



HIMACHAL PRADESH POWER TRANSMISSION CORPORATION LTD.

(A State Govt. Undertaking)

Web: - www.hpptcl.com

Regd. Office: Himfed Bhawan, New ISBT Road, Panjari, Shimla-171005

Ph.: - 0177-2831283, 2831284 FAX: 0177-2831284

(CIN):U40101HP2008SGC030950)

(GSTIN):02AACCH1548M1ZP

No. HPPTCL/ /F&A /IA/2020- 91689

Dated: - 10-02-2020

NOTICE FOR INVITING EXPRESSION OF INTEREST FOR INTERNAL AUDIT OF HPPTCL FOR THE FY 2019-20

HPPTCL invites Expression of Interest from the Chartered Accountant and Cost Accountants Firms for conducting Internal Audit of HPPTCL for the FY 2019-20 . The detailed contents of EOI i.e. Application form, Eligibility Criteria, Fee Structure, Scope of Internal Audit are available as per Annex-A and Annex-B at HPPTCL's website at <http://www.hpptcl.com> and can be downloaded.

Interested firms who fulfill eligibility criteria may send their applications on prescribed format to the Dy. General Manager (Fin.) HPPTCL, Himfed Bhawan, Panjari, Shimla (H.P.)-171005 latest by 25-02-2020 upto 3:00 P.M. and same shall be opened on same date at 3:30 P.M. in the presence of Committee and authorized representatives of participating firms/CA's.

(A.K. Sharma)
Deputy General Manager (Fin.)
HPPTCL, Himfed Bhawan,
Panjari, Shimla (H.P.)-171005



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(Annexure-A)

Appointment of Internal Auditors for the F.Y. 2019-20

The following Information to be furnished by interested professionals/ firms:

1. Name of the firm
2. Firm Registration no. allotted
3. Address of the Head office as well as Branch Offices (if any)
4. Contact Nos. (Landline and Mobile)
5. Details of Registration with CAG Office.
6. Details of Internal Audit and Statutory Audit of companies undertaken by the firm during last five years
7. Details of partners with their education qualification/ Membership No's.
8. Details of partners experience in years
9. Turnover of the firm
10. Details of experience as Internal Auditors of companies
11. Details of having experience of working in ERP along with certification from the respective organization(s) where SAP is implemented is to be submitted by the firm where they have conducted audit along with application form
12. Details of having experience in conducting audit of Power Transmission Companies which are in commercial operations.

Declaration:

1. We confirm that the information furnished herein are correct and fair in all respects and we have the necessary documentary proof to substantiate the same. It is further confirmed that in case any of the contents contained herein are found to be incorrect, Himachal Pradesh Transmission Corporation Ltd. is free to initiate any appropriate action against us.
2. We further declare that there have been no adverse comments/ qualification on our performance from the Management/ Audit Committee.

Partner

Name:

Date:

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Eligibility Criteria:-

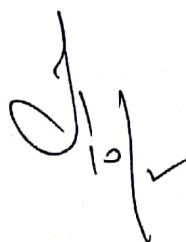
1. The firm should have minimum 10 years experience in carrying out Internal Audit of Companies.
2. Minimum experience of 3 years in SAP is preferable.
3. Experience in conducting audit of Power Transmission Companies which are in commercial operations.
4. Firms having maximum experience w.r.t. the above points will be given preference by giving due weightage during evaluation of technical bids.
5. The audit teams should consist of at least one technically knowledgeable professional in power industry and one member should be a senior finance professional.

Fee Structure for Internal Audit:

Sr.No.	Units	Proposed amount in Rupees
1.	Corporate Office Shimla, Design unit Hamirpur ,HPPTCL PIU's at Lahal and Chamba (Chamba Zone) PIU's at Chambai, Sarabai and Phosal (Sarabai Zone Kullu) PIU's at Bhabanagar, Gumma and Rohru (Shimla Zone)	Rs.45000/- plus taxes as applicable

Further, out of pocket expenses i.e. TA/DA etc. shall be reimbursed to the partners of CA/Cost Accountant firm at the rates at par with entitlement of Sr. Manager level executive and to its audit assistant at the rates at par with Junior Officer level supervisor of the Corporation.

Payment of audit fee shall be made after acceptance of final report by HPPTCL authorities. Audit firm are to submit fee invoices including TA/DA claim supported by stay certificate issued by Head of the unit and any other supporting document required to process such bills.



Background:

Nine Nos. subsidiary Accounting Units are functioning under HPPTCL Corporate Office, Shimla, Design Unit Hamirpur, HPPTCL P.I.U's Chamba, Lahal (Chamba Zone), Chambl, Sarabai, Phosal (Sarabai Kullu Zone), Rohru, Gumma & Bhabanagar (Shimla Zone)

Scope of Internal Audit:

Internal Audit for the year ending 31st March, 2020 be taken up together and reports made available by 31st May, 2020.

The Internal Auditors will be responsible for examination appraisal and recommendation on such matters as:

1. Organization Structure: To see that this gives due consideration to effective operations and productive controls.
2. Policy and Procedures: To see that they are effective, adequate, economical, understood and followed.
3. Records and Report: To see that they are providing adequate information for operation and for management and they reveal favorable exception from normal patterns.
4. Companies Act: To ensure that the Company made complete compliance with the Companies Act, 2013.
5. Indian Accounting Standards: To ensure the compliance of Indian Accounting Standards by the company.
6. Regulatory requirement: To ensure that the company made compliance of regulatory requirements.

The management should be provided with internal Audit report ending 31.03.2020 by 10th June, 2020 duly signed.

The Internal Auditors would be required to impart information required at the time of Audit for the period 01.04.2019 to 31.03.2020 at a later date by other audit agencies concerning accounts statements. Internal Audit should operate on the following areas:

- (a) Review of accounting system and related internal control suggestions for improvement/exercising some internal check and controls.
- (b) The examination of financial and operating information management.
- (c) Appraisal of the latest changes in the provision to various laws concerning the accounts/ Maintenance of records.
- (d) Ascertaining the extent to which company assets are safeguarded from losses of all kinds.
- (e) Suggestions for construction/maintenance of any record required under various provisions of laws.
- (f) Recommending operating improvements.
- (g) Compliance with various laws amended from time to time applicable to the Company.
- (h) Compliance and follow up of above.

The Internal Audit Teams would be required to conduct 100% check of the following besides any other aspects which they may like to take up for scrutiny:

1. Books of Accounts:

- i. In depth vouching with support and authority and their ticking in cash book/journal.
- ii. Check trial balance of general ledger with customer ledger and imprest/advance/personal ledger.
- iii. Checking of customer ledger with relevant sales, invoices, debit notes and register etc.
- iv. Test check casting of cash-cum-day book.
- v. Reconciliation of branch with Head Office Books.
- vi. Debtors and creditors accounts with the confirmation accounts of customers/suppliers, if applicable.
- vii. Scrutiny of general/personal ledger.

2. Debit and credit notes:

- i. Check into day petty cash book with authority and its genuineness.

3. Cash and Bank balance:

- i. Check bank reconciliation statement.
- ii. Check daily cash receipts are regularly deposited in bank account.
- iii. Check outstanding entries in reconciliation account are correct and proper and bank is being reminded for collection of advice.
- iv. Check interest charges by banks on overdrafts and retained of each over the above limited specified.

4. Checking of stock register and physical verification of stocks:

- i. Raw material, packing material, trading goods, consumable stores/stocks and finished goods etc.
- ii. Check receipts/issued and balances into stock register from relevant records.
- iii. Physically verified stocks laying at branch the stock register.
- iv. Check shortages transit damage been intimated. v. Check stock in transit reconciliation.

5. Expenditure:

- i. Check that the branches are not spending more than budget approved by the Head office on as sanctioned by Head Office.
- ii. Check that no Imprest is outstanding in name of any person for an unreasonable and advances are not much in excess of requirements.
- iii. Check TA/DA/LTA/Medical/Telephone/Vehicle Maintenance/Printing and Stationery bills are pending and being passed as per company rules and approved and passed by the appropriate authorities and are duly supported check recovery of Private Calls/Journeys.

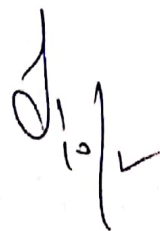
6. Compliance of Provision of relevant Acts.

- i. Check deduction of tax at source for salary and other items where required and its deposit with Government Authorities.
- ii. Check if returns under Sales Tax Act, under other acts where required are sent in time and amounts required are ascertained in time.
- iii. Check if regulations of State Government or local authority are not being contravened point out in report any irregularities.
- iv. Check authority for addition/scrapping disposal of fixed assets. Check for purchase supplies disposal manner and identification marks.
- v. Check for record of additions/depletion in fixed assets registers. Check for depreciation rates as per Income Tax Act.

7. Reporting to Head Office:

- i. Check whether statements are required by Head Office with required frequencies has been dispatched to Head Office.
- ii. Check furniture and other fixed assets physically and report on variations.
- iii. Report/Assess when insurance covers are inadequate.

8. To check what is the system of calculation of minimum and maximum stock level.
9. To check what is the system being followed by the Company for adjustment of advances or it required further improvement.
10. To check what is the system of delegation of powers. Whether a person appointed is given power according to his duty.
11. To check whether there exists a proper system of controlling the direct/indirect expenses. Whether the wastage is more as compared to other Companies/Corporations. To check stock whether the wastage is in excess than the previous year and suggestions for improvement, if any.
12. To check and report whether there exist a proper system of management information, and whether the system require any further improvement.
13. To check at the time of staff advances whether the outstanding advances have been adjusted or not.
14. To check whether party's accounts are maintained properly and are reconciled at specified periods.
15. To check whether the statutory records are maintained according to the Companies Act, 2013.
16. **Revenue/Capital Expenditure:**
 - i. Check contractor's bill with NIT and onwards.
 - ii. Check basis and amounts of expenses and stores apportioned to work.
 - iii. Check recovery of various advance deductions.
17. **Vehicle Maintenance:**
 - i. Check Log Book for POL consumption and for private and official journey.
 - ii. Report where log books not complete and average below standards.
18. **Salary and Wages:**
 - i. Check for appointments/increments orders withdrawn of pay and interests in accordance with such orders.
 - ii. Check for deductions in accordance with rule/norms.
 - iii. Check for timely deposit CPF/Security etc.
 - iv. Check for documents where required against staff loans and advances.
19. **Income:**
 - i. Cash check/sales with cash norms.
 - ii. Check rent bills with rent agreements.
 - iii. Check interest on loans and advances and bank deposits. Check
 - iv. other receipts with reference to bills correspondence.



20. Purchase:

- i. Check purchase made in accordance with company's purchase order/policy.
- ii. Check purchase orders for suppliers bills for delivery terms, quality, price, quantity, freight price variation and payment etc.
- iii. Check good inward register.
- iv. Check for advance/advances as per terms of contract and cash discounts. v. Check receipts in stock register with purchase bills.

21. Consumption/Transfers:

- i. Check for depletion in stock register with authority and as per norms.
- ii. Check shortages for having being properly investigated/recovered/written off check for scrap, bye product generation.
- iii. Check for disposal of scrap old gunnies and empty containers.
- iv. Check process terms within stipulated norms.
- v. Check and report struck up stocks.
- vi. Check and report purchase returns with debit notes and goods outward slip.

The Internal Auditors should report such cases where over dues benefits have been allowed/availed by the employees.

Separate report marked confidential should be sent under registered cover to the Managing Director of the Corporation in embezzlement and fraud cases.

If the Internal Auditors are satisfied that arithmetical checks and controls included in the accounting system are adequate and are being operated properly they may safely reduce the amount of detail checking which is performed and devote more time to the systems audit matters of accounting principles and verifications of assets/liabilities.

INTERNAL AUDIT REPORT:

Internal Audit Report would be submitted within stipulated period to the Managing Director and concerned branch head. The replies to the Internal Audit Reports would generally be made available within a fortnight alongwith follow up action taken at Head Office/ Branch Office level which should be examined with record in subsequent visits.

Additional points which should be reported invariably in the Audit Report:

- i. Budget versus actual expenses.
- ii. Whether the recovery on account of imprest/advances/loan which was due have been collected from the staff and other or not.
- iii. Report whether books are kept on upto date basis, if not please mention details.
- iv. Income Tax on payment of salaries and interest deduction and deposited in time and the returns filed in due time.
- v. Action taken on previous reports.
- vi. Whether cheques received are deposited in time if not, please mention details.
- vii. Whether CST and other Sale Tax reports are collected from customers, if not action taken.
- viii. Slow Moving Stocks/Damaged Stocks.

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Additional Scope of Internal Audit of the Corporation:

- i. To check and compare actual and budgeted performance for a year, report variations, if any.
- ii. To check whether the expenses incurred and paid have been properly sanctioned by the competent authority. Whether there is justification for incurring the expenses or whether the expenses incurred are on a higher side.
- iii. To compare the physical balances in stock taking with the balances shown in his cards to check, the discrepancies between the two and investigate the reasons for the shortage and excess found at the time of physical verification.
- iv. To check whether there exist a paper system for recording material receipts.
- v. To check whether the goods receipts in the stores was properly checked at the time of receipt and issue.
- vi. To check whether there is any continuous shortage found in purchase of particular spares or materials to thoroughly investigate such purchase.
- vii. To check whether there exist some obsolete items, the amount involved in such items the period for which they have been kept and not used.
- viii. To check whether the company's employees keep excess imprest with him and not submit the account regularly.

ANNUAL ACCOUNTS:

To verify the trial balance at all HPPTCL Division levels i.e. HPPTCL Division, **Chamba, Lahal, Chambi, Hamirpur, Sarabai, Phozal, Gumma, Rohru & Bhabanagar** as on 31.03.2020 and consolidation at Corporate Office level and to prepare balance sheet of the Corporation as on 31.03.2020 as per Ind AS.

Any other matter within the scope of Internal Audit.


DGM (Finance)
HPPTCL, Panjari Shimla-5