

CHHATTISGARH STATE POWER GENERATION CO.LTD.

(A Govt. of Chhattisgarh Undertaking) (A Successor Co. of CSEB)

Office of the General Manager (Finance)

No. 05-05/Audit/EOI/5063

Raipur, dtd. 30 /09/2020

Notice Inviting Expression of Interest (EOI)

Notice inviting Expression of Interest (EOI) for appointment of chartered / cost accountants firms for conducting internal audit in Chhattisgarh State Power Generation Company Limited (CSPGCL) for the financial year 2020-21 & 2021-22.

EOI NO.	05-05/Audit/EOI/5063	Raipur dt. 30/09 /2020
EOI Close Date & Time	21 / 10 /2020 till 15:00 Hrs.	
Source of EOI	General Manager (Finance) CSPGCL, Raipur	

A complete set of EOI documents can be downloaded from our website link – http://cspc.co.in/cspc/cspgcl/tender/tendernotices/Central_tender_CSPGCL.htm, which may be filled and submitted under sealed cover to **The General Manager (Finance), CSPGCL, Room no. 12, Ground Floor, Vidyut Seva Bhavan, Danganiya, Raipur (C.G.) 492013**, so as to reach latest by **21.10.2020 till 15:00 Hrs.**

Purpose for appointment - Appointment of Chartered Accountant (CA)/ Cost & Management Accountant (CMA) Firm as Internal Auditor for CSPGCL, for the F.Y. **2020-21 & 2021-22** as per provision of section 138 of Companies Act 2013.

Cost of EOI Document - Rs.1,120/- {Rs. 1000+120(12% GST)}

Amount of Earnest Money Deposit (EMD) :- Rs. 5,000/-

Mode of payment - The payment of Cost of EOI document/EMD should be made through crossed Demand Draft / bankers' cheque in favour of "**Assistant Manager, CAU CSPGCL, Raipur**" payable at Raipur.

The EOI documents may be purchased from the O/o GM(Finance), CSPGCL, Vidyut Seva Bhavan, Danganiya, Raipur (C.G.) 492013, on payment of non-refundable EOI document cost as specified above on or before 21.10.2020 till 15:00 Hrs. on all working days. EOI document can also be downloaded from our website link https://www.cspc.co.in/cspc/cspgcl/tender/tendernotices/Central_tender_CSPGCL.htm. In case of downloading EOI document from the website, the bidder has to remit cost of EOI document at the time of submission of EOI.


General Manager (Finance)
C.S.P.G.C.L, RAIPUR

Registered Office : Ground Floor, Vidhyut Sewa Bhavan, Dangania Raipur – 492 013; CIN No. U40108CT2003SGC015821
Phone : 0771-2574360; Fax : 0771-2574370; email : edfin.cspgcl@cspc.co.in; web site : www.cspc.co.in/cspgcl
(AN ISO 9001-2008 COMPANY)

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FORMAT OF APPLICATION FOR APPOINTMENT OF INTERNAL AUDITOR

1. Name of the Firm :
2. Registration No. of the Firm :
3. Date of Registration of the Firm:.....
4. Details of Head Office & Branch Office(s):-

Head Office:

Complete Address	Date of Establishment	Details of Contact Person (Name, Tele. Phone/ mobile no. & E-mail ID)	No. of CA Working	Documents enclosed reference (Page) Pg. no.....
		Name: Tele no. :..... Mob no. :..... E-mail ID :.....		

Branch Offices:

Sl.	Complete Address	Date of Establishment	Contact Details (Tele. Phone/ mobile no. & E-mail ID)	No. of CA Working	Documents enclosed reference (Page) Pg. no.....
1			Name: Tele no.:..... Mob no.:..... E-mail ID:.....		
2			Name: Tele no.:..... Mob no.:..... E-mail ID:.....		
3			Name: Tele no.:..... Mob no.:..... E-mail ID:.....		
4			Name: Tele no.:..... Mob no.:..... E-mail ID:.....		
....					

(Insert information for additional Branch office(s), if any)- Likewise above.

Handwritten signature

Details of Partners:

Sl. No.	Name of the Partner(s)	Membership No.	Membership Status ACA/ACMA/ FCA/ FCMA/CISA/ DISA	Date of joining the firm as Partner	Documents enclosed reference (Page)
1.					Pg. no.....
2.					Pg. no.....
3.					Pg. no.....
4.					Pg. no.....
5.					Pg. no.....

5. Details of Qualified Assistants:

Sl. No.	Name of the Assistant	Membership No.	Whether ACA/ACMA/FCA/ FCMA/CISA/DISA	Date of joining the firm as Qualified Assistant	Documents enclosed reference (Page)
1.					Pg. no.....
2.					Pg. no.....
3.					Pg. no.....
4.					Pg. no.....
...					Pg. no.....

6. Details of Semi-Qualified Assistants:

Sl. No.	Name of the Assistant	Whether CA IPCC/CMA-Inter	Date of joining the firm as a Semi- Qualified Assistant	Documents enclosed reference (Page)
1.				Pg. no.....
2.				Pg. no.....
3.				Pg. no.....
4.				Pg. no.....
...				Pg. no.....

7. Details of Experience of Firm/Partner in Power Sector as Statutory / Internal Auditors:

Sl. No.	Name of the Company/ Unit	Year of Audit	Type of Audit – whether Statutory / Internal Audit	Documents enclosed reference (Page)
1.				Pg. no.....
2.				Pg. no.....
3.				Pg. no.....
4.				Pg. no.....
...				Pg. no.....

8. Details of Experience of firm in Physical Verification of Store/Fixed Asset in Power Sector :

Sl. No.	Name of the Company/Unit	Year of Audit	Type of Physical Verification-Fixed Assets / Inventory	Documents enclosed reference (Page)
1.				Pg. no.....
2.				Pg. no.....
3.				Pg. no.....
...				Pg. no.....

9. Details of Experience of firm in sectors /industries other than power (excluding financial sector) under Central / State Government / PSUs:

Sl. No.	Name of the Company/Unit	Year of Audit	Type of Audit whether – Statutory / Internal Audit	Documents enclosed reference (Page)
1.				Pg. no.....
2.				Pg. no.....
3.				Pg. no.....
...				Pg. no.....

10. Details of Experience in Financial sector under Central / State Government / PSUs:

Sl.	Name of the Company/Unit	Year of Audit	Type of Audit whether – Statutory / Internal Audit	Documents enclosed reference (Page)
1.				Pg. no.....
2.				Pg. no.....
3.				Pg. no.....
...				Pg. no.....

11. Details of Experience of having working under ERP/SAP environment:

Sl.	Name of the Company/Unit	Year of Audit	Type of Audit whether – Statutory / Internal Audit	Documents enclosed reference (Page)
1.				Pg. no.....
2.				Pg. no.....
3.				Pg. no.....
...				Pg. no.....

12. Readiness for Audit under Ind AS compliance guidelines Yes/No

13. PAN of the Firm: _____ (Enclosed : Page no.....)

14. GST Registration No. _____ (Enclosed : Page no.....)

Date:

Signature of Partner with
Name & Seal of the Audit Firm




SELECTION CRITERIA (POINT ALLOCATION)

SL. NO.	PARTICULARS OF QUALIFICATION	POINTS TO BE ALLOCATED	MAXIMUM POINTS
1	Year of Establishment of the Firm	1 (One) per year of existence (fraction of the year to be ignored)	15 (Fifteen)
2	Head Office at Chhattisgarh		5 (Five)
3	No. of Partners in the Firm who have been with the applicant Firm for a minimum period of one year as on the date of application.	2 (Two) for each Partner who is FCA /FCMA. 1 (One) for each Partner who is ACA/ACMA	16 (Sixteen)
4	Number of branch offices (excluding head office)	1 (One) per branch	4 (Four)
5	Number of partners/qualified assistants (Chartered/ Cost Accountants) with CISA / DISA (Employed since more than one year)	2 (Two) per person	6 (Six)
6	No. of Qualified Assistants (Chartered/Cost Accountants) employed with the Firm (Employed since more than one year)	1 (one) per Qualified Assistant	4 (Four)
7	No. of Semi-qualified Assistants (CAIPCC /Cost -Inter) employed with the Firm	1 (One) per Semi-qualified assistant	4 (Four)
8	Experience of the Firm/ partner who conducted Internal Audit previously in Power sector as Internal Auditors (refer note Sl. IV below)	4 (Four) per year of Audit (fraction of the year to be ignored)	20 (Twenty)
9	Experience of the firm in Physical verification of Store/Fixed Assets in Power Sector (refer note Sl. IV below)	1 (One) per year of Audit (fraction of the year to be ignored)	6 (Six)
10	Experience of the Firm in sectors/ industries other than Power (excluding financial sector) under Central/State Government(s)/ PSUs, as Internal Auditors	2 (Two) per year of Audit (fraction of the year to be ignored)	8 (Eight)
11	Experience of the Firm in Financial sector under Central/State Government/ PSUs as Internal Auditors.	1 (One) per year of Audit (fraction of the year to be ignored)	4 (Four)
12	Experience of the firm having conducted audit of any organization under ERP/SAP environment as Internal/Statutory Auditor.	2 (Two) per year of Audit (fraction of the year to be ignored)	8 (Eight)
		Total points	100 (One hundred)



Note:

- I. Experience from the Financial Year- 2009-10 onwards only shall be considered while carrying out evaluation for criteria at Sl. No. 8 to 12 above.
- II. Sl. No. 8 to 12 - Points for each year's experience shall be awarded irrespective of the number of audits conducted during that particular year.
- III. Power Sector at Sl. No. 8 & 9 would mean an entity engaged in generation/ transmission/ distribution of electricity.
- IV. In cases where firm's experience is in private sector at Sl. 8 & 9 above, auditee entities with minimum average turnover of Rs 500 Crores in power sector (as defined at Sl. III above) would only be considered.
- V. Supporting documents for each Particulars of Qualifications at Annexure-A shall be enclosed.

Handwritten signature and initials in blue ink, located at the bottom right of the page. The signature appears to be 'A' with a checkmark, and the initials are 'VX'.

To Do List

(A) Instructions to Audit Firms:

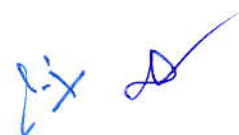
1. Format of Application must be completely filled in. Incomplete applications or with fake information will be outrightly rejected.
2. Please ensure that date of opening of Registered Office, Branch Office(s), entrance dates of all Partners into the firm, date of joining firm as qualified & semi-qualified assistants are invariably indicated in the application.
3. "A **DECLARATION**" has to be submitted by each audit firm that none of its partner(s) or qualified employee(s) a partner in any other audit firm which is applying is for the current empanelment in CSPGCL. Any EOI without such declaration in this regard shall be summarily rejected.
4. All EOIs will be evaluated on the basis of the documents furnished along with applications only. No further communication shall be made.
5. Since, all the applications will be evaluated strictly on the basis of Selection Criteria as per Annexure-A, please avoid attaching unsolicited information/ documents for processing applications expeditiously. Only desired documents should be submitted.
6. All the documents submitted should be signed by a Partner with his / her name and under the seal of the firm.
7. Applications along with tender fee(if downloaded from website) & EMD must be submitted under sealed cover superscribing the **EOI Notice No. 05-05/Audit/EOI/5063 dt. 30/09/2020** and the words "**Application for appointment of Internal Auditors at CSPGCL for Financial years 2020-21 & 2021-22**". **The name and address of the firm must also be indicated on the body of the envelope.**
8. Application must be addressed to General Manager (Finance) Audit Section, CSPGCL, Room no. 12, Ground Floor, Vidyut Seva Bhavan, Danganiya, Raipur (C.G.) 492013. CSPGCL does not take any responsibility for the loss of application in-transit. Applications sent through Fax or E-mail will not be considered.
9. Any application received after the stipulated date & time, due to any reason whatsoever, will be rejected.
10. The EMD in respect of unsuccessful applicant shall be returned after signing of contract with appointed CA/Firms as Internal Auditor.

(B) List of documents to be submitted along with the applications/ EOIs:

Interested firms are advised to go through the contents of the EOI documents carefully and submit self attested copies of the following documents in proper sequence along with the EOIs as described hereinafter

1. Latest registration certificate of the firm issued by The Institute of Chartered Accountants of India / The Institute of Cost Accountants of India w.r.t the information related to the year of establishment of Head Office, Branch Office(s), address (es), details of partners along-with their membership nos. etc. Particulars as indicated in the Certificate(s) will be treated as conclusive and used for the purpose of evaluation of EOIs.
2. Certificates of DISA/ CISA, if any, issued by the respective Institutes.
3. Membership certificates of the qualified assistants issued by The Institute of Chartered Accountants of India / The Institute of Cost Accountants of India.
4. Certificates/ Mark sheets issued by the respective Institutes in evidence of qualification of semi-qualified assistants.

5. Copies of appointment letters for Statutory / Internal audit /Physical verification in CSPGCL and its sister concern/ other PSUs/ Government(s)/ Central / State/ Scheduled Banks/ Private Sector in evidence of experience. Experience Certificate may also be enclosed alongwith.
6. Firms with experience of internal / statutory / physical verification audit of power sector entities in private sector have to submit a certificate to the effect that the average annual turnover of the auditee for the relevant financial years is Rs 500 Crores or more along with self attested copies of published accounts showing turnover for the relevant years/ CIN and other relevant web links to verify the turnover or certificate giving yearwise turnover details issued by the company.
7. Copy of PAN card.
8. Copy of GST Registration.
9. Copy of other supporting documents if felt necessary for the firm.
10. A copy of complete EOI document duly signed as a token of acceptance of all terms and conditions and sealed.



TERMS OF REFERENCE OF INTERNAL AUDIT FOR CSPGCL

As per requirement under the provisions of Section 138 of Companies Act 2013 read with Companies (Accounts) Rules, 2014, Chhattisgarh State Power Generation Company Ltd. (CSPGCL) intends to appoint CA/CMA professional firms as Internal Auditor. CSPGCL expects quality internal audit work.

Internal audit shall be conducted initially for 2 years i.e. F.Y. 2020-21 & F.Y. 2021-22. The commencement of audit for FY 2020-21 shall be immediately strictly as per program schedule provided by this office.. Based on satisfactory performance of conduction of Audit, award may be extended for further period of one year i.e. FY 2022-23 on the same rate and terms & conditions of the award of contract.

The terms and conditions for conducting Internal Audit in CSPGCL are detailed hereunder:

1. Introduction and background

Chhattisgarh State Power Generation Company Limited, with its Head Office at Vidyut Sewa Bhawan, Danganiya, Raipur, (CG) is a State Power Generation Company incorporated under the provisions of the Companies Act, 2013 and is a Government of Chhattisgarh Undertaking Company, having its thermal and hydel power stations located at various locations in the state of Chhattisgarh. The mission of CSPGCL is to generate adequate and reliable power through most economical, most efficient & eco friendly manner and to make Chhattisgarh State 'Power Hub of India'. The CSPGCL is having generation capacity of 3280 MW Thermal Power Stations and 138.70 MW Hydel Power Stations.

CSPGCL is carrying its business through Power Stations. The Power stations/ Head Office presently to be covered are as follows:

- (i) 2x120MW Korba Thermal Power Station (KTPS), Korba (East)
- (ii) 4x210 MW Hasdeo Thermal Power Station (HTPS), Korba (West) & 1x500 MW Korba West Extn.
- (iii) 2x250MW Dr.Shyama Prasad Mukharjee Thermal Power Station (DSPM), Korba (East)
- (iv) 2x500 MW Marwa TPP, Marwa
- (v) 3x40 MW Hydel Power Station at Bango and other mini Power Stations.
- (vi) Offices of Head Office.

2. Objectives:-

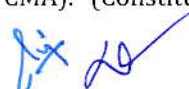
The objective of this assignment shall be to:

- (a) To carry out internal audit function of CSPGCL with the functions and scope of work as detailed at **Guidelines for Internal Audit of CSPGCL**.
- (b) Establish an effective internal audit and control system.
- (c) Assessment of performance / efficiency of offices w.r.t. HR resources, property resources and financial resources i.e. under or over utilization of resources.
- (d) Submission of internal audit report to audit committee of company.
- (e) Implementation of instruction / guidelines issued by Audit committee

3. Pre-Qualification Criteria Requirements (PQR)

The bidders shall fulfill the following criteria in order to be eligible for award of Internal Audit. Only those Professional Firm is requested to submit their application for appointment of Internal Auditor, who qualify the PQR mentioned below. The bidder shall submit information/documents for the verification of qualification as mentioned in bracket against each criterion:-

- i. CA/CMA firm must be in operation for at least ten (10) years duly registered with ICAI/ICMAI. (Firm's registration certificate required).
- ii. CA/CMA firm should have its Head Office/Branch Office in in any place located in Raipur, Durg, Bilaspur or Korba in state of Chhattisgarh.
- iii. CA/CMA firm should have minimum 5 partners associated with them during the last 3 years, out of which at least 3 shall be fellow members (FCA/FCMA). (Constitution certificate from ICAI/ICWAI is required).



- iv. The firm should have served as internal auditor for at least 1 year during the last 3 years period i.e. F.Y. 2017-18, 2018-19 & 2019-20 of listed Companies/Govt undertaking/ Power Utility having minimum turnover of Rs 500 Crore during the year of audit. The branch audit of banks shall not be considered for the above purpose. In case the firm has conducted the internal audit of Zonal/Regional offices of the Companies, the turnover of the particular Zonal/Regional offices only shall be considered for valuation of this criterion. (Copy of order appointing as internal auditor, Balance Sheet of Auditee company in case of corporate level audit with their phone number and email address or certificate from company's authority regarding turnover of the Auditee offices is required).
- v. During the last 3 years i.e. F.Y. 2017-18, 2018-19 & 2019-20 the firms must have worked as Internal Auditor for at least one year in an organization working under ERP/SAP software environment. (A certificate from Auditee company is required). If the same is not available from Auditee Company, an undertaking given self certification in this regard is required.
- vi. The firm should have minimum average annual professional receipt of Rs. 35 Lakhs during the last 3 years period i.e. F.Y. 2017-18, 2018-19 & 2019-20. (Audited Annual Account of firm is required)
- vii. The firm/ partner has not been debarred/blacklisted by any Bank / State Govt. / Central Govt./ State PSU/ CPSU/SEB/ Public Utility as on date. (An undertaking from the firm is required in Annexure-G1)
- viii. There should be no legal suit/criminal case pending or contemplated against CA/CMA firm on the ground of moral turpitude or for violation of any law in force. (An undertaking from the firm is required in Annexure-G2)
- ix. All documents/statements/ attachments/ information submitted in proof of the qualifying requirement are authentic, genuine and correct. (An undertaking from the firm is required in Annexure-G3)

NOTE :- Relevant documentary proofs in respect of all the above requirements need to be submitted along with the application.

4. Signing of contract agreement and completion of formalities:

- a. Successful applicant who will be awarded to conduct internal audit shall be required to sign Contract with CSPGCL on non-judicial stamp paper of Rs 250/- within 15 (fifteen) days of receipt of order. Cost of stamp paper and revenue stamp to be affixed on contract agreement shall be borne by the applicant. CSPGCL shall not reimburse these costs.
- b. Failure of the successful applicant to sign the contract within the stipulated time period mentioned in the award of audit shall constitute sufficient grounds for the annulment of the award, in which event CSPGCL may discontinue the empanelment and may be blacklisted and make the award to another applicant empanelled with the company. Further EMD deposited by the firm shall be forfeited.

5. Allotment of award of audit to the appointed firm:

The professional firm applied for empanelment shall be evaluated based on selection criteria as per Annexure-A and as per merit points gathered by the professional firms Award of Audit shall be issued to the firms sequentially for the following offices/Power Stations-

- (i) Offices of Head Quarter.
- (ii) 4x210 MW Hasdeo Thermal Power Station (HTPS), Korba (West) & 1x500 MW Korba West Extn, including 3x40 MW Hydel Power Station at Bango and other mini Power Stations.
- (iii) 2x120MW Korba Thermal Power Station (KTPS), Korba (East) & 2x250MW Dr.Shyama Prasad Mukharjee Thermal Power Station (DSPM), Korba (East)
- (iv) 2x500 MW Marwa TPP, Marwa.

In case same points are obtained by two or more professional firms, then firm scoring higher points in selection criteria at serial no. 1 of Annexure- A i.e. Year of Establishment of the firm, shall rank higher, and so on. Decision of CSPGCL shall be final in this regard.

6. Security Deposit:

Upon acceptance of the work order, the successful professional firm shall be required to deposit a security amount of 10% of order value for first year i.e. F.Y. 2020-21, for due and faithful fulfillment of the contract within 15 days of receipt of the order awarding the contract in form of D.D. on scheduled bank in favour of "Asst. Manager (CAU) CSPGCL, Raipur", payable at Raipur. On request of the professional firm EMD may be adjusted against SD and the balance amount of the SD may be payable through DD. Security Deposit shall be retained till faithful performance of terms and conditions of the order and settlement of liability, if any. No interest on security deposit amount shall be payable by CSPGCL. The security deposit shall be returned on request of the firm, after faithful performance as per terms and conditions of the order.

7. Professional Fee :

Professional Audit Fee for Internal Audit for one year based on Scope of Audit in the EOI is as per table at Annexure- E.

8. Extension of Time and Penalty:

Any extension in time for the execution of work beyond contract period shall only be granted on merits, after competent approval. The awarded CA/CMA firm shall submit their request letter with proper justification. In case the ground on which extension is sought is not reasonable, penalty @1/2% (half percent) per week for delay in submission of report subject to maximum of 10% of order value shall be imposed on the auditor.

9. Subletting of work:

The awarded CA/CMA firm shall not sublet the work. In case of getting execution of work through other firm / person, the contract may be terminated and action as deemed fit shall be taken against awarded firm.

10. Audit Program :

The awarded CA/CMA firm has to submit its Audit Program within 15 days from the date of receipt of "Award of Audit" to Manager (Audit), CSPGCL for conduction of audit. Audit Program shall be issued by the Head Office. The audit program should strictly be followed by the auditee office as well as by the auditor. Failure to commence the audit as per audit program shall entail the penalty /forfeiture of security deposit and cancellation of the order.

11. Conduction of Audit:

- (i) Internal Audit of CSPGCL shall be carried out as per detail Guidelines provided under Annexure-H and as per prevailing audit manual and circulars and orders issued from time to time by the company.
- (ii) If required, Internal Auditor may be called before the Management as and when required for any discussion/clarification/suggestions on the matter of Internal Audit Reported/ submitted by them, for which the Internal Auditor should ever equipped with all the information related to Internal Audit Report.
- (iii) The Internal Auditor appointed for Head Office shall conduct following function in addition to Internal Audit of offices of Head Office and issue of Internal Audit Report separately for each offices of Head Office and as per other provisions in the EOI:

"After finalization and receipt of Internal Audit Report for Power Stations/Head Office and after receipt of compliance, a "Consolidated Internal Audit Report of CSPGCL" shall be prepared for each phase separately by compiling the information from the concerned sources so as to make it presentable before the Management."

12. Audit Team(s) :

Auditors would deploy suitable teams for undertaking the audit, after a thorough perusal of the requirements of the appointment letter, terms & conditions contained therein and the Detailed Guidelines for Internal Audit, ensuring that the size and no. of the audit teams is commensurate with the size of the auditee unit and the volume of work involved.

The Manager (Audit) at Head Office of the CSPGCL will coordinate with the Audit Team for smooth functioning of the audit.

The audit work of each office shall be executed by audit teams consisting minimum of -

- a) One ACA / ACMA having minimum 2 years post qualification experience in audit having CISA/DISA and/or prior experience of auditing on the SAP-ERP platform.
- b) Two Audit Asstts having minimum qualification of CA (Inter) / CMA (Inter)/ M.Com with minimum experience of 2 years.

A Senior Partner of the Internal Auditor firm shall coordinate with the OIC (Audit) /Management for any clarification & discussion on the any of the issue related to the Internal Audit. The Internal Auditor awarded shall nominate details i.e. Name, Correspondence Address, Mobile No., Email ID; to the OIC (Audit),immediately after award of Audit.

The above is minimum requirement of workforce to be deployed. However CA/CMA firm shall also ensure that size and quality of the team is commensurate with the volume of the work involved, time limit allowed and finally the quality of output expected. Accordingly, number of members of audit team may be increased as per audit to be carried out.

During the course of the audit there shall be regular meetings once in a month between the O/o G.M.(Finance) CSPGCL, and the team leader of the audit team to discuss and review upon the issues.

The CA/CMA firm shall provide details of proposed internal audit team in **Annexure-F**

13. Co-ordination from Auditee Office :

- (i) The Auditee office shall co-ordinate with the auditor in such a manner so as to complete the audit of respective offices within the prescribed time schedule. The auditee office will provide appropriate and reasonable office accommodation and other office amenities to the audit team similar to the facilities available for the personnel of the organization. Other resources, viz. computers etc. would have to be arranged by CA/CMA firm. The auditor shall also exercise due diligence to ensure coordination and timely completion of audit. In case of non cooperation by the Auditee office, it shall be intimated in writing to the concerned Chief Engineer of the Power Stations/HO as well as to the ED (Fin) CSPGCL, Raipur.
- (ii) A Nodal Officer of sufficiently senior level of not below the rank of Executive Engineer shall be in coordination with the audit team in the audit function from the auditee office. Nomination of the officer shall be informed to the audit team in the initial meeting with the audit officer.
- (iii) Wherever required by the audit in special circumstance physical verification of stores, stocks, etc. may be conducted by the audit in the presence of audit officer.
- (iv) It may be mentioned here that failure to produce necessary record/documents or to respond to the clarifications sought by the audit team would tantamount to preventing the Internal Auditor from performing his/her duties and could, therefore, invite disciplinary action as per company rule.
- (v) Audit team is directed to return the document as soon as their examination is over.
- (vi) Audit team would expect only working environment assistance in their day to day working and documents and information and nothing more.

14. Audit Report:

(i) **On spot clarification and issuance of half margin**

While auditing, auditor shall first take immediate verbal explanation on queries from office incharge / concerned staff. If explanation is not acceptable then shall forthwith issue letter through Half Margins (HM containing all queries of the auditor seeking written explanation) to the concerned office

head. The concerned office shall reply to the HM raised by the auditor in the half margin within three days from the date of issue of the HM letter. The auditor shall again verify the facts presented in reply. If he still finds the reply unsatisfactory, then include such observations/opinion in final Internal Audit Report (IAR) with explanation offered by office. Half Margin copy shall be enclosed alongwith IAR and its page reference shall be mentioned in the Internal Audit Para (IAP).

(ii) Format of Internal Audit Report (IAR).

The auditor shall submit Internal Audit Report for at the end of each Phase/year as per the requirement in format elaborated at Annexure - H.

Each Internal Audit Report (IAR) shall be submitted in 3 nos.in Hard copy and 2 nos. soft copy through CD and E-mail. One IAR copy shall be submitted to the concerned Auditee Office / Power Station In-charge with directives to submit compliance within one month of receipt of IAR. Second copy with soft copy to the GM(Finance), CSPGCL and third copy to H'ble MD(CSPGCL). IAR for all offices of CSPGCL along with compliance report and synopsis shall also be submitted to the GM(Finance) and MD,CSPGCL within Internal Audit Reporting Schedule as per Sl.No. 15 below.

Internal Audit Report (IAR) for each Power Station shall be prepared separately and issued to the concerned Chief Engineer / Executive Director of the Power Stations with directives to submit compliance of each para within one month from the date of receipt of the IAR. Internal Audit Report (IAR) for each offices at Head Quarter (HQ) shall be prepared separately and issued to the concerned Chief Engineer / Executive Director of the HQ with directives to submit compliance of each para within one month from the date of receipt of the IAR.

“A consolidated Internal Audit Report of the CSPGCL for each Financial Year along with compliance report and synopsis for all Power Stations/ Head Offices shall be submitted before the Management by the Internal Auditor of Head Office within six weeks of the issuance of the Internal Audit Report of Power Station /Head Office.”

15. Submission & Acceptance of Audit Report :

The internal audit shall be conducted as per audit programme provided by CSPGCL The awarded CA/CMA firm is required to submit the Audit Report as specified at clause 14 of this EOI and any changes/ corrections as observed by the OIC /GM (Finance) / Senior Management of CSPGCL shall be done by the firm within 10 days of intimation of the same by the committee.

In case, audit report is no accepted due to poor quality or not as per scope of work, the auditor shall have to carry the audit work again to satisfaction of appropriate authority and or action shall be initiated for cancellation of contract as per clause of this EOI.

16. PAYMENT OF AUDIT FEES

Professional fee shall be paid generally within 30 days after completion of the audit work for each phase and on submission of the bill in Triplicate along with all supporting documents and after submission of the Internal Audit Report in three hard/ printed Copies along with two soft copy in CD and E-mail. GST/other cess, if applicable will be admitted separately. The TDS shall be deducted as per rules. A certificate shall be submitted by the Internal Auditor that Internal Audit Report has been submitted as per Order and in 3 hard copies and 2 soft copies. In shortage of any documents/reports, bills shall not be processed.

The payment terms for each year of the Contract period will be as follows:

	Release of Fees	% of Annual Fee
1	On submission of Phase -I/II Internal Audit Report	30%/30%
2	On acceptance of Phase -I/II Internal Audit Report	20%/20%

Note:- Phase-I (April to September) and Phase-II (October to March)

17. Disqualification:

CSPGCL may, at its sole discretion, and at any time during the evaluation process, disqualify any Applicant, if the Applicant has:

- I. Submitted the Proposal after the response deadline;

- II. Made misleading or false representations in the forms, statements and attachments submitted as proof of the eligibility requirements;
- III. Exhibited a record of poor performance such as abandoning works, not properly completing the contract, inordinately delaying completion, being involved in litigation, or financial failures, etc.;
- IV. Submitted a Proposal which is not accompanied by required documentation or is non-responsive;
- V. Failed to provide clarifications related thereto, when sought;
- VI. Submitted more than one Proposal. This will cause disqualification of all the Proposals submitted by such Applicant.

18. Cancellation of Order:

CSPGCL may upon written notice of default, terminate contract in the circumstances detailed hereunder –

- a. If in the opinion of CSPGCL, the professional firm fails to perform the work within the time specified or during the period for which the CSPGCL has granted extension, if any.
- b. If in the opinion of CSPGCL, the professional firm fails to comply with any of the provisions of this contract. In such case, a written notice shall be served by CSPGCL to the professional firm to stop further activities and take urgent steps towards corrective measures, failing which the order will be cancelled.
- c. In the event of such termination, CSPGCL may exercise its discretionary powers to award the work to other professional firm after giving due notice to the professional firm on account and at the risk and cost of professional firm.
- d. The performance of the professional firm shall be reviewed periodically and for any unsatisfactory performance, the Company reserves the right to terminate the services, giving a notice of 15 days to the firm.
- e. Notwithstanding the provisions of the Clauses (a), (b), (c) and (d) as mentioned above, CSPGCL reserves all rights, not to give any reason in writing or otherwise, towards cancellation of the award of audit at any time.
- f. The decision of the CSPGCL shall be final regarding the acceptability of the Report submitted by the CA/CMA Professional Firm and the concerned company shall not be required to give any reason in writing or otherwise at any time towards rejection of same.

19. Confidentiality

The awarded firm shall keep all information / documents / facts of CSPGCL confidential and not use them for the purpose other than that required under this tender / assignment.

20. Force Majeure :

Any cause that is beyond the reasonable control of the CA/CMA firm or CSPGCL shall be force majeure condition. The cause of the force majeure condition will be taken into consideration only if the tendered within 15 days from the occurrence of such delay. CSPGCL shall verify the facts and grant such extension as the facts justify. For extension due to force majeure conditions, the CA/CMA firm shall submit its representation along with documentary evidence for scrutiny by the CSPGCL and decision of the CSPGCL in this regard shall be final and binding.

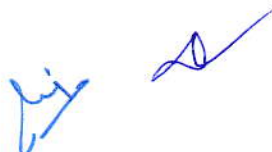
21. Jurisdiction:

Any dispute or difference, arising under, out of, or about this work order shall be subject to exclusive jurisdiction of the competent court at Raipur (CG) only.

22. GENERAL TERMS AND CONDITIONS

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

- ii. Only selected firms will be intimated about the decision on appointment.
- iii. The Company reserves its right to accept or reject any application(s) without assigning any reasons thereof. The decision of the Company for appointment of Firms shall be final and binding upon the firms participating in the process of tender.
- iv. The appointment of an Audit Firm will be made from the empanelled list of firms as per the allotment procedure mentioned at Sr. No. 5 of the EOI. All the empanelled firms shall be treated at par irrespective of points obtained as per the criteria given in Annexure-A. However any Audit Firm can be assigned any work at any unit at the discretion of the Company.
- v. The Internal Auditor will ensure that the information obtained in respect of the working/operation of the unit is maintained in strict confidence and secrecy at all times, including after the completion of the assignment. All such information shall remain exclusive property of CSPGCL at all the times. A certificate towards maintaining confidentiality is to be provided by the Audit firm at the time of acceptance of Audit assignment
- vi. Assignment of work in subsequent years may be made subject to satisfactory performance. The empanelled firms may be given assignments like Internal Audit/physical verification of fixed assets / inventory etc.
- vii. On assignment of work in subsequent years after the first year, CSPGCL may rotate the Audit Firms from one unit to another within the Company.
- viii. In case the Audit Firms, which are already appointed as Internal Auditors, are subsequently appointed in CSPGCL as Statutory Auditor under any statute/legislature or under any other capacity, the appointment of such Firm as Internal Auditor shall be withdrawn and a fresh appointment letter will be issued to one of the empanelled firms other than this firm. It shall be the responsibility of the firm to inform CSPGCL of any such appointment.
- ix. If progress/performance of the audit team is not found satisfactory, CSPGCL's management reserves the right to terminate the appointment of the Firm, without assigning any reason whatsoever.
- x. The Audit Firm will be debarred from getting, in future, Internal Audit assignments in CSPGCL in the following cases :
 - a. If the Firm obtains the appointment on the basis of misrepresentation of information / misstatement of facts at the time of submission of application/documents along with EOI.
 - b. The Audit Firm is found to have sub-contracted the work.
 - c. If the Firm does not take-up audit in terms of the appointment letter.
 - d. If the Firm does not submit the Audit Report, complete in all respects in terms of the appointment.
 - e. If the firm refuses to take up the assignment as mentioned in the letter of appointment for any reason whatsoever. No request for change of audit office shall be entertained.
 - f. For removal of any difficulty/clarification etc. in the terms of engagement or matter related to scope Internal Audit work, CSPGCL have to sole discretion and same shall be binding on the firm.



**Major areas to be covered during the internal audit of
Projects/ stations/ offices**

SL. No.	ITEM
I.	Works including O&M contracts (Pre-award and Execution)
II.	Procurement - (Pre-award and Execution)
III	Accounts including establishment accounts
IV	Human Resources Department (HR Establishment)
V	Stores
VI	Colony, Rest House and Hospital
VII	Operations
VIII	Sale of Energy
IX	Taxation compliances

Execution of Internal Audit and its reporting shall be done as per "Guidelines for Internal Audit", which is part of EOI enclosed at Annexure- H.



List of Offices/Power Station, Locations , Minimum Days for One Audit Team & Audit Fee for the Internal Audit

No.	Name of the offices	Total Days for Each phase of Audit	Rate for Each phase (in Rs.)	Total Rate for FY 20-21 (in Rs.)
Unit –I Head Office				
1	The Executive Director (O&M:Gen), CSPGCL, Raipur	2 Days	2,62,500/-	5,25,000/-
2	The Executive Director (PRG), CSPGCL, Raipur	2 Days		
3	The Executive Director (S&P-Gen), CSPGCL, Raipur	2 Days		
4	The Chief Engineer (Renovation), CSPGCL, Raipur	2 Days		
5	The Chief Engineer (Civil-Coal-Pro.-I), CSPGCL, Raipur	3 Days		
6	The Chief Engineer (Civil-Coal-Project-II), CSPGCL, Raipur			
7	The Chief Engineer (Civil), CSPGCL, Raipur	2 Days		
8	The Chief Engineer (HRD), CSPGCL, Raipur	2 Days		
9	The Executive Director (C&CP), CSPGCL, Raipur	4 Days		
10	The Executive Director (T&QA), CSPGCL, Raipur			
11	The Executive Director (F.M.), CSPGCL, Raipur			
12	The Executive Director (CP&BD), CSPGCL, Raipur			
13	The Executive Director (Fin.), CSPGCL, Raipur	2 Days		
14	Consolidation of Internal Audit Report	7 days		
Total		28 Days		
Unit-II HTPS(4x210) +1x500MW Korba West				
1.	The C. E.(Gen.) HTPS, CSPGCL, Korba (West)	2 Days	3,37,500/-	6,75,000/-
2.	A.C.E. (O&M)-I HTPS, CSPGCL, Korba (West)	8Days		
3.	A.C.E. (O&M)-II 1x500MW, CSPGCL, Korba (West)	6 Days		
4.	A.C.E. (S&P) HTPS, CSPGCL, Korba (West)	4 Days		
5.	A.C.E. (FM) HTPS, CSPGCL, Korba (West)	2 Days		
6.	A.C.E. (S&SC) HTPS, CSPGCL, Korba (West)	2Days		
7.	A.C.E.(T&SS) HTPS, CSPGCL, Korba (West)	8 Days		
8.	Addl.C.E. (Civil) HTPS, CSPGCL, Korba (West)	4 Days		
Total		36 Days		
Unit-III 2x500MW ABVPTS Marwa				
1.	The C.E.(Gen.) ,ABVPTS Marwa	2 Days	2,25,000/-	4,50,000/-
2.	A.C.E. O&M ABVPTS Marwa	4 Days		
3.	A.C.E. S&P ABVPTS Marwa	4 Days		
4.	A.C.E. S&SC ABVPTS Marwa	1 Days		
5.	A.C.E. FM ABVPTS Marwa	2 Days		
6.	A.C.E. T&SS ABVPTS Marwa	6 Days		
7.	A.C.E. CIVIL ABVPTS Marwa	5 Days		
Total		24 Days		
Unit-IV KTPS+DSPM Korba East				
1.	The C.E. (Gen.) KTPS CSPGCL, Korba (East)	2 Days	3,10,000/-	6,20,000/-
2.	The C.E. (Gen.) (TRG) CSPGCL, Korba (East)	2 Days		
3.	The C.E.(Gen.), DSPM, Korba (East)	2 Days		
4.	Addl.C.E.(O&M), KTPS (East) CSPGCL, Korba (East)	3 Days		
5.	Addl. C.E.(O&M), DSPM, Korba (East)	5 Days		
6.	Addl.C.E.(T&SS)), KTPS.CSPGCL, Korba (East)	3 Days		
7.	Addl. C.E.(T&SS), DSPM, Korba (East)	8 Days		
8.	Addl. C.E.(S&P), DSPM, Korba (East)	4 Days		
9.	Addl. C.E.(FM), DSPM, Korba (East)	2 Days		
10.	Addl.C.E.(S&SC)), KTPS,CSPGCL, Korba (East)	1 Days		
11.	Addl. C.E.(S&SC), DSPM, Korba (East)	1 Days		
Total		33 Days		

Note:- Above Professional Fee is applicable for F.Y. 2020-21. For the audit of subsequent years, 5% rate enhancement shall be given on professional fee of previous year.

PROPOSED INTERNAL AUDIT TEAM TO BE DEPLOYED

(Format for submission with Part-II Qualification Bid)

(Please refer EOI clause 10)

Number & category of Personnel to be deployed on the Works if undertaken:

Provide the information as required in the following table:

Sl. No.	Name of Personnel	Qualification of Personnel	Post qualification Experience
1			
2			
3			
4			
5			
6			
7			
8			
9			
10			

Authorised Signatory

Name & Title of Signatory

Name of Applicant:

Address:



DECLARATION

(To be given in the letter head of the firm)

Ref.:- Tender No. TS-_____ & RFX No. _____

I, the undersigned do hereby declare that M/s.....
(Name of firm) is not debarred / black-listed by any Bank / State Govt. / Central Govt. / State PSU / CPSU / SEB / Public Utility as on date.

If this declaration is found incorrect at any given point of time either at the bidding stage or during the course of the contract, our bid/contract shall be liable for cancellation / termination and action may be taken against our firm.

Date:-

Place:-

Name of Bidder/Authorized Person :- _____

SEAL &SIGNATURE :- _____

Mobile No. :- _____

Email ID :- _____

DECLARATION

(To be given in the letter head of the firm)

Ref. :- Tender No. TS-_____ & RFX No. _____

I,..... (partner) of hereby solemnly
take affirm that I am authorized signatory in the firm and hereby declare that:

There is no legal suit/criminal case pending or contemplated against our firm on the
ground of moral turpitude or for violation of any law in force.

If this declaration is found incorrect at any given point of time either at the bidding
stage or during the course of the contract, our bid/contract shall be liable for cancellation /
termination and action may be taken against our firm.

Date:-

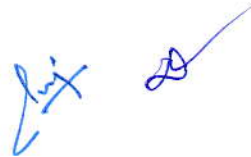
Place:-

Name of Bidder/Authorized Person :- _____

SEAL &SIGNATURE :- _____

Mobile No. :- _____

Email ID :- _____



DECLARATION

(To be given in the letter head of the firm)

Ref. :- Tender No. TS- _____ & RFx No. _____

I , the undersigned do hereby declare that all the documents / statements / attachments / information submitted in the name of M/s _____ (Name of firm) in proof of the qualifying requirements are authentic, genuine and correct. In case, any of the documents/ statements/ attachments/ information provided against the referred tender is found to be false / fake /forged / misleading, our firm may be disqualified and action may be taken against our firm as per relevant provisions of the tender.

Date:-

Place:-

Name of Bidder/Authorized Person :- _____
 SEAL &SIGNATURE :- _____
 Mobile No. :- _____
 Email ID :- _____





**Chhattisgarh State
Power Generation
Company Limited**

GUIDELINES

FOR

INTERNAL AUDIT

of CSPGCL

GUIDELINES FOR INTERNAL AUDIT **of CSPGCL**

Internal Audit Reports should be divided into four separate parts, namely:

PART - I IMPORTANT OBSERVATIONS, OBJECTIONS AND RESERVATIONS:

This part should contain the auditor's comments on all such irregularities or occurrences which auditors want to bring to the notice of management, along with their financial implications, if any. This part should also bring out deviations (non-compliances) by units from (with) policies, systems and procedures prescribed by CSPGCL. Any non-compliance with the matters/areas specified in the Guidelines for Internal Audit (hereinafter referred to as 'Guidelines') should also be identified here. The observations should be arranged in self-contained Paras, preferably with suitable titles.

PART – II COMPLIANCE REPORT:

Auditors to Report on compliance of internal audit observations outstanding as at the end of the previous years (that is, as contained in the Report of the preceding phases). For example, while submitting the internal audit report of phase-I for the current year (say, 2020-21), it may be ensured that a compliance report on audit observations contained in phase-II report of the previous year i.e. FY 2019-20 as well as on such observations contained in reports of earlier years, pending settlement, is included and details of corrective actions taken on those observations are furnished in the current year's phase-I audit report.

PART – III REPORT ON CONTRACTS / P.Os PLACED ON SINGLE TENDER BASIS:

Internal auditors shall report separately on Contracts / Work Orders (W.Os)/Purchase Orders (P.Os) placed on Single Tender basis. The coverage of such contracts and the format for such reporting is included in the Guidelines.

PART – IV DETAILED REPORT:

This part shall comprise auditor's detailed observations containing Internal Audit Para (IAP) serially contain HM details regarding areas specified in the Guidelines. However, non-compliance with the matters / areas specified in the Guidelines which are identified in Part I of the report, should also be invariably detailed in Part IV. While Contracts/W.Os. / P.Os placed on Single Tender basis should be reported in Part – III of the report, auditors should report their findings on all Contracts/W.Os. / P.Os placed on other than Single Tender basis in this Part (i.e. Part IV), in the format included in the Guidelines. Details of total HM issued, HM replied, Details of HM & issuing of IAP auditor shall be furnished in the format of **Annexure-1**. Details of MoM of entry & exit meeting with the unit head/power station in-charge must be reported in format as per **Annexure-2**.

IMPORTANT POINTS TO BE REPORTED BY INTERNAL AUDITORS IN PART II OF THE INTERNAL AUDIT REPORT

- (a) Section 143 (3)(i) of the Companies Act 2013 requires Statutory Auditor of a Company to report whether the Company has adequate internal financial control system in place and operating effectiveness of the same. ICAI has come up with a Guidance Note on this and internal auditors shall insert their comments on the same.
- (b) **Auditors to Report on compliance of internal audit observations outstanding as at the end of the previous year.** For example, while submitting the internal audit report of F.Y. 2020-21, it may be ensured that a compliance report on audit observations contained in previous year (i.e. 2019-20), as well as on such observations contained in reports of earlier years which are pending settlement, is included and details of corrective action taken on those observations are furnished in the current year's audit report. Similar information is needed to be furnished in F.Y. 2021-22 audit report too. For this purpose, you are requested to refer the Minutes of latest Internal Audit Review Meet available at Power Station level conducted by CE/ED of power station with all concerned offices & RAO concerned as per company circular No 670-671 Dtd 03.06.2015. **(Annexure-3)**.
- (c) Units have to obtain confirmation and prepare statements of reconciliation of balances as on 31st March of the financial year under advances, debtors, creditors and materials in transit / under inspection and with contractors/ fabricators. Further, the units have to carry out adjustments in the Books of Accounts, upon such confirmation/ reconciliation of balances under the above heads.
- In this context, accounting units shall analyse and categorise the advances, claims, materials under inspection, materials in transit, materials with contractors / suppliers / fabricators etc. into (1) good and fully recoverable, (2) requiring adjustment entries to be passed, (3) doubtful of recovery to be provided for and (4) bad to be written off, with supporting documents / explanations and reasons for each and every account. The analysis will be of the accounts as per the ledgers and schedules to the accounts as at 31st March 2020. Internal auditors are required to vet the analysis prepared by the units and submit their Report on the same in this part (Part-II) of Internal Audit Report.
- (d) Auditors have to report whether physical verification of fixed assets and inventory is being carried out as per the system laid down in this regard. Further, adjustments for excess or shortages are to be carried out in the books. This aspect needs to be checked and included in the Report. It should also be checked and reported if old provisions, if any, are still to be adjusted. Internal Auditors should comment on the adequacy of coverage, both in terms of number of items as well as value.
- (e) Auditors have to report whether tax deductions at source, service tax, WCT and professional tax, GST as applicable, are being made/levied in all cases at prescribed rates and deposits of same are being made within the prescribed time.
- (f) **Auditors should review the status of reconciliation done by the units between the land under physical possession with the ownership documents possessed by them and Report thereon.**
- (g) Auditors should confirm that no item of revenue nature has been capitalised and also that no item of capital nature has been accounted for as revenue. **Special care to be exercised in respect of expansion projects where there is a possibility that expenditure directly identifiable with the units under construction is charged to revenue.**
- (h) Verification and reporting on compliance by the unit of Ind AS 37 relating to Recognition and Disclosure of Provisions, Contingent Liabilities and Contingent Assets. Auditors shall verify and comment on compliance of the same.
- (i) Review of General Ledger (GL) is included in the Guidelines. Internal Auditors have to confirm that the GL has been reviewed by them as required.

- (j) Auditors should check / endorse / comment on the provision, if any, lying in the project's books towards Unmoved Items of Capital-Work-In-Progress (CWIP) especially from the point of view whether such provision is needed to be retained or written back or updated.
- (k) Auditors should point out old cases where work has been stopped / abandoned for over a year.
- (l) Auditors to report all the parked / noted items pending for more than one month.
- (m) Accounting and disclosure practices in respect of arbitration cases may be verified.
- (n) It shall be ensure that observation of AG office on the matter of accounts finalization shall be complied by the company.
- (o) Several aspects related to coal to be reported upon by auditors are cited below:
 - i) Auditors should check / comment on whether the system of weighment of coal at Power Station end has been followed in all cases regardless of whether weighment had been done at loading end or not.
 - ii) As per the provisions of the Fuel Supply Agreement, coal suppliers have to supply coal of size falling within a given range and for large sized coal / boulders / other foreign material present with coal supplies, separate weighment is to be done and the quantity / cost adjusted in the account of the coal company. Auditors are required to examine and report on whether such adjustments are indeed being done by the unit and accepted by the coal company.
 - iii) Reconciliation of accounts with coal companies are required to be done on quarterly basis. Auditors are required to examine and report on whether such reconciliations are indeed being done by the unit with each coal company. The period covered in the last reconciliation done with each coal company is to be mentioned in the audit report in each phase.
 - iv) Accounting / adjustment of demurrage – age-wise analysis of outstanding demurrage.
- (p) Review of contingent liabilities / age wise analysis / status of litigations.
- (q) Review of outstanding balances with Subsidiary/Joint Venture Companies.

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(r) IND AS compliance became mandatory for CSPGCL. w.e.f. 01.04.2016. Hence modules in the ERP-SAP system have been modified for accounting as per IND AS. In this context, auditors are required to pay special attention to the following and compulsorily include comments on the same:

Sl.	Particulars	Auditors' comments (Yes/ No / Remarks)
A	Auditors shall review transactions / entries relating to retirement/transfers of the assets at cost and comment on the same.	
B	Auditors shall review the accounting of Spares having useful life of more than one year and comment whether such spares if any have been capitalized as per IND AS.	
C	Auditors to review posting regarding Capital Spares & Capital Overhaul and comment on the same.	
D	Auditors to verify whether accounting entries done are in compliance of the provisions of Ind AS.	
E	Auditors shall comment upon pending cases of GR/IR Clearing and reasons thereof.	
F	Auditors shall examine the loans/bonds raised after 01.04.2020 have been accounted for as per the IND AS.	
G	Auditors shall examine and comment on whether provisions for TDS are made by the unit at the end of each year.	
H	Auditors shall review the entries pertaining to CSR expenditure which is accounted for as per guidelines issued by CSR Committee and comment on the same.	

(s) Goods & Service Tax: In this context, auditors are required to examine the following aspects and include their comments:

Sl.	Particulars	Auditors' comments (Yes / No / Remarks)
A	Auditors to review Purchase orders in the GST regime to verify whether the determination of the tax whether it is a Intra state or inter-state, which depends upon the place of supply & the region of the vendor, has been done correctly.	
B	Auditors shall review whether the bookings as per IGST or CGST/SGST are in order.	
C	Auditors to verify that the unit is properly accounting for the reverse charge under the GST regime for specified services.	
D	Auditors to verify whether Office is preparing sales orders for all Income booking under GST regime.	



“Scope of Audit”

WORKS INCLUDING O&M CONTRACTS AND PROCUREMENT

REPORTING FORMATS – CONTRACTS AND P.Os PLACED ON SINGLE TENDER BASIS

Reporting on Contracts / P.Os awarded on Single Tender basis will be covered exclusively in Part IV of the Report; starting with the following statistics:

TABLE NO.1

Award Value	Total No. of Contracts / P.Os placed during the period under audit		Total No. of Contracts / P.Os examined during the audit		Percentage covered in number and value	
	No.	Value (Rs. Lakh)	No.	Value (Rs. Lakh)	No.	Value (Rs. Lakh)
(1)	(2)	(3)	(4)	(5)	(6)	(7)
More than Rs.5 Lakh						
Rs.5 Lakhs or less						
Total						

Thereafter, the following reporting format shall be used for reporting on each case actually examined:

TABLE NO.2

Sl.	Name of party, P.O./LOA Ref. No. and Date	Nature of work / Item purchased	Value of contract (Rs Lakh)	Whether awarded on OEM/ OES/ MOU/ PAC / Urgency/PSU or other basis	The party on which such contract was placed earlier	Reasons for awarding on Single Tender basis	Observations of Internal Auditor
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Total Nos.			Total Value				

Auditors shall also certify below this table that they have examined each of the Contracts / P.Os hereinabove with reference to ensuing Guidelines for Works including O & M Contracts and Procurement.

Note: Auditors to also ensure that the Totals of Nos. and Values under columns (4) & (5) of Table No.1 tally with Total Nos. and Value under columns (1) & (4) of Table No.2



WORKS INCLUDING O&M CONTRACTS AND PROCUREMENT

**REPORTING FORMATS – CONTRACTS AND P.Os PLACED ON OTHER
THAN SINGLE TENDER BASIS**

Reporting on Contracts / P.Os not covered in Part IV of the report, i.e., **reporting on LTE and Open Tender cases will be separately covered in the Detailed Report (Part V)**, starting with the following statistics:

TABLE NO.1

Award Value	Total No. of Contracts / P.Os placed during the period under audit		Total No. of Contracts / P.Os examined during the audit		Percentage covered in number and value	
	No.	Value (Rs. Lakh)	No.	Value (Rs. Lakh)	No.	Value (Rs. Lakh)
(1)	(2)	(3)	(4)	(5)	(6)	(7)
More than Rs.5 Lakh						
Rs.5 Lakhorless						
Total						

Thereafter, the following reporting format shall be used for reporting on each case actually examined:

TABLE NO.2

Sl.	Name of party, P.O./LOA Ref.No. and Date	Nature of Work / Item Purchased	Value of contract (Rs. Lakh)	Observations of Internal Auditor
(1)	(2)	(3)	(4)	(5)
Total Nos.			Total Value	

Auditors shall also certify below this table that they have examined each of the Contracts / P.Os hereinabove with reference to ensuing Guidelines for Works including O & M Contracts and Procurement.

Note: Auditors to also ensure that the Totals of Nos. and Values under columns (4) & (5) of Table No.1 tally with Total Nos. and Value under columns (1) & (4) of Table No.2



WORKS INCLUDING O&M CONTRACTS AND PROCUREMENT

While reporting will be in the formats given in the two preceding pages, the following guidelines shall be used for audit of Contracts / P.Os:

A. PRE AWARD- General Guidelines

- a) Examine whether vendor lists for the ongoing year have been prepared or updated, as the case may be, in line with the above mentioned circular. In case same was not done, whether open tenders have been floated for all cases above Rs. 5 lakh.
- b) Examine and comment on the incidence of single tender awards.
- c) A summary of number of contracts awarded with values, should be included in the report under the following categories:
 - a. Open tender
 - b. Limited tender
 - c. Single tender – 1. OEM supplies / UPL, 2. Others

B. PRE AWARD- Checks to be exercised in respect of files selected for examination

- a) Examine whether estimates have been properly made out and award values compared with estimates. Ascertain whether reasonability is established before award of contract.
- b) Examine whether OEM / EOS certificates given by indenters are in line with the policy guidelines.
- c) Examine whether all parties selected for tendering hold valid labour license, and applicable registration(s) in respect of income tax / PF / sales tax / VAT / Service tax / GST / Works Contract tax, ESI etc as applicable.
- d) Examine and comment on the procedure for opening e-tenders under the SRM portal used for e-tendering.
- e) Ascertain whether all tendering procedures like invitation of bids, the requirement of EMD/Bid security, specifying bid opening date in the IFB/NIT, maintenance of tender box, Certification of tender opening by Contracts / Finance, formation of the tender committee etc. has been followed as per guidelines/DOP.
- f) Analyse and comment on the reasonableness of the justification given in single tender cases.
- g) Ascertain whether financial capabilities of tenderers have been properly assessed and award of contract made to financially sound and capable parties.
- h) Ascertain in the case of first time bidders (with CSPGCL), whether detailed assessment of their technical / financial capabilities and order-book position has been done by an authorised committee & their report duly authorised by competent authority.
- i) Verify whether the comparative statement which shows the evaluation of the tenders has been drawn up correctly. Examine whether non-responsive tenders have been considered for bid evaluation and signed by representatives of all concerned departments.
- j) In cases that have been processed outside of the e-tendering portal, examine whether deviations taken by the tenderers have been properly loaded for evaluation of the bids. Examine whether late tenders / delayed tenders have been accepted and whether post-bid letters / communications for the purpose of evaluation have been considered.
- k) Examine the cases where the lowest evaluated commercially and technically responsive tenders have been overlooked and whether the same are justifiable.
- l) Verify whether the Delegation of Powers have been followed strictly at all stages – i.e., at the time of technical approval, administrative approval, calling for tenders, formation of the tender committee, calling for negotiation and approval of the award.



- m) Examine whether any approved qualifying requirements (QR) were set before invitation of bids / offers and whether successful bidders meet the QR completely in all respects. Examine also whether the QR has been specified in the Notice Inviting Tender (NIT).
- n) Examine whether awards were made after relaxing the qualifying requirements (QR), particularly after opening of the bids.
- o) Examine whether there has been a delay in processing the awards having financial implication to the company.
- p) Verify whether instructions for release of EMDs of unsuccessful bidders have been issued immediately after approval / rejection of the award by the Competent Authority.

C. EXECUTION:

- a) Verify whether initial advance, interim advance, mobilisation advance and secured advance etc. have been released in accordance with provisions of the LOA and have been given with approval of Competent Authority and the same are being adjusted regularly from the running account (R/A) bills.
- b) Review in detail, the release of any advances against hypothecation of equipment, secured advance payment against despatch under L/C & the receipt of material and otherwise, payments against receipt at site, final payments after PG test and Payment of erection price / for Civil works is in line with Letter of Award and amendments thereto, General/Special Conditions of Contract, approval notes and performance reports of contractors.
- c) Renovation and modernization programme has been taken up at various units. CC Accounts has issued guidelines now and then for accounting procedures. Internal Auditors should check the accounting entries based on the circulars issued by CC Accounts in respect of R&M Programme and ensure that these have been properly acted upon in the books of accounts. The method adopted for accounting of scrap generated may also be examined.
- d) Review in detail the release of advances not provided in the LOA, w.r.t approval and adjustments thereof.
- e) (i) Test check running account bills submitted by the contractors verifying:-
 - Approval of Competent Authority has been obtained.
 - certificate from Field Quality Assurance (FQA), wherever applicable,
 - material reconciliation statement,
 - materials issued on loan (whether Contract Section maintains register / proper records for Material issued on Loan Account, the same may be examined by auditor),
 - the payments are in line with rates provided in the contract and the quantity recorded in the Measurement Book as well as in SAP,
 - whether escalations bills are paid as per applicable indices, with reference to the formulae mentioned in LOA.
 - recoveries on account of income-tax/ works tax deducted at source,
 - retention of liquidated damages in case of delays,
 - recovery for excess consumption of construction materials etc.
 - recoveries on account of rent, electricity, hire charges on equipment and interest on the advances, if any.
- (ii) Verify the net payments released in line with the above and comment on deviations from provisions of LOA.



- f) Examine the reasonableness of insurance coverage and indemnity bonds furnished by the contractors for adequacy and renewal for material issued to them as per contract. In case of material issued to the contractor at fixed rate, as per term of contract, but PSL rate is different from the above rate, whether difference suitably booked in concerned job.
- g) Review in detail, on the basis of approval notes, letter of award and amendments thereto, bill of quantities, for compliance to Works and Procurement Policy and Delegation of Powers, the payments on account of escalation and extra claims due to:
- (i) Changes in item rates/duties/Taxes.
 - (ii) Changes in quantities executed.
 - (iii) Changes in scope of work.
 - (iv) Changes in payment terms.
- h) Verify whether material lying with Contractors have been taken over in time after execution of the contract.
- i) Hire charges in respect of CSPGCL vehicles being used by contractors / other outside parties are to be deducted from their bills. Auditors should verify whether proper records are being maintained by sites for determining the period of use of such vehicles and whether deductions are actually being made from contractors' bills for the period of use by the contractor.
- j) Verify whether recoveries have been effected for equipment hired out and material issued at higher rates as specified in the relevant guidelines, where the same has not been provided in the contract.
- k) Verify whether hiring of construction equipment and issue of material has been done with the approval of the Competent Authority.
- l) Examine whether liquidated damages have been levied for delays in completion of the works and/or deviations from prescribed performance parameters. If leviable liquidated damages are waived, whether the reasons recorded for waiver are justifiable. While examining cases of levy / non-levy of L.D., auditors to look-up the basic records maintained by the Engineer-in-Charge in respect of execution of the concerned contracts.
- m) With respect to Supply-cum-Erection Contracts, examine whether supplies have been effected as provided in the schedule of supply sequentially and comment on cases of delay on this account.
- n) Review and comment on the progress of work in respect of contracts under execution with reference to scheduled completion periods provided in the respective contracts.
- o) Analyse the pending running account / final bills / escalation or price variation bills and comment on their pendency along with reasons.
- p) Examine whether payments are released after obtaining time extension where needed.
- q) **Review of closed contracts:** Examine whether contract closing is done in accordance with the existing system and whether proper recoveries have been made in respect of any relaxations in the conditions of the LOA. (Examples- waiver of specific tests; excess consumption of steel and cement; relaxation of specifications for the materials, etc.).
- r) Examine all awards placed for which approvals have been obtained on post fact basis and comment thereon.

D. Additional Checks to be exercised in respect of procurement files selected for examination

In the case of procurement, all checks listed above are to be exercised to the extent applicable. In addition, internal auditors are to verify the following:

- a) Whether Purchase Orders (P.O) have been placed in accordance with the terms of the Memorandum Of Understanding if any with the supplier in respect of supply of steel / spares (SAIL / BHEL etc.)

- b) Examine the basis adopted for determining the quantities to be procured from the point of view of their availability in stores/other projects, quantity discounts etc.
- c) Examine whether proprietary and standardised purchases have been properly regulated as provided in the Procurement Policy. Comment on the reasonableness of the rates against proprietary and standardised purchases.
- d) Highlight cases of increased cost due to delay in processing of purchase indents.
- e) Examine the cases of repeat orders for compliance to the Delegation of Powers and quantities to be procured. Comment on incidence of such repeat orders.
- f) Auditors should check if there are any purchase orders placed on suppliers which have not been executed by them. Auditors should 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 PO's have been placed from other sources along with details of additional cost incurred and penal action taken against defaulting suppliers.
- g) Auditors should comment on such expired P.O. cases where six months have elapsed from the delivery period.
- h) Examine whether the payments for supplies are in line with the terms of payment as per the purchase order and highlight the deviations on this account.
- i) Examine whether material procured on urgent basis has been utilized for the purpose for which it was procured or is still lying in stores.
- j) Auditors shall give a list of P.Os where no transaction has taken place and have also not been closed by the Engineers-in-charge.

ACCOUNTS

A. IMPORTANT GENERAL GUIDELINES TO BE FOLLOWED COMPULSORILY

1. Most accounting entries emanate from specific modules in the ERP-SAP system. Apart from such system generated entries, the SAP-ERP system has provisions for making manual entries (termed FI Documents in the ERP-SAP system) under certain circumstances. However, it has come to light that such facility is being used in a routine manner by some sites. In this context, auditors should obtain from RAO's the list of manual document types generated during the period covered and ensure adequate coverage of such documents as well.
2. An important aspect of internal audit is the verification of supporting documents. Auditors should invariably highlight such cases where
 - supports are not attached thereto;
 - supports are not relevant / sufficient for the said documents' creation
 - supports' financial values, vendor details and others relevant data are not matching with those on the documents.
3. Auditors shall verify and comment on all adjustment documents of old liabilities (i.e. EMD, Security Deposit & Retention Money etc.) are supported by adequate documents signed.
4. Auditors shall verify that all documents relating to Inter-unit accounts are supported by proper documents.
5. Accounting of Cenosphere as inventory shall be reviewed whether the same is in compliance to Ind AS-2.
6. Circular for accounting of CSR expenses has been issued vide circular no. ED(Fin.)/Accounts/1996 Dtd. 09.06.2016. **(Annexure-4)** The booking of expenditure shall be reviewed to ensure whether they are in accordance with the circular.
7. As per the requirement of Ind AS, whether assets and liabilities have been correctly classified between current/non-current and financial and non-financial categories.

B. VERIFICATION OF VOUCHERS

- a) Verify all the vouchers are signed as per the Internal Working Arrangement also report the same in table tabulated below:-

Sl.No.	Name of the Division	No. of Vouchers Checked	No. of Irregular Vouchers (in which discrepancies found)
1.			
2.			
3.			
4.			
...			
Counter Signature of concerning C.E./Addl.C.E.		Signature of the Auditor with date	

- b) Verify whether adequate genuine supporting documents are enclosed with the payment vouchers. A sample list of supporting documents which can be enclosed is as below:

- i) Invoice copy and copy of P.O in case of purchase orders.
- ii) Approval of Competent Authority and relevant bills in case of miscellaneous payments
- iii) Copy of payment order recorded in the measurement book in case of work payments.



- iv) Sanction Order or advance application duly approved in case of employee advances
- c) Verify whether the payer's name mentioned in the bank receipt voucher prepared by the concerned department is as per the cheque receipt register.
- d) Verify account codes on vouchers to check whether any capital expenditure has been charged to revenue or vice-versa. Check for cases where liability has been transferred from one vendor to another. The said transfer should be supported by documentary evidence in all cases.
- e) In cases where the amounts have been transferred to Retention / Security and the same is not through payment terms of P.O., then the reason for same must be supported through documentary evidence. Further the reason for not updating the purchase document must also be supported through documentary evidence.
- f) Inter-unit / Inter-Company transactions are to be reviewed daily and discrepancies if any shall be taken up with concerned unit. The yearly reconciliation statement with the concerned unit for the period up to February each year is to be verified by the Internal Auditors. Auditors should examine and comment on the same.

C. BANK

- (a) Examine and comment whether Cheques Inward and Outward Registers have been maintained properly. Also comment on inconsistency between date of receipt, date of deposit and date of credit given by Bank.
- (b) Examine whether bank balances being maintained by the unit are in excess of normal requirements of the unit in line with the circulars issued by Head Quarter.
- (c) Examine whether the Cheque register is being maintained in the system and even the manual cheques issued are being updated in the system.
- (d) Examine if the cheque-book being used is updated in the system.
- (e) With regard to **Bank Reconciliation**, verify the following:
 - i) That Bank reconciliation is being done by the 10th of the following month.
 - ii) Whether all debits and credits made by the bank have been duly identified and accounted.
 - iii) Examine whether there is undue delay in realization of cheques deposited in the Bank.
 - iv) Comment on old outstanding items along with reasons.
- (f) Wherever e-payments are being done at the unit, auditors should verify and report on compliance by the unit of instructions / guidelines for e-banking issued by Head Office (Finance) from time to time.

D. WORKS ACCOUNTS

While conducting the audit internal auditors should verify the following in addition to verification indicated in the section relating to Works & Procurement activities:

- (a) Recovery of various advances like initial advance, mobilisation advance, interim advance, secured advance, materials brought to the site, material issued to contractors, etc.
- (b) Documentary evidence for release of Security Deposit / Retentions are attached with the vouchers.
- (c) Review the Bank Guarantee Register. **Ascertain and comment on the action taken for revalidation of Bank Guarantees expiring within the next three (3) months and also verify the compliance to rules regarding release, invocation etc. Highlight details of the cases where recoveries could not be effected due to inability to invoke Bank Guarantees.** In this context, Internal Auditors should also peruse and report on the compliance with the System Circular No. 672 dated 23.05.2013 issued by Corporate Contracts laying down the procedure regarding Bank Guarantees.

- (d) Changes to Purchase Order in SAP are checked and verified with documentary evidence. Changes could be in the nature of quantitative / price deviation, time extension, account assignment / Capex / Opex / delivery schedule / etc.
- (e) The final payment have been made after Performance Guarantee (P.G) test and payment of erection price / for civil works is in line with letter of award, general/special conditions of the contract and have been made after obtaining necessary approvals. Also verify that material reconciliation statement has been prepared and necessary recoveries have been affected before releasing the final payments.
- (f) In case of contractors' advances, materials issued on loan and free issue material, old outstanding should be reported along with age-wise analysis.
- (g) Whether monthly statement recovery on account of hiring of construction equipment, rental and electricity charges towards accommodation given to the contractors on chargeable basis and hospital charges are being received from the respective department and the same are being recovered from the contractor. List out old outstanding and comments on the same.
- (h) Whether income tax/works tax is deducted at source as per the prescribed rates and the same is being deposited in time. Whether TDS certificates are being issued as per the provision of the Income Tax Act.
- (i) Whether all provisions for expenses and capital liabilities have been duly made on the basis of proper documentation. Comment on cases of over or under provisions.
- (j) Whether all deposits like EMD, security deposits, Retention money etc. have been maintained properly with age-wise analysis
- (k) Whether the security deposits have been released as per the terms and conditions of LOA and necessary approvals have been obtained from the Competent Authority.
- (l) Point out old cases where the work was abandoned long ago. Further, review whether O&M works are included in capital works.
- (m) Check for Final delivery indicator with respect to Purchase documents in SAP where the work / supply is complete.
- (n) Check if the document for EMD release is generated from the system by Materials group.

E. SUPPLIERS' BILLS ACCOUNTS

While conducting audit, internal auditors should verify and report on the following:

- a) Wherever payments are being made against documents through bank, whether advanced documents have been cleared by the Materials Management Deptt. and they are in conformity with the P.O.
- b) Final / Balance payments are released on the basis of the invoice of the party supported by the MRC to the extent of accepted quantity.
- c) Whether 'C' form is being maintained. Any abnormal cases are to be reported.
- d) Include the list of the cases where higher rate of sales tax has been paid due to non-issuance of 'C' form / applicable local sales tax form, in the report.
- e) Review the entries in EMD account in the sub-ledger and only report cases of EMDs retained for unsuccessful bidders, non-conversion of EMDs to Security Deposits of successful bidders and non-release of EMDs even one (1) year after the work / supply completion date.
- f) Review the entries in security deposit and Retention Money accounts in the sub-ledger and only report old outstanding which are more than one (1) year old excluding those for running contracts.



- g) Adjustment of the advance against supplies and report on the old advances along with age-wise analysis.
- h) Auditors to report P.Os where no transaction has taken place for the last three years and have also not been closed by the E-I-C.

F. HUMAN RESOURCES DEPARTMENT (DDO/RAO) & ESTABLISHMENT ACCOUNTS

While conducting the audit internal auditors should verify the following:

- a) Procedure for booking of air and train tickets and claims on cancellation of the tickets, payment to travel agents and system for linking the payments to employee accounts and adjustment of the same on submission of tour claim by employees.
- b) Nominations and payment towards participant fees are made quite in advance of the dates of the seminar/conference. In some cases, fees are to be refunded in case nominated persons are unable to attend the conference. Auditors should verify the method of tracking and obtaining such refunds and their deposit with the Finance Department.
- c) Auditors should review the status of reconciliation done by the units between the land under physical possession with the ownership documents possessed by them and report thereon.

While conducting audit, internal auditors should verify the following with regard to the respective heads related with establishment accounts:

a) HR MASTER DATA

1) Actions

- a) Verify grade, basic pay, date of appointment and joining date w.r.t. physical documents.
- b) Test check promotions that have taken place during the period for each cadre.
- c) Verify all cases of promotion with transfer whether employee has joined the new place within stipulated time period to avail promotion benefits retrospectively.
- d) Verify timely updation of Separation/ absconding/transfer action in the system. All dues recoverable from employees have been timely settled. Further no master data changes should take place after separation of the employee.

2) Organizational Assignment

Test checks interdepartmental/intercompany transfer that may have taken place during the period and updation of the same in system with correct department code.

3) Personal Data

- a) Date of birth of the employee is as per document submitted on appointment.
- b) Various nomination i.e. GPF Nomination, GSLIS Nomination, Pension & DCRG CPF/NCP Nomination is accepted by the competent authority posted in section RAO of the employee /officer.

4) Basic Pay

- a) Verify the pay fixation on promotion/ annual increment on test basis for each cadre. Report is available to view the fixation and errors, if any. Error cases to be reviewed.

5) Recurring Payments/Deductions

- a) Conveyance reimbursement sanctioned during the period is as per policy and all documents are in order.

6) Additional Payments

- a) Miscellaneous payments like honorarium, Hindi incentive, awards are as per rate provided in the policy and approval.
- b) Overtime payment has been approved by competent authority and test check the computation.

7) Loans

- a) Verify loan sanctioned as per Guidelines of the Company.
- b) List out cases where outstanding balance in HR and FI module are not matching. GL balance for the business area matches with the balance in HR module.
- c) Verify loans sanctioned with relaxation in eligibility criteria are as per approval granted by competent authority.

8) Housing

- a) Test check Quarter type for employee residing in Company Township is correctly maintained and timely updated in system.
- b) Test check rent receipt submitted for income tax exemption of HRA matches with data maintained in system.
- c) Verification of housing facility being availed by employee at site and previous location. Compare the housing facility being availed by employee with actual house allotted to the employee with their report.

9) Absences

- a) Where punching system is not implemented, absence/leave maintained in system, if any, is to be verified with manual attendance system existing at site on test basis.

b) T.A. ADVANCE

- i) Verify the advance is released with the approval of competent authority.
- ii) Test check of T.A. bills.
- iii) Where an earlier advance is still outstanding, verify whether a subsequent advance has been released with the specific approval of Competent Authority.
- iv) List out the advances outstanding for more than six months.

c) MEDICAL

- i) Medical reimbursement above Rs. 1 lakh shall be verified 100%. Whether passing authorities have verified as per rules.
- ii) List out the advances outstanding for more than six months.
- iii) Ensure the recovery of excess medical advance after submission of medical bill in one instalment.

d) TRANSFER T.A.

- i) Test check of Transfer T.A. bills.
- ii) List out the cases of outstanding for more than six months.

e) STAFF ADVANCE

- i) Test check of advances released with the approval of Competent Authority.
- ii) List out the cases where the staff advances have remained unadjusted for more than 3 months.
- iii) List out the cases outstanding for more than six months.



f) MANAGEMENT OF ASSETS:

Data for residential assets issued to Sr. executive is correctly maintained to verify assets issued to employees as per HR process. Assets issued to employees must match with this report.

g) INTEREST ON ADVANCES


Test checks the monthly calculation of interest on all the interest bearing advances.

h) GENERAL

- i) To ensure employees entitlement / salary / advances related payments have been processed and paid through HR module then such payment has been regularised in HR module or not.
- ii) List out temporary salary advances outstanding for more than one month.
- iii) Examine whether PF/NPS/GSLIS non contributory Insurance scheme cases for more than 3 months are outstanding, if yes then the reason thereof.

G. REVIEW OF GENERAL LEDGER AND SUB-LEDGER

- a) Review and comment on old/odd balances appearing in the General Ledger and Sub-ledger.
- b) Examine whether the accounting treatment followed by the unit for accounting of mandatory spares, furniture, fixture and scrap is proper, reasonable and in line with the accounting policy.
- c) Examine whether the company is regular in depositing undisputed statutory dues including Provident Fund, Investor Education and Protection fund, Employees' State Insurance, Income-tax, Sales-tax, Service Tax, VAT, Professional Tax, Wealth Tax, Custom Duty, Excise Duty, Cess, GST and any other statutory dues with the appropriate authorities.
- d) Units have to obtain confirmation and prepare statements of reconciliation of balances as on 31st March of the financial year under advances, claims, deposits, creditors and debtors and materials in transit / under inspection and with contractors/ fabricators. Further they have to carry out adjustments in the Books of Account upon such confirmation/ reconciliation of balances under the above heads.
- e) As per Circular No.05-05/Acct./circular/5500 dated 12.07.2012 issued by Executive Director (Fin.)(Annexure-5) is to maintain registers with relevant details for recording items to be disclosed as contingent liabilities. Auditors should verify and indicate whether units are following the laid down procedure. Additional guidelines have been issued in respect Recognition and Disclosure of Provisions, Contingent Liabilities and Contingent Assets.
- f) Ascertain whether all relevant accounting standards are being followed by the unit and comment on the same.
- g) With regard to the Fixed Assets Register, internal audit should verify the following:
 - i) Examine whether segregation of assets leading to the main classification has been properly done.
 - ii) Whether location of assets have been indicated in the Asset Master.
 - iii) Whether depreciation has been charged at applicable rates on all assets.
 - iv) Verify whether physical verification of fixed assets has been done in accordance with the system laid down in this regard.
 - v) Whether adjustments on account of discrepancies observed on physical verification and additions / sales / adjustments have been properly reflected in conformity with CARO, 2016.



- vi) Whether procurement and other related costs have been properly identified with their respective assets.

Statutory compliances

- i) Check compliance of Accounting Standards and provisions of the Companies Act as applicable time to time.
- ii) Check that all secretarial records as per Companies Act have been maintained.
- iii) Check compliances of license conditions / tariff order conditions as prescribed by CSERC.
- iv) Check Compliance of Income Tax Act viz. deduction of tax at source at the time of payment towards Rent, Consultancy charges, Professional fees, etc.
- v) Check compliances of Service Tax Act.
- vi) Check the compliances of Commercial Tax Act.
- vii) Appropriate recovery under various laws and its timely deposit with appropriate authorities and filing of returns.
- viii) Check that VAT set off (input credit) / CENVAT has been claimed.
- ix) Check the timely remittances of CPF, GPF, EPF, GSLIS and all other statutory dues.
- x) Check that no violations of any other law e.g. non-payment of wages as per minimum Wages Act, timely remitting of P.F by contractors for which Corporation is responsible as a Principal Employer.
- xi) Check that all quarterly / half yearly / annual returns are filed in time such as TDS return, Service tax return, commercial tax return etc.
- xii) Check that "C" form, TDS certificate, commercial tax certificates etc have been issued timely without waiting request from vendor.
- xiii) Check that CARO questionnaires have been complied with.
- xiv) Check for violations of any other law e.g. non-payment of wages as per Minimum Wages Act, ESI recovery & timely remitting of P.F by contractors for which Company is responsible as a Principal Employer.
- xv) Check to protect from defalcation, financial leakages. Reporting of frauds by the Internal Auditor shall be as per sub section (12) of Section 143 of Companies Act, 2013.
- xvi) Monitoring and Comments on compliance report submitted by the individual office for previous Internal Audit Reports pending IRs/Paras, if any.

Loan, Banking & Drawing Section

- i) Take details of each loan and verify the terms and conditions.
- ii) Check that proper approval of competent authority has been taken for obtaining loan and mortgaging assets.
- iii) Check that repayment of principal has been done timely without any default.
- iv) Check the calculation of Interest as per loan agreement and its timely payment.
- v) Critically checking the interest charged in Bank's OD /CC account as generally Banks do the calculation mistake in interest.
- vi) Reconciliation of loan accounts.

Store

Carry physical verification at financial year end and following shall also be reported-

- i) Check that bin card has been attached to each inventory or group of inventory for proper identification.
- ii) Check if items under one bin card have been stacked / kept at one place and not scattered more than one place.
- iii) Any excess/shortage of inventory found as a result of stock verification as compared to Bin Card / Store record should be investigated on the spot and a detailed report to be submitted.
- iv) Age-wise analysis report of Inventory (Less than 1 year, 1-3 Years, 5-10 Years, 10-15 years, More than 15 years) and listing of materials age-wise complete report shall be prepared.
- v) Report on Fast Moving, Slow Moving & Non-Moving Stores
- vi) Report a list of items issued but not consumed / material lying on shop floor/ Site. (Since more than One Month).
- vii) Report on existence of proper arrangement of safe custody and storage of material.
- viii) Any grave irregularity/system failure coming to the notice of the auditor.



Auditor has also to

- a) Check that inventory are inspected properly and in due time before it is taken into stores
- b) Check that no issue indents are pending for long time
- c) Check that GRN is made in time.
- d) Check that MRC is issued in time
- e) Check that proper insurance coverage has been taken for fire, theft, burglary etc.
- f) Check that scrap is auctioned time to time from the office of ED/CE(S&P:Gen.). Detail of scrap material shall be submitted by each store in charge on quarterly basis (i.e. April-June, July-September, October-December & January- March) to the E.D./C.E. (S&P:Gen)
- g) Check that proper security arrangement has been made in the premises against theft and fire.
- h) Check that all issue indents of tower parts issued by Workshop division has been posted in store record and no issue indent is pending.
- i) Check that no duplicate BIN shall be developed for the same item. IN case of more than one BIN for same item , it shall be merged into one BIN, Such report shall be furnished.
- j) Check that MRC shall be issue timely.

Commercial & Regulatory affairs

1. Issue of Energy Bill:- Energy bills are issued as per MYT regulation 2015 as amended time to time and tariff order applicable for the year (Copy available on public document Urjanet.) Guidelines for the internal Audit may be considered for follows items:-
 - a. Energy sold:- As per SEA issued by SLDC
 - b. Capacity charge:- As per formula specified in MYT regulation 2015.
 - c. Energy Charges rate:- As per ECR specified in tariff order.
 - d. FCA:- Computation as per format specified by the Hon'ble Commission.
 - e. Recovery of statutory charges:- on reimbursement basis as per actual.
 - f. Late payment surcharge:- As per the rate specified in the MYT 2015 regulation.
 - g. Recovery of other charges:- As specified by Hon'ble commission.
2. Regulatory work:- Subject to prudence check, regulatory compliance as per the regulations and directives of Hon'ble Commission. Guideline for the internal audit may be considered as follows:-
 - a. Tariff filing: - As per formats & time limit prescribed by the Hon'ble Commission.
 - b. True up petition: - As petitions are filed on case specific basis therefore no standard scope of audit can be provided.

In addition to the above general office establishment and purchase work are carried out as per the standard rules & guidelines of the company.

Physical stock verification of Coal & Oil

The professional firm has to undertake "Physical Verification of Coal & Furnace Oil" after reconciliation with store records & reported for each area. The scope of work includes following verification works and submission of report:-

Sl. No.	Areas
i.	If carpet Coal has been identified separately and the same has been either accounted for to the consumption or not accounted, the reports, thereon, should be prepared in detail.
ii.	Whether there is a laid down procedure for accounting of Coal and the same is being followed or not. The procedure as per Board's Manual and the procedure being followed should be mentioned in the Report.
iii.	Whether norms have been fixed for loss of Coal during transit, handling & storage re-handling etc. Accountability for loss of Coal being followed should be mentioned in the report.
iv.	The procedure for measurement of Coal being adopted has to be reported step-wise. Prose and cons of the existing procedure for measurement of Coal and recommendation / views of the professional firm for betterment in procedure.
v.	Any grave irregularity coming to the notice of the Auditor during verification.

CSPGCL COLONY

- a) To provide details of the allotment made with reference to rules and approval by competent authority in case of allotment to outsiders.
- b) (i) Verify the entry for recoveries due from the date of allotment and ensure that recoveries have been made from the date of occupation by the allottees, comment on the recoverability aspect of the amounts outstanding from employees not on the rolls as well as outsiders.
- (ii) Check whether the rents for quarters are being revised from time to time for outsiders as per norms.
- c) (i) Verify the cases of vacation of houses and premises by outsiders with the vacation slips and ensure that fittings etc. have been duly verified by the concerned Department.
- (ii) Verify the recoveries in case of shortage/breakage etc.
- (iii) Verify the recoveries due on account of electricity and water and ensure that in all cases of vacation, recoveries have been effected before issuing vacation slips.
- d) IMPREST ACCOUNTS:
1. Examine whether statements of account have been rendered in time by the imprest holder/s and that the same has been approved by competent authority.
 2. Whether proper vouchers have been attached to the imprest account statements.
 3. Whether recoupment has been done in line with expenditure incurred.
 4. Whether the amount of imprest held is reasonable as compared to the general quantum of expenditure incurred.
- e) SUB – STORES
1. Examine whether receipts and issues of materials have been properly documented and carry the approval of competent authority.
 2. Test check the quantities received in the sub stores from the main stores on the basis of SIVs of main stores.
 3. Examine and comment on the control over issue of materials from the sub stores and whether items in stock have been physically verified at regular intervals.
- f) MISCELLANEOUS SALES
- Verify the disposal of miscellaneous items for approval by competent authority along with the basis for determination of rates for disposal and ensure that the proceeds have been handed over to Finance Deptt. on a timely basis for accounting.
- g) Highlight the facilities in township lying unutilised indicating the cost of the facilities along with the period from which they have been lying unutilised.

GUEST HOUSE/HOSTEL

- a) Booking of Guest House / Transit Camp is required to be communicated in writing by unit's concerned department. Examine and comment on same.
- b) Examine entries in the register of guests maintained in the Guest House / Transit Camp and ensure that such entries are complete in all respect.
- c) Similar register, as maintained in Guest House / Transit Camp, is required to be maintained in concerned Department. The request for booking of the guest is required to be entered in this register.



Both registers to be cross-checked for accuracy and consistency of data entry every week by the concerned dealing executive. Examine and comment on same.

- d) Verify cases of company's guests with written communication to support the non-recovery of charges.
- e) Auditors may verify that the Guest House / Transit Camp contractor has been issued and uses only one Bill Book at any point of time, bills from which are issued to the guests for room rent collection.
- f) Verify charges recovered from guests (outsiders) as entered in the register with the cash receipts issued and for conformity of rates with respect to rules.
- g) Trace cash receipts into the daily collection statement.
- h) The concerned dealing executive is to ensure that the room rent collected from the guests by the contractor stands deposited by the latter in the bank every week. Auditors may verify that copies of Bank pay-in-slips evidencing such deposits are available in concerned Department.
- i) GUEST HOUSE ASSETS:
 - 1. Examine whether the assets at guest house have been properly identified, recorded in a register, physically verified at the end of the year, tallied with the balance reflected in the register and corrective action taken for the discrepancies noticed on such verification.
 - 2. Examine whether the guesthouse assets have also been tallied with the fixed asset register maintained in finance.

A handwritten signature in blue ink, followed by a checkmark.

HOSPITAL

1. Referral & Medical Bill reimbursement :-

- Verify the procedure followed for referral & Medical Bill Reimbursement of the employee / officer is as per various orders. Verify the bills of Medical reimbursement shall be verified by the referring doctor/doctors as per prevailing order.
- Verify the procedure for Medical Advance as specified in prevailing order is followed or not.
- Verify the referral of the patient is as per Entitlement of the Ward described in prevailing order.
- Verify the reimbursement of medical bills is as per CGHS rates.
- Scrutiny the Medical Bill of the Class 1,2 & Class 3,4 by RAO & Superintendent Engineer (HR) respectively before submitting for final payment.
- Check whether the patient is referred to Hospitals, Diagnosis Centres & Physiotherapy Centres empanelled with the company.

2. Medicine:-

- Verify the procurement of the medicines is processed under the guidelines/instruction issued by the General Manager (HR) CSPHCL, Raipur & budget allotted.
- Verify that the bills related to the medicine are passed as per order placed.
- Verify that the medicine received as per as per order placed.
- Verify that the stock register of the medicine & their issuance/consumptions shall be maintain in register & entered in SAP module.
- Verify whether the proper procedure for disposal of expiry medicine is followed or not as per policy framed.

3. Medical Equipment & Assets of the Hospital:-

- Verify the property register of the hospital is properly maintained or not.



Format for issuing Half Margin

HM no. & date :.....

Period of Audit :.....

Name of Office :.....

Heading of HM :.....

Details of HM :.....

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Sign.of Internal Auditor with date



Format for Reply of Half Margin /Internal Audit Para

IAP / HM no. :

Period of Audit :

Name of Office :

Heading of IAP/HM :

Details of IAP/HM :

Original Para in full :

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Previous Reply (if any) :

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.....(please mention Annexure page no. , if any)

Audit Recommendation (if any) :

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Revised Reply :


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.....(please mention Annexure page no. , if any)

Counter Signature of ED/CE
(Incase of IAP reply)


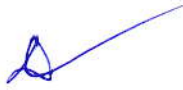
Signature of HOD



Details of Total Half Margin Issued

The Half Margins (HM) is issued during the course of Audit details are here under:-

S. No.	Name Of the office	No. Of Half margins	Letter No. & Date (vide which HM issued)	Letter No. & Date (vide which reply of H M received)	Reporting (HM replied or not replied)	Status (Settled or not settled)	Refer (Page No. in report)
1							
2							
3							
4							
5							
6							
7							
8							
9							
.....							

Format for issuing Internal Audit Para

IAP no. :.....

Period of Audit :.....

Name of Office :.....

Heading of IAP :.....


Details of Half Margin :.....(Refer Page no.....)

Original Para in full :.....

Management Reply :.....

Audit Observation :.....

.....(Refer Page no.....)



Format for Reporting of Minutes of Meeting(MoM)

Subject:- : (Entry/Exit).....

Date & Place of Meeting :.....

Meeting Headed by :.....

Nos. of Auditors attend meeting :.....

Name of Auditors who attend meeting : In below format:-

Sl.No.	Name of Auditor	Designation of Auditor	Signature of Auditor

Nos. of Officers attend meeting :.....

Name of Officers who attend meeting : In below format:-

Sl.No.	Name of Officer	Designation of Officer	Relation with H.M./Particular	Signature of Officer

Nos. of H.M. Discussed in meeting :.....

Details of HM Discussed in meeting :.....

.....

Conclusion of the Meeting :.....

.....

Signature of ED/CE with date Sign. of Internal Auditor with date