stores items which have been procured on emergency basis but not yet utilised/issued.

6. List out the stores items which have been procured for the specific work/ requirement by the authorities other than the material procurement authority but not yet utilised/issued.

IV.RETURN OF DAMAGED TRANSFORMERS IN STORES/ TRANSFORMER REPAIR WORKSHOPS

1. Ensure that the transformer oil as contained in the transformer and the parts visible outside the transformers are properly checked and the shortages, if any, are properly recorded in the shortage book.

2. Ensure that the measurement of the transformer oil and the parts as available at the time of receipt/checking is recorded in the measurement book properly.

3. Ensure that the notional value of the damaged transformers as well as the value of transformer oil and the available parts; as fixed from time to time and applicable at the time of receipt is accounted for in the month of receipt itself and resultant credit is afforded to the concerned accounting unit through IUT.

V. ACCOUNTING OF TRANSFORMER OIL AND CHECKING OF THE TRANSFORMER

FOR HE PURPOSE OFREPAIR/DISPOSAL

1. Ensure that the transformer oil as received along with the transformer and recorded in measurement book is taken into Dirty Transformer Oil card; sludge as contained in the oil is determined and deducted and the balance is transferred to the de-hydration transformer oil register. Also ensure that the oil received after de-hydration is recorded in the De-hydrated transformer Oil Register.

2. Ensure that the damaged transformer is opened and checked thoroughly at the earliest possible and a decision regarding repair or the disposal is taken promptly. Also ensure that the parts/material dismantled after opening of the transformer are properly measured, accounted for and the resultant credit is afforded to the concerned accounting unit. It may also be ensured that abnormal delay in checking/accounting is not committed.

VI. CUSTODY OF MATERIALS AND PHYSICAL CONTROL

1. Ensure that adequate internal checks and controls are in place and adhered to regularly e.g. no single person is responsible for physical storage, custody, issue and maintenance of bin cards etc.

2. Ensure that adequate storage facilities are available with stores and based on the nature, volume, value and criticality of the items, storage place has been allocated e.g. high value items should be kept under lock and key; heavy materials may be kept near the exit gate etc.

3. Check that storage place has been properly marked with identifiable code, numbering, marks etc.

4. Ensure that bin card/stock register clearly shows the receipt, issue and balance and location of inventory and the same should be authenticated with the physical verification on test check basis.

5. Enquire from the process owner about the procedure to maintain the stock and ensure that the stores personnel have followed that procedure while handling stock.

6. Ensure that the physical verification of the inventory has been carried out as per the schedule chalked out by the process owner and carried out by an independent person/committee.

7. Review the physical verification reports and ensure that the reasons for shortages/excesses have been ascertained and necessary action plan for controlling such shortages/excesses has been chalked out.

8. Review the procedure for writing off any shortage and ensure that shortages have been written off after taking the approval of the competent authority.

9. Ensure that adequate fire-fighting and security arrangements have been made.

CONSULTANCY SERVICES

I. COST ASSESSMENT AND PRICE FIXATION

1. Examine request for consultancy services and ensure that this has been authorised by the competent authority.

2. Review the terms of reference and verify the determination of resource requirement by considering the detailed scope of work, suitable person with the requisite experience duly approved by the competent authority.

3. Verify the manpower costing after considering all the relevant cost factors viz. basic pay, perquisites and reimbursement allowed to employees, etc. as also the approval of the competent authority for the manpower costing.

4. Examine the system for review/revision of manpower rates at a reasonable interval.

5. Ensure that the cost sheet was made after considering all the cost items i.e. manpower, overheads, hiring of outside resources etc.

6. Check that the overall costing of the proposal has been approved by the competent authority.

7. Verify that due consideration was also given to normal profit margin, provision for contingencies, etc.

8. Check the proposals having low profit margin and find out the reasons of accepting the

proposal.

9. Ensure that the costing and pricing of the assignment have been duly concurred by the finance Wing.

10. Check whether the legal Wing has duly vetted the contract.

II. EXECUTION

1. Ensure that the resources have been deployed as per the original plans. Identify the cases where excess resources have been deployed and the reasons for the same.

2. Verify that the resources have been timely deployed and the assignment has been taken up as per the schedule.

3. Check whether resources deployed in various assignments are reasonable in terms of number, skill and experience.

4. Ensure that actual deployment of resources has been regularly monitored, periodically reviewed and modifications are also carried out accordingly by the HOD.

5. See the correspondence file/records and ensure that all the matters/queries have been duly taken up/replied/sorted out.

6. Review the progress of the assignment against the predetermined schedule; adequate action plans for timely completion of the project have been chalked out.

III. BILLING, RECOVERING AND FOLLOW-UP

1. Verify the debtors ledger and ensure that billing has been carried out as per terms and conditions contained in the contract and as per time schedule.

2. Check that billing for the extra items/deviation has been made timely.

3. Check that payments from the clients are being collected in time as per stipulated terms.

4. Check that collection outstanding positions are made a part of MIS.

5. Check that regular follow-up has been ensured with the parties for speeding up the collection process.

6. Check that rebate/discount/writing off bad debts, if any, have been allowed only after prior approval from the competent authority.

IV. ASSESSMENT AND FEEDBACK SYSTEM

1. Ensure that the system of getting client feedback is inexistence.

2. Review that steps are being taken for improvement of quality of services, considering the new ideas and feedback of clients.

3. Profitability of the assignment is reviewed from time to time. In case of deviation plan for future improvement has been chalked out and implemented.

V. BUSINESS DEVELOPMENT PROCESS

1. Review the departmental efforts towards getting the business and maximisation of revenue.

2. Enquire whether analysis of success ratio is being made a part of MIS.

3. Enquire with the process owner and ensure that a system of budgetary control is in place and regularly followed for monitoring the performance of the Wings. Compare the actual with the budget and note the reasons for variance.

IT & COMMUNICATION

I. SOFTWARE DEVELOPMENTPROCESS

1. Review the plan of the Wing in respect of software development. Also review the budget for the same.

2. Review the system of the organisation for taking the feedback from various Wings in respect of their software needs.

3. Analyse the software requirement received from various units and verify the following:

   a) Whether required software is to be procured / got developed from outside agency or to be developed in house.

   b) Assess the in-house resources for development of software.

   c) Identify the agencies for development of required software and assess the credentials of software development agencies.

   d) Prepare the comparative statement.

4. Ensure that the IT system development assignment has been undertaken after obtaining the approval of the competent authority.

5. Test check the records and verify the estimates in detail/budgets outlaying the cost time lines and resource requirements, etc., has been prepared before taking up the authority.

6. Ensure that the outside consultant has been deployed only in absence of a competent

person available in house.

II. MAINTENANCE OF HARDWARE AND SOFTWARE

1. Verify that there is an adequate training program regarding the new system. Proper emphasis is given on the system of feedback on quality. Due consultations are given in case of difficulties faced by user promptly.

2. Verify that the software purchased/developed in house have been used for the intended purposes and meeting the envisaged requirements.

3. Verify that all the IT assets have been covered under an adequate AMC.

4. Review the system to ascertain whether the contractor of AMC has performed his duties as per the terms and conditions of the contract i.e., number of visits, deployment of staff, supply of spares, etc.

III. INFORMATION SECURITY AND CONTROLS

1. Verify that the licences for all the software have been obtained.

2. Verify that there is a regular system to take the feedback from all user Wings in respect of performance of AMC contractors/software for the intended use, .

3. Ensure that the information security policy has been framed and intimated to all the employees. The policy is also reviewed at periodical intervals.

4. Ensure that password policy has been followed strictly. The internal auditor should verify the system by using dummy data.

5. Ensure that there is a system to monitor whether the user Wings are keeping back-up of data and arrangements are being made for its proper placement outside the premises.

OPERATION AND MAINTENANCE

I.SCHEDULE OF PREVENTIVE MAINTENANCE

1. Check that the preventive maintenance schedule defining the maintenance frequency has been prepared and all the critical equipment and machines have been covered.

2. Review various log books to verify that maintenance has been carried out as per the schedules.

3. List out the instances of non-adherence of maintenance schedules and ascertain the consequences, if any.

II. BREAK DOWN ANALYSIS

1. Verify that regular breakdown analyses are prepared for ascertaining the nature, root cause analysis of breakdowns etc.

2. Review the break down reports to check that an appropriate plan of action has been chalked out and implemented to ensure that no repetitive break down has occurred.

3. Instances of break down due to non-adherence to preventive maintenance schedules are to be reported.

III. BUDGETARY CONTROL

1. Check that the system of budgetary control in respect of shut down hours, repair and maintenance expenses in unit and monetary terms is in place in terms of annual plan and the basis of budget preparation are correct.

2. Verify that the actual performance of the Wing is regularly monitored and compared with the budgets and corrective actions are being taken in respect of deviations after ascertaining the reasons. Also verify that a proper plan of action is being chalked out to control the deviations.

IV. CRITICAL SPARES

1. Ensure that inventory of critical items/spares has been maintained adequately and verify the procurement records to ensure that proper quantity of spares required in maintenance have been indented/procured in time keeping in view the availability of these items in stores, lead period required for procurement, availability of spares vis-à-vis the schedule of maintenance to avoid blockage of funds and to achieve the maintenance of optimum level.

2. Ensure that a physical verification system has been maintained by the unit and no excess inventory has been kept by the Wing.

V. MAINTENANCE OF HISTORY SHEET/CARDS/LOGBOOKS

Check that adequate machine history cards/log books containing the details of repair and maintenance expenses, machine life, machine hours, break down hours, etc. have been maintained in respect of each machine and are being updated at periodic intervals.

TRANSPORT

I. Hiring Of Vehicles/Equipments

1. Verify the current position of vehicles/equipments as per the requirement of the organisation. Check whether the requirement of hiring more vehicles has been determined on the basis of assessment from time to time. A situation of keeping surplus vehicles should be avoided.

2. Check whether the process of hiring additional vehicles/equipments started after obtaining an approval from the competent authority.

3. Ascertain whether all tendering procedures like invitation of bid through open/limited tender, formation of tender committee, technical and financial evaluation, etc., have been adopted.

4. In case of final contracts, review the following points:

   a)Contracts were awarded at economical rates.

   b)Reasons for not inviting open tenders have been quoted on justifiable grounds.

   c)Contract agreements are signed and accepted by both the parties.

5. Examine whether estimate has been properly made out and contract has been awarded on the terms and conditions not prejudicial to the interests of the JBVNL.

6. Ascertain whether the contract has been renewed at periodical intervals and no long extension has been granted without any valid reason.

7. Vehicles/equipments are checked in respect of their models, condition, past behaviour of the contractor, if renewed, etc, before entering into the contract.

II. Utilisation of Vehicles/Equipments

1. Examine and comment on serial control of the requisition slips.

2. Review the vehicles/equipments allotment/allocation registers and ensure that vehicles/equipments have been allotted on the basis of requisition slips duly authorised by the competent authority and as per the entitlement of the employees for outstation journeys.

3. Verify whether records maintained for vehicles/equipments in respect of running cost are being controlled/monitored.

4. Review the percentage utilisation of vehicles/equipments, indicating cases of under-utilisation, breakdown, lying idle etc.

5. Examine whether the Wing has submitted statements of hire charges on vehicles/equipments let out to contractors on regular/timely basis to the Finance Wing for affecting timely recoveries.

6. Verify whether log books are being maintained properly and updated regularly.

7. Ensure the compliance of various statutory requirements, viz. validity of licences of drivers, validity of registration certificates, insurance with comprehensive risk cover, pollution certificate, etc.

III. Repairs and Maintenance of Vehicles/Equipments

1. Examine whether records have been maintained with regard to each vehicle/Wing. Review the history records of each vehicle/equipment and identify and comment on the instances of uneconomical operations with reference to norms.

2. Verify that repairs and maintenance for vehicles/equipments have been undertaken after getting the approval of the competent authority.

3. Check whether records are being maintained in respect of expenses on repairs and maintenance vehicle/equipment-wise.

4. Any heavy expenditure on particular vehicle/equipment should be reviewed.

5. Repairs and maintenance jobs are being assigned to outside parties, in case in- house maintenance facilities are not available or inadequate. Ensure that jobs have been assigned to the outside parties after following the prescribed procedure, such as, estimate of expenses, quotations from the various parties, etc.

IV. Disposal of Vehicles/Equipments

1. Review the records including minutes of the committee authorising the disposal of vehicles/equipments as per prescribed guidelines of the JBVNL.

2. The surplus vehicles/equipments are also being regularly reported to the Head Office.

3. The reserve prices of vehicles/equipments have been computed as per guidelines of the JBVNL in this regard.

4. Ensure that disposal of vehicle/equipment has been made by the procedure prescribed from time to time.

V. Compliance of Company Vehicle Rules

1. Ensure that there is a clear policy regarding admissibility for utilisation of vehicle.

2. Ensure that entitlement for self use of vehicle for the officer has been fixed and the rate, terms and conditions for use of vehicle in excess of their admissibility has been fixed.

3. Ensure that proper record of the usage of vehicle has been maintained. Also cross check the genuineness of some entries made in the logbook.