



**Tender Document for Appointment
of Chartered Accountant/ Cost
Accountant Firms as an Internal
Auditor of Field Offices of
MPMKVVCL for audit block year
2015-16 to 2017-18. Tender
Specification No.MD/MK/04/604
Bhopal, (due for opening on
10.01.19)**

Madhya Pradesh Madhya Kshetra Vidyut

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TENDER NOTICE

Online tender is invited for appointment of Chartered Accountant/ Cost Accountant Firms as an Internal Auditor of Field Offices of MPMKVVCL for audit block year 2015-16 to 2017-18. The Bid Seals will be received online on the portal <https://mptenders.gov.in> upto date & time indicated below. The tender will be opened in the office of the undersigned as mentioned in tender time schedule (key date). If desired, the bidder or their duly authorized representatives may remain present at the time of opening of tender: -

Sr. No.	Tender Specification no.	Name of items	Minimum fees (exclusive of GST) (Rs. Lakh)	Tender fee (inclusive of GST @ 12%) (in rs.)	Due date of opening of tender online from 15.30 Hrs.*
1.	MD/MK/04/604	for Appointment of Chartered Accountant/ Cost Accountant Firms as an Internal Auditor of Field Offices of MPMKVVCL for audit block year 2015-16 to 2017-18	Group-A Rs. 15.30 Group-B Rs. 19.50 Group-C Rs. 19.50 Group-D Rs. 17.70 Group-E Rs. 15.30 Group-F Rs. 19.80 Group-G Rs. 21.30 Group-H Rs. 12.90 Group-I Rs. 14.96 Group-J Rs. 7.31	2,240/- per group	10.01.19 at 14.30 Hrs.

* For updated / extended due dates for opening of tender (EMD in envelop-A & Techno-commercial bid in envelop-B) please refer to the online key dates.

NOTE: -

- (1) Other details can be seen in the complete tender documents available on new implemented e-portal <https://mptenders.gov.in>.
- (2) Tender documents can be downloaded from main portal <https://mptenders.gov.in> free of cost. However, for participation in the tender, the bidder has to pay non-refundable tender fee amount. Only in case if the tender is dropped without opening, the tender fees shall be refunded after deduction of necessary portal charges. Manual purchase of tender is not allowed.
- (3) The bid data should be filled in and the bid seals of all the envelops and the documents which are to be uploaded by the bidders should be submitted online upto as per time schedule (Key Dates).

- (4) The relevant portion of tender which tenderers have to fill online would be available on above website on date mentioned against each tender. The company reserves the right to reject any or all the tenders or accept any tender in full or part as considered advantageous to the company, whether it is lowest or not, without assigning any reason whatsoever it may be.
- (5) Since the online bidders are required to sign their bids online using class III – Digital Certificates only, hence they are advised to obtain the same at the earliest. For further information, bidders are requested to contact Madhya Pradesh State Electronic Development Corporation Ltd, State IT Centre, 2nd Floor, 47-A, Arera Hills, Bhopal-462011, Telephone No. 0120-4001002/ 4200462/ 4001005, E-mail: brahme@mpsedc.com and **support-proc@nic.in**.
- (6) Bidders intending to participate in the Tender are required to get themselves trained on the e-Procurement System.
- (7) The required amount of EMD shall be accepted through online payment only.
- (8) The Bidders are required to invariably upload the valid documentary evidence of submission of online EMD (or EMD Exemption Certificate if applicable) in Envelope-A without which online offer i.e., Envelopes-B & C shall not be opened.
- (9) No offer will be accepted without valid Earnest Money Deposit, unless exempted by the Company. If on opening of tender, it is revealed that EMD amount is inadequate / any other discrepancy is noticed, the tender shall be rejected and returned to the tenderer.
- (10) The corrigendum or addendum to the bidding documents, if any, as well as any change in due date(s) of opening of tender will be published on the website <https://mptenders.gov.in> & also Company's website <http://www.mptenders.gov.in> but will not be published in newspaper. Hence participant bidders are *advised to regularly visit the websites* until the bid opening. The Company shall not be responsible in any way for any ignorance of the bidders about the corrigendum or addendum or change in the due date(s).
- (11) Last date for submission of physical documents {Envelop- A (EMD) & Envelop-B (Techno Commercial Bid)} is two day prior to the due date of opening of tender as per online key dates **up to 17:00 Hrs.** The same shall be opened as per key dates. The date of opening of EMD & Technical shall be the date of opening of tender for all the purpose.
- (12) The Tender document will be available on portal <https://mptenders.gov.in> on or after **27.12.18**. The interested bidders are advised to regularly visit the portal for the purpose.
- (13) Only Online bids will be considered as Valid. If any bidder submits the Hard Copy of the Bid but fails to submit the Online Bid in that case the Bid would be outrightly rejected. If any bidder wants to submit Hard Copy of the Bid in addition to the Online Bid they may do so at their convenience.

SD/-

CGM (Procurement)

M.P.M.K.V.V. Co. Ltd., Bhopal

-//SAVE ELECTRICITY//-

KEY DATES & BASIC TENDER INFORMATION

Particulars	Details
Name of Work	for Appointment of Chartered Accountant/ Cost Accountant Firms as an Internal Auditor of Field Offices of MPMKVCL for audit block year 2015-16 to 2017-18
Tender Specification Number	MD/MK/04/604
Due date of submission of Tender (EMD in Envelop-A + Techno-Commercial Bid in Envelop-B) Physically	08.01.19 up to 17:00 Hrs

Key Dates:-

Sr. No.	Tender Stage	Particulars	Date & Time
1.	Publishing of Tender Date	Tender Purchase-online	27.12.18 at 12.00 hrs
2.	Document Download Start Date		27.12.18 at 13.00hrs
3.	Seek Clarification Start Date		27.12.18 at 15.30 hrs
4.	Seek Clarification End Date		29.12.18 at 17.00 hrs
5.	Pre-bid Meeting		31.12.18 at 15.30 hrs
6.	Bid Submission Start Date		02.01.19 at 10.30 hrs
7.	Bid Submission End Date	Online as well as Physical bid	08.01.19 at 17.00 hrs
8.	Bid Opening Date		10.01.19 at 14.30 Hrs
9.	Financial Bid (Envelope-C) Open Date	Envelope-C (Price Bid)	Will be informed later

Note:-

- (1) The bidder has to quote their rates online only in schedule-I as per the item wise schedule defined to be kept in envelope "C" and upload online as per key dates. Please note that, the Schedules of price bid (Schedule-I), i.e. Financial bid (Envelope-C) will not be accepted physically. In case Envelope-C is submitted physically the bid will be rejected. The bid of the eligible bidder for the respective item shall be opened online as per key dates.

- (2) Last date for submission of physical documents (Envelope- A & B) will be two days prior to the due date of opening of tender as per online key dates up to 17:00 Hrs. The same shall be opened (online & physical) as per key dates.
- (3) The bidders have to upload following documents online in Envelope – A as per key dates: -
The Bidders are required to invariably upload the valid documentary evidence of submission of online EMD (or EMD Exemption Certificate if applicable) in Envelope-A without which online offer i.e., Envelopes-B & C shall not be opened.

SD/-

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M.P.M.K.V.V. Co. Ltd., Bhopal

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GUIDELINES TO BIDDERS FOR IMPLEMENTATION OF E- PROCUREMENT SYSTEM

Instructions for Online Bid Submission:

The bidders are required to submit soft copies of their bids electronically on the MP TENDERS Portal, using valid Digital Signature Certificates. The instructions given below are meant to assist the bidders in registering on the MP TENDERS Portal, prepare their bids in accordance with the requirements and submitting their bids online on the MP TENDERS Portal.

More information useful for submitting online bids on the MP TENDERS Portal may be obtained at: <https://mptenders.gov.in/nicgep/app>

REGISTRATION

- 1) Bidders are required to enroll on the e-Procurement module of the Central Public Procurement Portal (URL: <https://mptenders.gov.in/nicgep/app>) by clicking on the link “**Online bidder Enrollment**” on the MP TENDERS Portal **which is free of charge**.
- 2) As part of the enrolment process, the bidders will be required to choose a unique username and assign a password for their accounts.
- 3) Bidders are advised to register their valid email address and mobile numbers as part of the registration process. These would be used for any communication from the MP TENDERS Portal.
- 4) Upon enrolment, the bidders will be required to register **their valid Digital Signature Certificate** (Class II or **Class III Certificates with signing key usage**) issued by any Certifying Authority recognized by CCA India (e.g. Sify / nCode / eMudhra etc.), with their profile.
- 5) Only one valid DSC should be registered by a bidder. Please note that the bidders are responsible to ensure that they do not lend their DSC's to others which may lead to misuse.
- 6) Bidder then logs in to the site through the secured log-in by entering their user ID / password and the password of the DSC / e-Token.

SEARCHING FOR TENDER DOCUMENTS

- 1) There are various search options built in the MP TENDERS Portal, to facilitate bidders to search active tenders by several parameters. These parameters could include Tender ID, Organization Name, Location, Date, Value, etc. There is also an option of advanced search for tenders, wherein the bidders may combine a number of search parameters such as Organization Name, Form of Contract, Location, Date, Other keywords etc. to search for a tender published on the MP TENDERS Portal.
- 2) Once the bidders have selected the tenders they are interested in, they may download the required documents / tender schedules. These tenders can be moved to the respective ‘My Tenders’ folder. This would enable the MP TENDERS Portal to intimate the bidders through SMS / e-mail in case there is any corrigendum issued to the tender document.
- 3) The bidder should make a note of the unique Tender ID assigned to each tender, in case they want to obtain any clarification / help from the Helpdesk.

PREPARATION OF BIDS

- 1) Bidder should take into account any corrigendum published on the tender document before submitting their bids.
- 2) Please go through the tender advertisement and the tender document carefully to understand the documents required to be submitted as part of the bid. Please note the number of covers in which the bid documents have to be submitted, the number of documents - including the names and content of each of the document that need to be submitted. Any deviations from these may lead to rejection of the bid.
- 3) Bidder, in advance, should get ready the bid documents to be submitted as indicated in the tender document / schedule and generally, they can be in PDF / XLS / RAR / DWF/JPG formats. Bid documents may be scanned with 100 dpi with black and white option which helps in reducing size of the scanned document.
- 4) To avoid the time and effort required in uploading the same set of standard documents which are required to be submitted as a part of every bid, a provision of uploading such standard documents (e.g. PAN card copy, annual reports, auditor certificates etc.) has been provided to the bidders. Bidders can use “My Space” or “Other Important Documents” area available to them to upload such documents. These documents may be directly submitted from the “My Space” area while submitting a bid, and need not be uploaded again and again. This will lead to a reduction in the time required for bid submission process.

SUBMISSION OF BIDS

- 1) Bidder should log into the site well in advance for bid submission so that they can upload the bid in time i.e. on or before the bid submission time. Bidder will be responsible for any delay due to other issues.
- 2) The bidder has to digitally sign and upload the required bid documents one by one as indicated in the tender document.
- 3) Bidder has to select the payment option as “offline” to pay the tender fee / EMD as applicable and enter details of the instrument.
- 4) Bidder should prepare the EMD as per the instructions specified in the tender document. The original should be posted/couriered/given in person to the concerned official, latest by the last date of bid submission or as specified in the tender documents. The details of the DD/any other accepted instrument, physically sent, should tally with the details available in the scanned copy and the data entered during bid submission time. Otherwise the uploaded bid will be rejected.
- 5) Bidders are requested to note that they should necessarily submit their financial bids in the format provided and no other format is acceptable. If the price bid has been given as a standard BoQ format with the tender document, then the same is to be downloaded and to be filled by all the bidders. Bidders are required to download the BoQ file, open it and complete the white coloured (unprotected) cells with their respective financial quotes and other details (such as name of the bidder). No other cells should be changed. Once the details have been completed, the bidder should save it and submit it online, without changing the filename. If the BoQ file is found to be modified by the bidder, the bid will be rejected.

- 6) The server time (which is displayed on the bidders' dashboard) will be considered as the standard time for referencing the deadlines for submission of the bids by the bidders, opening of bids etc. The bidders should follow this time during bid submission.
- 7) All the documents being submitted by the bidders would be encrypted using PKI encryption techniques to ensure the secrecy of the data. The data entered cannot be viewed by unauthorized persons until the time of bid opening. The confidentiality of the bids is maintained using the secured Socket Layer 128 bit encryption technology. Data storage encryption of sensitive fields is done. Any bid document that is uploaded to the server is subjected to symmetric encryption using a system generated symmetric key. Further this key is subjected to asymmetric encryption using buyers/bid openers public keys. Overall, the uploaded tender documents become readable only after the tender opening by the authorized bid openers.
- 8) The uploaded tender documents become readable only after the tender opening by the authorized bid openers.
- 9) Upon the successful and timely submission of bids (ie after Clicking "Freeze Bid Submission" in the portal), the portal will give a successful bid submission message & a bid summary will be displayed with the bid no. and the date & time of submission of the bid with all other relevant details.
- 10) The bid summary has to be printed and kept as an acknowledgement of the submission of the bid. This acknowledgement may be used as an entry pass for any bid opening meetings.

ASSISTANCE TO BIDDERS

- 1) Any queries relating to the tender document and the terms and conditions contained therein should be addressed to the Tender Inviting Authority for a tender or the relevant contact person indicated in the tender.
- 2) Any queries relating to the process of online bid submission or queries relating to MP TENDERS Portal in general may be directed to the 24x7 MP TENDERS Portal Helpdesk.

Contractors / Vendors / Bidders / Suppliers are requested to visit e-procurement portal of Govt. of Madhya Pradesh (<https://www.mptenders.gov.in>). The details and relevant links are available in the Bidders Manual Kit on the right pane of website which is furnished here-

S.No	Particulars	Downloads
1	Notice to Bidders	<u>notice to bidders v906.pdf</u>
2	Registration of Bidders	<u>Bidder Registration Manual Updated v906.pdf</u>
3	Uploading of My Documents	<u>MyDocument Updated v906.pdf</u>
4	Online e-Bid Submission	<u>Three Cover Bid Submission New v906.pdf</u> <u>Two cover bid submission new v906.pdf</u> <u>Four cover bid submission new v906.pdf</u> <u>Single Cover bid submission New v906.pdf</u>
5	Online Bid Withdrawal	<u>bid withdrawal updated v906.pdf</u>
6	Online Bid Re-submission	<u>Bid Resubmission Updated v906.pdf</u>
7	Clarifications (Tender Status, My	<u>Enquiry Updated v906.pdf</u>

	Archive...)	
8	Trouble Shooting	troubleshoot_document_v906.pdf
9	BoQ Preparation Guidelines	ItemWise BOQ New v906.pdf Percentage BOQ Updated v906.pdf ItemRate BOQ Updated v906.pdf

SD/-

CGM (Procurement)

M.P.M.K.V.V. Co. Ltd., Bhopal

1. BACKGROUND

Madhya Pradesh Madhya Kshetra Vidyut Vitaran Company Limited (MPMKVVCL) Bhopal, one of the successor Companies of MP State Electricity Board, with its head office at Nishtha Parisar, Govindpura, Bhopal is a Power Distribution Company incorporated under the provisions of the Companies Act, 1956 (now Companies Act, 2013) MPMKVCL, Bhopal (herein after referred to as a Company) is engaged in the distribution & retail supply of electricity to its consumers. It has its office of operations spread in the specified area through 2 regional offices, 15 Circles, 49 divisions and about 342 Distribution centers/ Zones. The List of Offices is attached in [Annexure 1](#). The Management of the Company intends to appoint Internal Auditors, by engaging the Firms of Chartered Accountants (CA)/ Cost Accountant (CMA) with a view to bring in a professional approach in the Internal Audit of the Power Distribution business in Madhya Pradesh.

2. OBJECTIVES OF THIS ASSIGNMENT

- Establish an effective internal audit and control system.
- Achieve the objectives specified in the Corporate and Operational Plans.
- Focus on regular Internal Audit of the office(s) to assess, review, recommend and comment in respect of effectiveness and efficiency of accounting, financing, operation & maintenance functions and procedural compliance at its Offices of Operations ;
- To make management aware, as soon as practical and at an appropriate level of responsibility, of material weaknesses in the design or operation of accounting and internal control systems, that may have come to the notice of auditor in course of audit.
- Compliance to the applicable Provisions, Orders and Rules Framed under the New Companies Act, 2013 that require effective Internal Control Procedures in a Company.
- To ensure that requirements under Company's Auditor Report (CARO) regarding Internal Control and Internal audit are complied with, in a manner that also assists management's objective of ensuring, as far as practicable, orderly and efficient conduct of its business. This shall also include adherence to management policies, safeguarding of assets, prevention and detection of fraud and error, accuracy and completeness of the accounting records and timely preparation of reliable financial information.

For the above said purposes, the Company hereby intends to initiate the process of selection of Chartered Accountant/ Cost Accountant (CMA) Firms as **“Internal Auditors for the Circle/ Regional Offices”** (herein after referred to as “CA Firm” or “CMA Firm” or “Auditors” or “Bidder”). Thus, the Company is issuing this Tender document inviting the interested and eligible CA/ CMA Firms to purchase the tender document and to participate in the Bidding Process for the selection of Internal Auditors at the Regional/ Circle level.

3. TERM OF AGREEMENT (CONTRACT PERIOD)

CA/ CMA Firm would be appointed as an Internal Auditors of field offices for a period of Twenty Four Months (24 Months) commencing from the date of acceptance of LOA. The Company reserves

the right to appoint another CA/ CMA firm to get the work done in the event of failure of the selected CA/ CMA Firm to commence the work within the prescribed time or terminate the Agreement any time before the expiry of the Contract Period if the progress of work is not commensurate with the time completion schedule or the audit is not found satisfactory to the objectives of the assignment or for any other reasons seems fit to the Company.

4. BIDDING PROCESS

The Bidding process would be a two stage process and have the following Stages:

Stage I

- Issuance of tender documents to the Bidders
- Pre Bid conference
- Submission of Technical Proposal and Financial Proposal.
- Opening of Technical Proposal.
- Short Listing of Qualified Bidders.

Stage II

- Opening of Financial Proposal of Qualified Bidders
- Evaluation of Financial Proposal
- Issuance of Letter of Award
- Signing of Agreement
- Execution of Internal Audit Assignment

5. DUE DATES

Sr. No.	Tender Stage	Particulars	Date & Time
1.	Publishing of Tender Date	Tender Purchase-online	27.12.18 at 12.00 hrs
2.	Document Download Start Date		27.12.18 at 13.00hrs
3.	Seek Clarification Start Date		27.12.18 at 15.30 hrs
4.	Seek Clarification End Date		29.12.18 at 17.00 hrs
5.	Pre-bid Meeting		31.12.18 at 15.30 hrs
6.	Bid Submission Start Date		02.01.19 at 10.30 hrs
7.	Bid Submission End Date	Online as well as Physical bid	08.01.19 at 17.00 hrs
8.	Bid Opening Date		10.01.19 at 15.30 Hrs
9.	Financial Bid (Envelope-C) Open Date	Envelope-C (Price Bid)	Will be informed later

6. SALE OF TENDER DOCUMENT

The tender document is available on the Company's website. The Bidder(s) may download the tender documents from the website, however for participation in the tender the prospective Bidders who have downloaded the tender document from the official website of the Company have to pay group wise non-refundable tender fees of Rs. 2,000/- only (Rupees thousand only) plus applicable GST @12% by making online payment on e portal.

7. QUALIFICATION CRITERIA

7.1 The Bidder should be a partnership firm, registered under Partnership Act, 1932 or a Consortium of not more than two (02) such partnership firms, with one of the firm acting as the **Consortium Leader**. A Bidding Consortium can participate in the Bidding Process for the assignment if any Member of the Consortium has purchased/downloaded the tender document.

7.2 The Bidder or the Consortium Leader should fulfill the following criteria to be eligible:

- The bidding is open for CA/ CMA firms registered with the Institutes of CA of India or ICWAI (Institute of Cost and Works Accounts of India)
- The Bidder must be in operation for at least **ten (10) years**. In case of Consortium, one firm must be in operation for at least ten (10) years. The period of 10 years will be considered from the date of registration of the firm. Copy of partnership deed to be provided by the Bidder for verification.
- The Bidder must have atleast 5 CA/ CMA partners, atleast two partners of the firm must be Fellow Members of the Institute of Chartered Accountant of India or Institute of Cost Accountant of India and at least one partner must be qualified Diploma in Information & System Audit (DISA) or Diploma in IS Audit & Control.
- The Bidder should not have less than Rs. 50 lakhs professional receipts in preceding financial year.

The bidder shall require submitting last audited/certified financial statement along with the offer.

- The Bidder must have its Head Office/ Branch Office at Bhopal or Gwalior or the location of the Circle office of the group for which the bidder is submitting his bid.
- An affidavit (duly notarized in non-judicial stamp paper) to the extent that No Criminal Proceedings are pending w.r.t to the Firm and/or Partner in any Court of Law in India or before any Disciplinary Committee of ICAI/ ICMAI (erstwhile ICWAI) / ICSI or any other professional institutes / bodies to be submitted duly.
- The firm should have a valid PAN. Copy of valid PAN card to be submitted.
- The firm should have a valid GSTIN Registration. Copy of valid GST Registration Certificate to be submitted.

Date of applicability of qualifying criteria and other parameters, unless otherwise stated expressly, shall be 30th Nov, 2018.

- 7.3 Information related to above mentioned criteria along with the covering letter to be provided in *Annexure 3-6* and must be submitted along with the Technical Proposal.
- 7.4 MPMKVCL, reserves the right to verify / scrutinize any of the above mentioned information for accuracy in case of credible evidence obtained for any false declaration, MPMKVCL reserves the right to take appropriate action as it deems fit in addition to cancel / terminate the contract or disqualify such firm or firms.

8. INFORMATION TO BIDDERS

8.1 SUBMISSION OF PROPOSAL

- **Single Stage – Three Envelopes** bidding process shall be followed for the selection of the CA/ CMA Firms
 - for Internal Audit at the Regional/ Circle/Division/DC Level; and
 - HT Revenue Audit.
- As the area of operation of Company is spread widely, the various offices in each Circle are listed in [Annexure 1](#).
- Revenue Audit of all the DC's shall be done for a block period of 3 years i.e. FY 2015-16 to FY 2017-18.
- Further, the System and Expenditure Audit for all the offices shall be done for a block period of 2 years i.e. from FY 2016-17 to FY 2017-18. The Scope of Work is annexed in *Clause 9.11*.
- As the Books of accounts are maintained at all the Accounting Unit (RAO) Offices of the Company, the audit for the Books of Accounts need to be done Quarterly for the current financial year i.e. FY 2018-19 and 2019-20. The Scope of Work is annexed in *Clause 9.11*.
- The Regional Office has Store and Civil Office also. The Physical Verification of Store is to be done once in a year (FY 2018-19 and 2019-20). The Scope of Work is annexed in *Clause 9.11*.
- The appointment of Circle Level CA/ CMA Firms shall be for a particular group, i.e. for all the offices in that Group. The Internal Auditor shall be responsible for the audit of all the offices comprising in the group & listed in [Annexure 1](#), (Circle office, Division Office, RAO offices, Store and Zones/D.C.'s etc.) as per the Scope of Work.
- **Separate Proposal needs to be submitted in case the bidder opts to bid for more than one Group. Each separate proposal must carry its EMD and must be submitted in separate envelopes. In the case when CA / CMA firm has already audited the group or its unit in previous order then bidder is not allowed to participate again in same group.**
- The Bids shall be opened as per the schedule mentioned in [Annexure 9](#). If a bidder bids for more than one group and selected for one Group then their bid for the other Groups shall not be opened or treated as null and void, as NO bidder shall be appointed as Internal Auditor for more than one (1) Group.

- Any CA Firm which is currently working as the Internal Auditor for any Circle of MPMKVVCL is **not eligible** to participate in the tender. However If the present assigned work of internal audit is completed by the CA firm then a self-declaration shall be given by the firm regarding completion of work to participate in this tender. The declaration given by the firm will be evaluated by the MPMKVVCL.
- No partner of the firm should be employed or associated with MPMKVVCL in any capacity.
- **Envelope 1** shall contain the Bank draft of Rs. 2,000/- plus applicable GST in-case the Bidders who have downloaded the tender document from the official website of the Company and have not paid the amount of tender document. In case the Bidder has online paid Rs. 2000/- plus applicable GST towards the cost of the tender document, the bidder shall submit the copy of the receipt of the same in Envelope 1. The Earnest Money Deposit (herein after referred to as EMD), shall be placed in the same envelope.
- All the interested and eligible CA/ CMA firms should submit their technical proposals in the prescribed format given in [Annexure 5](#) for each Group. Each copy being physically separated, bound, sealed and labeled as “**Envelope 2 - Bid for appointment as Internal Auditor for the Group (Circle 1..... and Circle 2.....) - Technical Proposal**”. The bid which do not contain the requisite information or is not supported by the supporting documents will be treated as non-responsiveness, and its financial proposal shall remain unopened.
- The bidder has to quote their rates online only in [Annexure 2](#) to be kept in envelope “3” and upload online as per key dates. Please note that, the Schedules of price bid [Annexure 2](#), i.e. Financial bid (Envelope-3) will not be accepted physically. In case Envelope-3 is submitted physically the bid will be rejected. The bid of the eligible bidder shall be opened online as per key dates.
- All these envelopes i.e. Envelope-1 & 2 shall be placed in an outer envelope and sealed. The outer envelope shall bear the submission address, name of the bidder and clearly marked “**for appointment of the Internal Auditors for the Group (Circle 1..... and Circle 2.....)**”.
- The all copies of the Technical Proposal must be signed by the partner of the Bidder / Consortium Leader.
- Online bidders are required to sign their bids online using CLASS-III DIGITAL CERTIFICATE only.
- **All the Technical Proposals along with the EMD must be submitted at a drop box on addressed to The Chief General Manager, O/o MD (CZ), MPMKVVCL, Nishtha Parisar, Govindpura, Bhopal on or before the due date for submission of the Proposals mentioned elsewhere in the Tender document.**
- The envelopes containing the Tender Fee & EMD will be opened on the specified date and time in the presence of Bidders or their authorized representatives who choose to attend. Once the technical evaluation has been done the Company shall intimate the schedule of opening of Financial Proposal of the firms who have qualified the technical evaluation.

8.2 CONSORTIUM

Only the Consortium of Chartered Accountant/ Cost Accountant Firms is allowed. A Memorandum of Understanding among the Consortium Firms needs to be entered specifying which firm is the Consortium Leader, and this document is to be submitted with the Technical Proposal. Moreover, one firm can be a part of only one consortium. Firms cannot enter different consortiums for different groups.

The Team leader should ensure that all the deliverables are completed on time and proper checks should be in place. Team leader should be accountable for all the deliverables and quality checks. All Internal Audit Reports/ Deliverables or any other correspondence shall be sealed and signed by the any Partner of the Consortium Leader Firm only. Any report/ correspondence by any other firm which is signed or sealed by any other firm shall not be entertained by MPMKVVCL, Bhopal.

Further, the only point of contact for MPMKVVCL shall be Consortium Leader. All communications shall be done only between the Company and the Consortium Leader.

8.3 LANGUAGE OF THE PROPOSAL

The PROPOSAL prepared by the Bidder and all correspondence and documents related to the Tender document and PROPOSAL exchanged by the Bidder and MPMKVVCL shall be written in English. Any printed literature furnished by the Bidder may be written in another language as long as such literature is accompanied by its translation in English, in which case, for purposes of interpretation of the tender document, the English translation shall govern.

8.4 VALIDITY OF PROPOSAL

The Bid shall remain valid for a period of 180 days from the date stipulated for submission of proposal. MPMKVVCL reserves the right to request extension of the Bid validity for an additional period of three (3) months, if necessary.

8.5 EARNEST MONEY DEPOSIT (EMD)

All interested bidders are expected to submit, along with their Bid, Earnest Money Deposit (EMD) as per the table given below by making online payment only.

Value of Service inclusive GST	Amount of EMD
Upto Rs. 10,000	Rs 500
Above Rs 10,000 and up to Rs 2.5 Lakh	Rs 2,500
Above Rs 2.5 Lakh and up to Rs 3 Lakh	Rs 5,000
Above Rs 3 Lakh and up to Rs 7 Lakh	Rs 10,000
Above Rs 7 Lakh and up to Rs 15 Lakh	Rs 15,000
Above Rs 15 Lakh and up to Rs 25 Lakh	Rs 20,000
Above Rs 25 Lakh and up to Rs 35 Lakh	Rs 30,000
Above Rs 35 Lakh and up to Rs 50 Lakh	Rs 40,000

Above Rs 50 Lakh and up to Rs 75 Lakh	Rs 60,000
Above Rs 75 Lakh and up to Rs 100 Lakh	Rs 80,000
Above Rs 100 Lakhs	Rs 1,00,000

The EMD of the unsuccessful bidder shall be returned not later than sixty (60) days after the expiry of the period of Bid validity as specified above.

However, EMD of Successful Bidder shall be returned after the submission of the Security Deposit and Execution of the work.

8.6 EXAMINATION OF THE TENDER DOCUMENT

The prospective bidders are expected to examine the instructions, forms, terms and specifications in the Tender Document. Failure to submit any information as required in the tender document will be at bidder's own risk and may lead to the rejection of the bid. Further, during the evaluation of proposals, MPMKVVCL, Bhopal may at its discretion, ask the Bidders for clarification or any further documents for its proposal. No response or inadequate response to the clarifications asked for may lead to the disqualification of the bidder.

8.7 EVALUATION OF THE PROPOSALS

- **Preliminary Scrutiny:**

Preliminary scrutiny of the technical proposal will be made to determine whether they are complete, whether the documents have been properly signed, and whether the bids are generally in order. Bids not conforming to such preliminary requirements will be prima facie rejected.

- **Fulfillment of Minimum Qualification Criteria:**

The proposals will be examined to ascertain whether they fulfill the minimum qualification criteria as prescribed in *Clause 7*. The proposals of those applicants who do not fulfill minimum qualification criteria shall not be taken into further consideration/ detailed evaluation.

- **Waivers:**

MPMKVVCL shall waive minor infirmity; nonconformity or irregularity in a proposal, which does not constitute a material deviation, provided such waiver does not prejudice or affect the relative ranking of any Applicant.

- **Detailed Evaluation of Technical Proposals:**

Bids found to be substantially responsive after the preliminary scrutiny and fulfillment of the minimum qualification criteria will be taken up for detailed evaluation. Criteria for evaluation of technical have been specified in [Annexure 5](#) of this document.

- **Technically Qualified Applicants:**

All the Applicants who fulfill minimum qualification i.e. 50% on technical evaluation (Details in [Annexure 5](#)) will be declared as technically qualified. The Financial Bids of only the technically qualified Applicants will be opened for further processing.

8.8 EVALUATION OF THE FINANCIAL PROPOSAL

The Financial Proposal of the technically qualified Applicants will be opened.

- **Fixed Price Bids:**

Only the fixed price financial proposal indicating Total Quoted Fees for the block period will be considered. The price shall be inclusive of all T.A/ D.A., Lodging, Boarding, and out of pocket expenses. GST as applicable will be paid extra. No payment other than this shall be paid for the deliverables as specified in the tender document. Format for submission of financial proposal is in [Annexure 2](#).

- **Arithmetical errors will be rectified as follows:**

If there is a discrepancy as per rule than the same will be followed.

- Financial bid shall be opened on the sequence mentioned in Annexure-1.
- Financial Evaluation done on the basis of formula given in Annexure-5

8.9 SELECTION PROCESS

The selection is based on QCBS model where in technical as well as financial bids have equal weights. The bidder who score maximum marks in technical and financial evaluation mentioned in Annexure-5 will be selected for the appointment as the Internal Auditors of the Group, subject to fulfillment of contractual formalities.

- The Bids shall be opened as per the schedule mentioned in [Annexure 9](#). If a bidder bids for more than one group and selected for one Group then their bid for the other Groups shall not be opened or treated as null and void, as NO bidder shall be appointed as Internal Auditor for more than one (1) Group.
- The selected bidder shall be issued a Letter of Award (LOA) by MPMKVVCL, Bhopal and, upon acceptance of the LOA by such selected bidder, will be appointed as an Internal Auditor of the Group.
- The selected bidder shall accept the Letter of Award unconditionally, within fifteen (15) days from **the date of receipt of the LOA**.
- Upon acceptance of the LOA, the selected bidder shall be required to sign up an agreement with MPMKVVCL on a non-judicial stamp paper of Rs. 500/-, at Bhopal within fifteen (15) days of acceptance of LOA, containing overall terms and conditions which shall be binding on the firms. Draft agreement shall be made available on the date of pre bid meeting. Cost of the stamp and revenue stamp affixed on the agreement shall be borne by the applicant, MPMKVVCL Bhopal shall not reimburse these costs.
- The selected bidder shall commence the work of Internal Audit as per the audit program issued by MPMKVVCL, after the signing of the agreement.
- The selected bidder shall not sublet the work of Internal Audit to any other party. Any violation of this provision would make the contract liable for termination.
- If the selected bidder:

- Fails to accept the LOA within the prescribed time;
- Fails to complete the contractual formalities within the stipulated time period; or
- Fails to commence the work as per the program.

Then in such cases, MPMKVVCL, Bhopal reserves the right to cancel the offer made to such firm, forfeit its EMD and may also blacklist the bidder.

- In such a situation, MPMKVVCL reserves the right to award the work of Internal Audit to the next lowest evaluated bidder.

8.10 PROPOSAL CURRENCY

Prices shall be quoted in Indian Rupees only.

8.11 PERFORMANCE SECURITY

The successful bidder needs to submit a Performance Security equivalent to ten percent (10%) of the Contract Value in the form of a bank guarantee or a DD drawn on a scheduled bank in favour of Sr. Accounts Officer, HOAU, MPMKVVCL payable at Bhopal, within fifteen (15) days from the date of acceptance of the LOA by the Successful Bidder which shall be refunded within one year after the successful completion of the assignment. Format of Bank guarantee is annexed as [Annexure 12](#).

Failure to commence the audit as per the audit program issued by MPMKVVCL shall entail the forfeiture of performance security and cancellation of the LOA.

8.12 PRE BID CONFERENCE

Interested Bidders may attend the pre-bid conference on **31st December, 2018** at 15:30 Hrs (3:30 pm) at the following address: **Chief General Manager, O/o MD (CZ), MPMKVVCL, Nishtha Parisar, Govindpura, Bhopal**, for clarification of any doubts of the prospective bidders regarding the Tender document. The prospective bidders may attend such meetings through their authorized representatives. Those prospective bidders who may find themselves unable to attend the pre-bid clarification meeting in person may send their queries either by post or by courier at the above mentioned address.

8.13 CLARIFICATION/ FURTHER INFORMATION

The Bidders may seek clarification on the tender document by making a request in writing, submitted to the person addressed below, either in person, or through registered post / courier, or through email, in the format prescribed in [Annexure 7](#) till the last day of sale of the tender documents as per the details provided below:

Designation : Chief General Manager (Procurement)

Address : O/o MD (CZ)

MPMKVVCL, Nishtha Parisar,

Govindpura, Bijli Nagar, Bhopal.

MPMKVVCL would duly acknowledge the queries received by post and provide response to the clarifications sought by the prospective applicant at its discretion.

8.14 AMENDMENT TO THE TENDER DOCUMENT

At any time prior to the last date for sale of the tender document, MPMKVVCL, Bhopal may amend the tender document by issuing necessary addendum. Addendum issued shall be part of the tender document.

The addendum will be uploaded on the official website of the MPMKVVCL.

Such amendments, clarifications, etc. shall be binding on the Bidders and will be given due consideration by the Bidders while they submit their Bid.

In order to give Bidders reasonable time to take the above amendments into account in preparing their Bid, MPMKVVCL may, at its discretion, extend the Bid Deadline.

8.15 RIGHT TO ACCEPT/REJECT ANY OR ALL BIDS

MPMKVVCL, Bhopal reserves the right to accept or reject any or all the proposals, or cancel the bidding process and reject all the proposals at any time prior to the award of contract, without thereby incurring any liability to the affected bidders or any obligation to inform the affected bidders of the grounds of such action.

8.16 ASSOCIATION WITH INDIVIDUAL CONSULTANTS

The Bidders may associate individual consultants for the technical guidance in the field or for any other specialized work, if required and a copy of the agreement to the effect defining the scope of work etc. should be submitted along with the application. The cost of the hiring the individual consultants shall be borne by the bidder himself, MPMKVVCL, Bhopal shall not be liable for any work of the consultant during the course of audit.

8.17 COMMENCEMENT OF SERVICES

After signing the agreement the selected bidders shall commence the performance of services as per the program issued by MPMKVVCL.

8.18 CO-ORDINATION AND FOLLOW UP OF AUDIT WORK

Additional Director (F&A)/ DGM (Audit) O/o MD (CZ) MPMKVVCL, Bhopal will be In-charge of co-ordination of audit work. The successful bidder, after award of work is required to approach the officer concerned on all matters for smooth and effective conduct of audit. The term coordination covers the entire gamut of activities viz., finalization of audit programme, discussions and acceptance of deliverables, settlement of payment, dispute resolution as per the contract terms etc.

8.19 SUSPENSION OF SERVICES

MPMKVVCL, Bhopal reserves the right to suspend the selected bidder by a written notice and suspend all payments to the selected bidder, if the selected bidder fails to perform their obligation in the assignment.

8.20 PAYMENT SCHEDULE/ PROCEDURE FOR RELEASING OF THE FEES:

The payment to the Internal Auditors at the Circle Level shall be made by the Chief General Manager, MPMKVVCL, Bhopal.

- **Payment Schedule for the Audit Fees:**

- The bills will be submitted quarterly as per the audit program issued by MPMKVVCL along with the certificate of completion as annexed in [Annexure 11](#). After submission of the same, 90% payment of the bill will be made after deducting all mandatory taxes which will be based on the following:-
 - A copy of all reports along with All Certificates of completion of internal audit as annexed in [Annexure 11](#) along with the invoice.
- The balance 10% of the fees may be released within three months from the date of the payment released as above.
- The “date of completion” shall be reckoned from the date of submission of final audit report to Internal Audit Department, O/o MD, MPMKVVCL, Bhopal
- No interest, claim or penalty etc. would be payable by MPMKVVCL in case of any delay in payment beyond stipulated time.
- Advance of Rs. 1,00,000/- (One Lakh) or 25% of the estimated bill for the first quarter, whichever is lower may be given to the Internal Auditors subject to submission of Bank Guarantee of the equivalent amount valid for one year and may be renewed if required. The advance shall be adjusted with the payment of the first bill submitted by the Internal Auditor. Also, the bank guarantee shall be released after complete adjustment of the advance amount paid.

8.21 SUBMISSION OF BILLS

- The payment as per payment terms above shall be released by the **Dy. General Manager (CBPU), O/o MD MPMKVVCL Bhopal** within reasonable time from the date of receipt of the bill or as per queue whichever is later. The bill should be submitted as per following instructions:
 - The bill should be submitted in triplicate to Chief General Manager O/o MD MPMKVVCL, Bhopal with the [Annexure 11](#) in soft & hard copy.
 - The bill should be submitted on quarterly basis, at the end of the quarter for all the reports submitted during that quarter.
 - If CA/ CMA Firm fails to perform the audit of any office as per the scheduled programme, the list of such offices should be separately enclosed along with the bill.
- After satisfactory completion of the work, the bill shall be passed and forwarded to the Dy. General Manager (CBPU), MPMKVVCL, for pre-auditing the bill and arranging payments within reasonable time as per queue.

8.22 PENALTY

- If the Internal Auditor firm or partner thereof is found guilty of gross negligence, lack of duty of care, misrepresentation and misstatement of facts, hiding the facts, falsification, using or giving the details gathered during the audit assignment to other parties without permission of the competent authority, non-observation of instructions given by the competent authority, unauthorized retention of records of the Company, violating the terms and conditions of this

assignment, unauthorized changes in the records of the Company, including malafied practices or any other cognizable offence or breach, the Internal Auditor firm will be punishable with any or all following consequences:

- a. Removal from the assignment of internal audit with immediate effect/ from the date specified.
 - b. Removal from any other assignment with immediate effect/ from the date specified given by the competent authority.
 - c. Ban from accepting the future assignment of the Company for the period as specified.
 - d. Any other action deemed appropriate by the competent authority.
- **Penalty for Delay in Completion of work as per Schedule:**
 - If the work is not completed within stipulated time by the bidder (i.e. as per the audit program issued by MPMKVCL) and thereafter submission of report within 15 days, then penalty shall be imposed @ 0.5% per week or part thereof subject to maximum of @ 10% of total fees from the due date of submission of report.

However, in the event of non-completion of the work in the stipulated time period due to unforeseen conditions, the auditor firm will be required to apply for grant of additional time period. Request of extension of time period desired by the auditor firm shall be considered only if reasonable and justified ground exists at the sole discretion of Chief General Manager MPMKVCL, Bhopal.

- If the bidder is unable to complete the work and also not able to justify the ground of non-completion of the work within the stipulated time period, then it may lead the contract liable to be terminated.

8.23 PERFORMANCE STANDARDS

- The auditor shall be responsible for the completion of audit for all the offices as per the Scope of Work in the tender Document.
- The Auditor shall follow all SIA (Standards of Internal Audit).
- The auditor is expected to apply reasonable degree of care and diligence while performing the audit. He should ensure that the work is progressing and being performed in compliance with the agreement.
- In case of any negligence found on the part of auditor, or the work is not carried out in accordance with the terms & conditions of the tender or scope of work is not adhered to by the auditor, MPMKVCL reserves the rights to reject the audit report and to deduct a suitable amount from audit fees/incentives payable to auditor. The Performance review parameters as laid down in [Annexure 10](#) shall form the basis of determination of the performance standard of the Auditors, but MPMKVCL's decision shall be final in this regard. However, such deduction shall not exceed the amount of audit fees to the auditor firm.
- Substantial Failure of the selected bidder to perform the agreement may even cause to terminate the agreement. In this event, the Company may require the bidder to reimburse the monies paid

(based on the identified portion of the unacceptable work received) and shall seek charges for associated damages.

8.24 ESCALATION

No escalation charges or additional amount whatsoever shall be paid to the selected bidders.

8.25 DISPUTES

The following clause titled 'Disputes' shall be a part of the agreement to be entered into with the respective selected bidders for each group. This Clause does not prevent either party commencing or pursuing court proceedings to protect the rights of confidentiality and in respect of the Confidential Information of that party.

In the event of any dispute or difference arising between the parties, relating to the scope of work, meaning or effect of the Agreement or any other clause or in respect of the rights and liabilities of the parties or other matters specified therein or with reference to anything arising out of or incidental to this agreement or otherwise in relation to the terms, whether during the continuance of this agreement or thereafter, such disputes or differences shall be endeavored to be solved by mutual discussions.

- In the first instance, the Dispute will be referred to the Chief General Manager for resolution;
- if the Chief General Manager cannot resolve the Dispute within 15 Business Days (or such other period as may be agreed between the parties), the Dispute will then be escalated to the MD (MPMKVVCL)

For the avoidance of any doubt, any communication between the parties arising out of or in connection with the above procedure will be without prejudice and will be treated as confidential.

9. SCOPE OF WORK

9.1 BACKGROUND

Madhya Pradesh Madhya Kshetra Vidyut Vitaran Company Limited, with its office at Nishtha Parisar, Govindpura, Bhopal is a Power Distribution Company incorporated under the provisions of the Companies Act, 1956 (now Companies Act 2013) and is a Government of Madhya Pradesh Undertaking, post un-bundling of Madhya Pradesh State Electricity Board in 2005, as a part of the MP power sector reforms. The scope of work of the Company includes:

- Distribution of electricity to retail consumers;
- Compliance of requirements provided under provisions, regulations, notifications, clarification, etc. issued or notified by Madhya Pradesh Electricity Regulatory Commission (MPERC);
- Operation and Maintenance of distribution system;
- Billing to retail consumers and collection of revenue from retail consumers;
- Capital investment for improvement and capacity enhancement of distribution system.

The Management of the Company intends to appoint Internal Auditors, by engaging the Firms of Chartered Accountants/ Cost Accountant with a view to bring in a professional approach in the Internal Audit of the Power Distribution business in Madhya Pradesh.

MPMKVVCL, Bhopal has adopted the ERP System for maintaining the books of accounts. **Audit Module for the same is in the development phase.** The Internal Auditor shall abide by the System, upload all the audit reports on the system and comply with all other requirements of the same as a part of its Scope of Work as and when the same will be finalized.

9.2 ORGANISATION STRUCTURE

The Company is engaged in the distribution & retail supply of electricity to its consumers through 2 regional offices, 15 Circles and 49 divisions. There are about 345 Distribution centers in the specified area. Its Organization Structure flows as below:



List of Offices are enclosed in [Annexure 1](#).

9.3 OFFICES FOR INTERNAL AUDIT

- Appointment of Internal Auditors:**

The Company desires to engage reputed Chartered Accountant/ Cost Accountant firms, as Internal Auditors at the Circle Level. A firm of Chartered Accountant/ Cost Accountant shall be appointed for each Group, which shall be responsible for the Internal Audit of all the listed Offices as per the Scope of Work within the **Group for a block period i.e. for FY 2015-16 to FY 2017-18 (Revenue audit), FY 2016-17 to FY 2017-18 (System & Exp. Audit), FY 2018-19 and 2019-20 (Books of Accounts Audit) and March, 2019 and March, 2020 for Physical Verification of Area Store.**

- Frequency of Audit of Offices:**

For all offices operating under the Group of which the CA/ CMA firm is appointed as the Internal Auditor shall be required to be audited as per the Scope of work and TOR of the tender document. The Internal Auditor shall carry out internal audit as per the following scope of all the offices in the Circle Office(s):

S. No.	Scope of Work	Name of Offices	Periodicity/ Audit period	No. Of Days of audit (mandatory)*
1.	H.T. Audit (100%)	RAO Offices	Block period from FY 2015-16 to FY 2017-18	3 days per 25 consumers
2.	L.T. Revenue Audit	All the Zonal Offices/ Distribution Centre's at the Circle Level	Block period from FY 2015-16 to FY 2017-18	10 days
3.	Internal Audit of System and Exp.	Divisions, Circle, RAO and Region	Block period from FY 2016-17 to	1 week

S. No.	Scope of Work	Name of Offices	Periodicity/ Audit period	No. Of Days of audit (mandatory)*
		Offices	FY 2017-18	
4.	Internal Audit of System and Exp.	STM & STC Division Offices	Block period from FY 2015-16 to FY 2017-18	1 week
5.	Physical Verification of Store	Area Store	Once FY 2018-19 and 2019-20	10 days
6.	Internal Audit of Books of Accounts	RAO Offices	Quarterly Basis FY 2018-19 and 2019-20	1 week

*The number of days of audit are the **mandatory** number of days an audit team shall require to audit the Office as per the Scope of work.

9.4 STRUCTURE OF AUDIT PARTY

- The selected bidder shall be required to depute the audit teams for the audit of Auditee Offices, covering the entire scope of audit. An audit team/party consist one (1) Audit Officer and two (2) to three (3) Audit Assistants.
- The Audit Officer shall have any of the following as minimum qualification

CA/ CMA with at least two (2) years of experience;

OR

CA/ CMA (Inter) with at least five (5) years of experience;

(Number of years of experience will be considered from the date of issuance of mark sheet)

- The Audit assistants (2 to 3 in number) shall be articled assistants with at least 1 year of experience or B.com/M.com with First Division and having at least 1 year of experience.
- Minimum two (2) Audit teams need to be deployed by the selected bidder at the same time to complete the audit assignment of all the Auditee Offices of the Circle within the prescribed time schedule. The said clause is applicable for group A to H only.**
- All the documents of the audit team verifying their educational background like mark sheets, certificates etc. will be verified by the Company. The audit team of the selected Bidder form shall carry original and duplicate copy of their certificates.
- Along with the Audit team as mentioned above, the Bidder shall have a **Team leader who should be a Fellow Chartered Accountant (FCA)/ Cost Accountant (FCMA)** responsible for the supervision and overall monitoring of the team.
 - It shall arrange all necessary information for the audit team from time to time.
 - Effectively supervise and control the audit.

- Effectively discuss the audit points with the Officer-In-charge and obtain detailed and meaningful explanation.
- Ensure the work shall be as per the Scope of Internal Audit and completion of the Audit as per the schedule.
- The appointment of the Audit team and the team Leader shall be made on the basis of the credentials, experience and capability as furnished by the participating firm for the purpose of evaluation along with the technical proposal.

9.5 MANDATES FOR THE BIDDER

The bidder shall assure that there should be no change in audit officer except for unavoidable circumstances like resignation etc. to ensure proper flow of work.

Identity card will be issued to the team members of the selected bidder by MPMKVVCL, Bhopal.

The cost of the identity card will be borne by the MPMKVVCL for the initial audit team and if there are any changes in the audit team afterwards or in case of loss of the card, a fee of Rs. 100 will be charged for issue/reissue of card. The identity card will be issued after verification of documents.

9.6 TERMS AND CONDITIONS

- The Team leader shall mandatorily be present in all meetings and discussions for Circle and Division. Also the selected bidder shall take time from the Discom Officials at least 3 days before the meeting.
- The selected bidder shall report to the management of the Company if required, during the tenure and execution of the work.
- During the course of audit there shall be regular meetings once in a month between the management of the Company and the senior partners of the firm to discuss and review upon the issues.
- The selected bidder shall be required to report the outcome of their activities to the Chief General Manager.
- The selected bidder shall maintain a record of the activities being undertaken by them during the course of the Internal Audit of the Auditee Office. A summary of the work undertaken, completed and items pending shall be submitted to the Chief General Manager at the end of audit of each Auditee Office. This shall also form basis for the performance review of the bidder. Such record should be readily available for inspection at all times.
- **The selected bidder will be authorized to review all areas of the organization and shall have full and free access to all activities, records, property and personnel of the organization.**
- The selected bidder should be responsible for periodically evaluating the adequacy and effectiveness of the system of internal control and the quality of performance in carrying out assigned responsibilities throughout the Company.

- The selected bidder shall be obliged to maintain complete secrecy and not to disclose any matter which comes to its knowledge while conducting Internal Audit, to any third party, which may affect the interest of the Company adversely.
- It may be ensured that this assignment is carried out only through employees of participating firm. If it comes to our notice that the assignment has been carried out by any other firm/persons, the appointment is liable to be cancelled.
- The selected bidder shall be responsible for data collection for the purpose of Audit. It should ensure that the data collected and analyzed justifies the findings and recommendations as provided by the auditor.
- The selected bidder shall ensure the adequacy and effectiveness of the Company's system of Internal Controls, any deficiency in the controls and other procedures to ensure the same should be brought to the knowledge of the senior management along with necessary steps to be taken to rectify the same.
- **The above conditions are not exhaustive. The Company will have absolute right to revise/abrogate/include any conditions as per its best requirement.**

9.7 OFFICE SPACE AND STATIONERY

The Company shall provide all sitting arrangements including furniture and office equipment, stationery etc. free of cost to the auditors for its bona-fide use only.

9.8 PERIODIC ASSESSMENT

The authorized person of the Company shall periodically assess whether the purpose, authority and responsibility, as defined in this charter, continue to be adequate to enable the internal audit function to accomplish its objectives. The changes, if any, required will be communicated to the auditors. Also, the periodic review meet may be held at the Head Office of the Company with the Internal Auditors, and the Auditors shall have to attend the same without any extra remuneration.

The Company also reserves the right to issue fresh guidelines/revise the scope of work for the audit and the internal auditor shall have to abide by the same.

The Company also reserves the right to supervise the audit by surprise visit and audit party shall explain the audit procedures and finding if asked for during the course of visit or even before and after.

However, if during the surprise visit the audit team is not found at the place of audit or the structure of audit team is not as per the said terms and conditions or the audit is not found to be carried out as per the scope of work defined, then in this situation the Internal Auditor may either be penalized @ 10 % of the fees of the respective Auditee Office or may be terminated based on the assessment of the authorized person during the visit.

9.9 CONFIDENTIALITY

The internal auditors their sub-consultants, individual consultants, partners of either of them shall treat confidential information as confidential and shall not disclose any proprietary or confidential information which comes to its knowledge while conducting Internal Audit to any third party without prior written consent of the competent authority of the Company. He shall undertake to effect and

maintain the same adequate security measures to safeguard the confidential information from unauthorized access, use and misappropriation.

All reports and other documents submitted by internal auditor shall not later than upon termination or expiration of this assignment, deliver all such documents and reports to the competent authority together with a detail inventory thereof. The internal auditor may remain a copy of such report and documents but shall not use these reports and documents for purpose unrelated to this assignment without prior written consent of the competent authority of the Company.

The internal auditor has to undertake that all knowledge and information not within the public domain which may be acquired during the execution of the assignment shall be for all time and for all purpose, regarded as strictly confidential and held in confidence and shall not be directly disclosed to any person whatsoever, except with the prior written permission of the competent authority of the Company.

9.10 TERMS OF REPORTING

- **Deliverables:**

Reporting and Deliverables shall form an important part of this assignment. Following points shall be considered:

- **One composite Internal Audit Report** shall be prepared covering all the aspects covered/ taken up during the Audit in different sections. Thus in one visit to an Auditee Office, the Audit for the particular year will be taken up and completed in all respects. The format for composite audit report is annexed in [Annexure 8](#).
- Without prejudice to the extent and scope of the services, **Test Audit Report (TAR), Test Audit Note (TAN) and Half Margin** of each Auditee Office audited shall be the key deliverable.
- As soon as the audit of an Auditee Office is completed the TAR, TAN should be prepared. The TAR and TAN along with the [Annexure 11](#), Half Margins and all other related details shall be **submitted to the Chief General Manager, O/o MD (CZ), MPMKVVCL, Bhopal in Soft copy. Hard Copy of the report shall be submitted to the Officer In-charge of the Auditee Office with a copy to the O/o MD, MPMKVVCL, Bhopal.**
- MPMKVVCL, Bhopal has adopted the ERP System for maintaining the books of accounts. Audit Module for the same is in the development phase. The Internal Auditor shall abide by the System, upload all the audit reports on the system and comply with all other requirements of the same as a part of its Scope of Work as and when the same will be finalized.
- Any Internal Audit Report shall be sealed and signed by the any Partner of the Consortium Leader Firm only. Any report/ correspondence by any other firm which is signed or sealed by any other firm shall not be entertained by MPMKVVCL, Bhopal
 - **The Reports shall be submitted in soft and hard copy within 15 days from the date of completion of the audit of an Auditee Office. The report shall be provided by an**

authorised person in designated email of Auditee Office and email id of corporate office i.e. mpcz.audit@gmail.com and dgmfinance.audit@gmail.com at the same time.

• **Terms of Reporting:**

- The Auditee shall be submitting their yearly action plan to the Bidder for the Audit of each Circle of the Group as per the Scope of Work mentioned in the document falling under his purview as Internal Auditor.
- Non-cooperation at any point of time during the audit tenure shall be brought to the notice of the General Manager/ S.E. of the Circle Offices for immediate action in verbal as well as in writing.
- However, if no action is taken by the General Manager/ S.E. of the respective Circle to resolve the issue, the same shall be brought to the notice of the Chief General Manager confidentially.
- The Audit Party shall have visit mandatorily the Auditee Office during office hours for the Internal Audit as per the schedule for a minimum number of days as prescribed.
- The Team Leader shall be responsible for the supervision and satisfactory completion of the internal audit of the Company.
- The Audit shall be completed in the prescribed time schedule. However in the event of non-completion of the work in the stipulated time period due to unforeseen conditions, the auditor firm will be required to apply for grant of additional time period. Request of extension of time period desired by the auditor firm shall be considered only if reasonable and justified ground exists at the sole discretion of Chief General Manager MPMKVCL, Bhopal

9.11 SCOPE OF WORK

The revenue collection efficiency of the Company is 91%. There is a tariff mechanism to raise demand on HT consumers on a monthly basis as per the consumption recorded. The Company compiles the monthly data in the form of R-15. At present the Company has CCNB and RMS billing software in all Accounting Units (RAO's).

The selected bidder is required to exercise such tests of accounting records, internal checks and control and other necessary audit of the accounts as per general principles and standard of audits (SIA) of the Institute of Chartered Accountants of India. In conducting the Audit the Internal Audit Manual of the Company should also be referred. The Auditor should pay attention to the following areas while auditing:

The Scope has been classified into following:

- Internal Audit of System and Expenditure: For the Block period under audit at all Division Offices and Circle Office.
- Revenue Audit of LT Consumer Accounts: For the Block period under audit at DC's / Zonal Offices

- Revenue Audit of HT Consumers: For the Block period under audit at RAO Offices.
- Verification of Stores: Yearly.
- Internal Audit of Books of Accounts: Quarterly at all the RAO Offices.

The Auditor should submit a Composite Internal Audit Report of System and expenditure audit of all offices of the Circle as per the scope below. Further the Auditor needs to submit report of 100% HT Revenue Audit at the Accounting Units of the Circle and LT Revenue audit for the D/C's/ Zones.

The scope of auditor will also include:-

- The auditor should try to identify wasteful expenditure is done, if any and report the same so that suitable action can be taken. The auditor should also ascertain the utilization of capacity- both physical and technical and if there are cases found for underutilization or wastage of resources then this should be reported so that suitable remedial action can be taken.
- Preparation of half margins in prescribed format for obtaining various information / records & issuing the same to JE/AE officer in charge of Auditee Office and after receipt of the same, carrying out the audit of the record and if any mistake is pointed out the half margin of audit observation shall be issued for obtaining reply of JE/AE officer in charge of the Auditee Office. If the officer in charge of the Auditee Office agreed with the observation pointed out, then this will be treated as audit Para. If the Officer in charge of the Auditee Office does not agree with the observation pointed out, then such Half Margins should be included under separate audit Para giving remarks by the audit team.
- A Test Audit Report (TAR) & Test Audit Note (TAN) shall be prepared including all audit Paras in the prescribed Performa as per ***Annexure II***. If individual audit recovery of Rs. 1000/- or more is pointed out it should be covered under TAR and If individual audit recovery is less than Rs. 1000/- it should be covered under TAN.
- After completion of internal audit of a DC/Zone, the report for the same shall be submitted to that office and an acknowledgement of the submission shall be taken from office in charge. At the same time, a copy of the report shall also be submitted to the concerned division.
- After completion of internal audit of all DC's/Zone's under a particular division, System & expenditure Audit of that division will be started and at the same time a discussion on the reports of DC's/ Zone's shall be done with the Division in charge. A summary report of discussion along with certificate of Division in charge shall be submitted by the bidder along with the invoice.

It is however emphasized that the coverage in the scope of services as indicated above and detailed below is indicative and not exhaustive. The Auditor shall also necessarily refer to the existing Internal Audit Manual and its amendments from time to time to decide on the scope of work for the Auditee Offices. The scope can also be decided with discussion with the Internal Auditor at the Corporate Office.

Apart from the audit observations, auditor will be required to indicate discrepancies / inadequacies in the system or procedures so as to initiate steps for improving the system and making it more efficient. The audit team will also be required to educate the dealing staff so as to avoid repetition of routine procedural / technical errors.

Further all other incidental / necessary activities for the completion of audit & resolution of matters arising during the audit shall deem to be included in the scope of services. In case of judicial proceeding(s) initiated by Discom pursuant to the audit for the period, the auditor shall reasonably assist the Discom office by acting as a witness and providing evidences required as related thereto.

9.12 SCOPE OF EXPENDITURE AND SYSTEM AUDIT:

Expenditure Audit shall cover all the Circles along with the Divisions/ Sub- Divisions / D/C's under them and all other offices incurring expenditure.

Broadly it shall cover the following:

- Capital Expenditure
- Payrolls, P.F. and other establishment Expenditure
- Stores and Purchases
- Claims against Third Parties i.e. Suppliers, Contractors, Transporters, Railways, etc.

Following are the broad areas of system and expenditure audit:

SANCTIONS & BUDGETS:

- 100% checking for the full period at the end of the Year, along with Administrative/ Financial Approval, detailed estimation being technically sanctioned by the Competent Authority.
- Sanctioned estimates to be verified with reference to latest District Schedule of Rates or Market rates or Company's latest cost data.
- Budget allocated to Circles as well as utilized by the concerned.
- Excess spending over the budget allocation and Regularization of excesses.

CONTRACT AGREEMENTS/PRICE:

- Checking Tender Registers, Contractors' Bill Registers and even Registers containing Registration of Contractors.
- Competent Authority to sanction the Contract & amendments issued, if any, must contain his approval.
- Split up of contract to be within financial powers of field officers to be reviewed and commented. Proper execution of contract, Levy of L.D. Review of arbitration cases.

WORK ORDER:

- The Work Orders must have Administrative approval and Technical Sanction and the proposal must be justified on the basis of Budgeted Provision.
- Order for repairs for Transformers should be at Approved rates & Register of Bills with RA Bill wise update position to be checked.
- Reconciliation of the Works Register and the Works Register at the RAO Office.

- Timely preparation of Completion Report based on the completion of the Work as per the Work Order.
- Check for updating of record of transformer failure, from the date of return from the field, issue for repair to Repairers as per the allotment order under the RCA, inspection done to examine feasibility for repair, estimation, stage inspection, clearance for repair, return of transformers found uneconomical for repair, etc.

COMPUTATION & RECOVERY OF INTEREST ON INTEREST BEARING ADVANCES:

- The recovery of Interest should be as per the requirements & rules of the Organization & must be appropriately made, adequately secured & duly acknowledged.
- Non-recoverability of both principal and interest to be verified/ reported.
- Accounting Statement of such unrecoverable advances and interest to be verified and reported.

PURCHASE ORDER:

- The orders placed by the Circle & Division offices should be as per the Budget provision & check should be kept on the items reserved for Corporate Office purchases.
- Purchase should be as per DOP
- Delay in supply and resultant recovery of L.D charges etc. should be checked and commented. Waiver of L.D charges by Competent Authorities to be critically reviewed with reference to the existing circumstances.
- There should be a comparative price analysis review on the basis of Quotations & other price information.
- Distress purchase/ wrong intending/ Excess quantity procurement etc. should be reported.

REVIEW OF INSURANCE CLAIMS:

- Reviews should be taken of the Claims lodged along with the Follow- up actions, its Settlement & followed by proper Accounting Procedure.
- Loss of insurance claims due to lack of procedures/processes to be reviewed/reported.
- Timely submission of information should be verified.

CLOSURE OF CONTRACT:

- The final bills to be settled as expeditiously as possible.
- Delay to be reviewed. Delay in capitalization to be seen and reported.
- Reasons for pending WCRs to be analyzed/reported.

ESTABLISHMENT- SALARIES & WAGES:

- Test Checking of Pay Bills with reference to rules & Proprietary aspects- at least for a month in every phase of Internal Audit.

- Verification of Wage Sheets, Attendance Records- particularly of Leave Salary/ OT & other Allowances & Accounting of leave records at least for a month in the phase of Internal Audit.
- Increments, revisions and Grade fixation etc. to be verified.
- 100% checking of Payment of Pension, Gratuity & Other Retirement Benefits, Statutory Deductions & their timely deposits.
- Calculation & Accounting of Interest on Loans & Advances & its recovery as per applicable rules.
- Contract employees payment to be audited to see 'ghost works'
- Allotment of quarters for emergency staff to be checked.
- Proper transfer of employees from one division to another.

FIXED ASSETS & CAPITAL WORK IN PROGRESS:

- 100% checking of Capital Expenditure with reference to proper sanction of Competent Authority.
- Accounting of Fixed Assets, Depreciation & Capital WIP.
- Checking of works completed but not transferred to fixed assets.
- Delay in finalization of final bills.
- Review of Fixed Assets Register.
- Review of DPR and non-DPR capital works.
- Review of loan tie up and loan servicing for capital works.
- Review physical progress and financial progress in projects.
- Review of delay in completion of project formalities.
- Review of payment of commitment charges, if any.
- Review of Capital items financed out of internal resources when loan tie up was possible.

STORES & MATERIAL ACCOUNTING:

- Checking receipts, acceptances & issue of Material and their Reconciliation & Accounting, at all stores.
- Non- Moving /Slow Moving items to be brought to the notice of management.
- Release of stores Receipt notes, acceptance of material after test results etc. to be checked.
- Review of sale of scrap / utilization of slow moving items and verify the accounting of the same.
- Verify the pricing aspect in GRN according to ESAAR, 1985

CASH AND BANK:

- Verification of Cash, Cash Book & its Auditing.

- Bank reconciliation.
- Accounting of Stale Cheques.
- Dishonor of Cheques. Action under Section 138 of Negotiable Instruments Act, 1938.

STATUTORY COMPLIANCES:

- Violation of TDS at the time of payment towards Rent, Consultancy charges, Professional fees, etc.
- Appropriate recovery towards WCT, IT, VAT etc. and its timely, payment.
- Claiming VAT set off (input credit).
- 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.
- Recovery of Service Tax.
- Attending meeting with Statutory Auditors as & when required.
- Physical presence of Internal Auditors at the time of annual inventory. You have to give your comments and be a party to sign the verification report. You can suggest the methods/procedures to improve upon current practices of inventory verification.
- Is there an adequate internal control procedure commensurate with the size of the Company and the nature of its business for the purchase of inventory and fixed assets and for the sale. Whether there is a continuing failure to correct major weaknesses in internal control. This would be in compliance to clause No. 4 (IV) of Companies (Auditor's Report) order, 2003.
- Comments on compliance report submitted by the individual office for previous Internal Audit Report.
- Auditors shall also attend to any other work specifically assigned by the Management or commented by the statutory auditors in their report (CARO) regarding Internal Audit.
- Compliance of MPERC regulations.

FRANCHISEE AUDIT:

- If any franchisee is operational in any Circle/ Division, detailed audit of the billing to franchisee is to be done.
- The terms and condition of the Franchisee Contract are followed; the billing is as per the contract etc.
- Any penalties or incentives are as per the contract.

OTHER ISSUES :

- Online New Service Connection : Newly introduced facility of online application for New Service Connection has been recently made available for HT consumers . At the time of visit to the concerned office in addition to the routine audit work , audit to be held of the New Service

Connections taken prior to the date of audit to ensure that this facility is working smoothly in the field .

SUGGESTIONS/ RECOMMENDATIONS FOR ENHANCING OVERALL/ INTEGRATED EFFICIENCY:

- Analysis of risk in technical as well as financial ones. Internal control with reference to existing risk.
- Any ‘whistle blowers’ found in the course of audit to point towards ‘fraud’ in the transaction during any time.

9.13 SCOPE OF LT REVENUE AUDIT

LT Revenue comprises around 63.5% of the Revenue of MPMKVCL. The L.T. Revenue Audit is to be carried at all D.C.’s / Zonal Offices of the Circle as per the Scope of Work in the Tender document.

The Internal Auditor needs to carry out Revenue audit for the D/C’s / Zones. Since the period for which LT revenue audit is to be undertaken has already ended, therefore audit for the block period of three financial years can be undertaken in continuation.

Objective of Revenue Audit

- Enhancement of Companies revenue by prevention/ correction of noted instances of revenue leakage.
- Testing compliance of units to set rules and procedures relating to various facets of operation.
- Transactions are executed in accordance with general orders and guidelines.
- All transactions are promptly recorded in the correct amount in the appropriate books of entry and in the correct accounting period.
- Assets mainly cash; is safeguarded from unauthorized access, use and disposition.

The Internal Audit Manual of the Company should be referred for conducting the Revenue Audit of the D/C’s. However, the following areas should be covered in the Audit Report.

Checking of Classified Abstract Collection (CAC)/Cash Remittance Advice (CRA). This shall include checking of following:-

- Records of CAC shall be checked thoroughly with counter foil / stub of energy bill available in distribution center;
- Postings from MR (Money Receipt) to CAC (in cases as applicable) and whether the receipts as stated in the CAC are continuous;
- Legitimate utilization of MR and control on stock of unused MR.
- Any over writing and corrections made in CAC from counter foil of that particular bill are duly authorized;

- Payments received by Cheques/drafts etc. are properly entered in the prescribed register. Further entries in register are attested by officer in-charge of the Distribution center and have been duly entered in CAC;
- Sum totals of each CAC are correct and CRA are prepared as per CAC;
- CAC, being regularly checked by the clerk concerned is initialed by the Assistant Engineer, is closed every evening and the total receipts of the day are transferred to the Main Cash Book, the same evening. In case of defaults indicate the date from when to when it has not been checked and the names of the defaulting clerks;
- Reconciliation of CAC with consumers' ledgers ;
- That the realizations required to be deposited in bank have been routed through the CRA and that CRA has duly been signed by the depositor;
- Reconciliation of amount remitted into Bank during the particular month with the bank statements;
- Reconciliation of online payments made by consumers with the MIS provided by the service provider and MIS generated through billing system.
- Time taken by distribution center in submitting CRA to RAO. Reasons for delay, explanations of the staff, etc. shall be analyzed and included in the report.

Adjustment made through CCB/CC4/CC7

- All cases of adjustment made to the consumers' accounts are required to be checked thoroughly from CCB/CC4/CC7, including Interest on consumer deposits. Cases of discrepancies found shall be included in the report.

Meter Reading Diary

- Checking whether Meter Reading books are kept in a bound form for all the categories and progress reports are received from Meter Readers monthly showing the number of meters actually read by them;
- Meter reading diaries have to be checked thoroughly, particularly for finding out the position of stopped/defective meter. Further, action taken by the officers on observations of meter readers and compliance to procedural requirements including Sample checking by AE/EE is also required to be verified and commented upon;
- Assessment of units and its reasonability shall also be checked on sample basis. This shall include verifying whether the units consumed during a particular billing period are showing substantial difference against the units consumed in the earlier period and the connect load;
- For new connections check whether the first bill is issued in compliance to the procedure as prescribed thereof.

Audit of billing operation

- Assess regularity in Billing process including Meter reading and Billing Programme;

- Assess adherence to Billing Programme and report the deviations;
- Report cases of delay in issue of bills and the details thereof including:
- Category of consumer or ledger number;
- Months in which bills were required to be issued;
- Months in which bills were actually issued;
- Name of the defaulting ledger keeper and checking clerk.

Domestic consumers

At least records of 10% consumers from consumer ledgers and meter diaries are to be checked thoroughly for analyzing the following:

- Consumption pattern;
- Working condition of meters;
- Sanctioned load etc.

Commercial consumers

Records of 100% consumers are to be checked thoroughly as similar to work done in case of Domestic consumers.

LT Industries

Records of 100% consumers are to be checked thoroughly as similar to work done in case of Domestic consumers.

New Connection Register

Records of 50% new connections provided during the period shall be checked on random basis for the following:

- Whether all charges as per applicable rules have been recovered from the consumers;
- Analyze the average time taken for providing new connections;
- Whether all connections released are put on billing cycle timely.

Temporary Connection Register

Records of 100% temporary connections shall be checked for the following:

- Check temporary connection register regarding compliance to rules prescribed for the same.
- Check accuracy of tariff rates and the billing done for temporary connections.
- Report on trend for number of temporary connections and collection of amount billed. Also compare with their number during previous period and comment on deviation against expected number for the current period.

Street lighting installations

Records of 25% street lighting installations shall be checked for the following:

- To check whether the correct load and energy consumption are considered correctly for the billing purpose.
- To check whether the maintenance charges have been correctly calculated and billed.
- To check that additional loads/installations serviced from time to time are correctly brought on to the consumers ledgers and accordingly monthly demand is raised thereof.
- To check whether the audit short claims, if any, are correctly demanded and collected.

Dishonored Cheques Register

- To check whether the Dishonored Cheques register is properly maintained.
- To check whether timely action has been taken for recovery of revenue including disconnection, penalty and legal action besides ensuring that the consumer records/books of account are updated immediately and intimated to the consumer for fresh payment along with surcharge and bank charges.
- To check whether necessary entries in RED INK are made in the receipt and payment sides of the cash book as well as in the CAC and CRA of the day.

Cash & Bank

- Physical Verification of cash in hand and reconciliation of the same with cash book, bank balances and cash in transit.
- Reconciliation of book balances with General Ledger & balance as per Bank Statement.
- Verify accuracy and cutoff for cash transactions regarding recording of receipts in the same accounting period in which they have been received.

Analysis of receivables

- To check that defaulters list is being regularly received at the DC;
- To check that status is being updated at the DC regarding defaulters and efforts made for recovery, including service of notice for outstanding dues;
- To check whether dates are indicated on which:
 - Temporary disconnection orders are given effect to;
 - Permanent disconnection orders are given effect to;
- In case no such orders were implemented, ask reasons for the same;
- Check whether list of defaulters is showing an increasing trend.
- Check whether list for cases of permanent disconnections is prepared in compliance to Electricity Supply code 2004 for submission to Commission.

- To check whether outstanding charges/dues/amount of installment fixed along with disconnection and reconnection charges as may be applicable, are received in case where temporary disconnections been restored.
- In case of temporary disconnections made at request received from the consumer check whether all the monthly charges that are fixed in nature e.g. demand charge, minimum charge, meter rent etc. have been received from the consumer in advance. Also check whether disconnection / reconnections charges have been received from the consumer.
- In case of disputed / erroneous bills check that adequate records are being maintained for status of the dispute & its resolution. Also check on sample basis that in case the bill is found to be erroneous and accordingly a revised bill has been issued, whether adjustment has duly been made in the subsequent bill.

Audit of Expenses

- Check whether schedule of authority is compiled to for sanction of expenses;
- Check whether the expenses are adequately supported with evidence thereof;
- Check whether proper accounting is done of expenses incurred & controls are monitored to prevent payment being made for more than once;
- To check that expenses incurred have been as per allocation made in the budget for the relevant period. In other cases verify whether approval have duly been obtained;
- To ensure that classification of expenses has been done under correct expense head;
- To ensure that expenditure has been incurred with due regard to financial propriety e.g. supplies in excess of requirements have not been obtained, the expenditure has been incurred only for legitimate purposes etc.;
- To ensure that expenditure has not been unnecessarily incurred to prevent the lapse of budget allotment and the charges incurred during the year have not been met from the budget allotment for the next year without approval of the competent authority.

Others

- In case of seasonal consumers check whether the seasonal credit has been given correctly;
- Check whether regularization has been done of anomalies pointed out by vigilance, periodic inspection reports and other audits conducted;
- Report on maintenance of records at DCs;
- Checking compliance to tariff orders;
- Study the abnormal/sub-normal consumption in respect of high revenue yielding installations & report on the reasons for such variations;
- Compare the consumption pattern of similar industries/installations to highlight possible loss of revenue;

- Compare the average billing rate of revenue of the DC as a whole with average billing rate for each category of consumers. In case of average realization being significantly lesser than the overall average realization rate of the sub-division (of that category), investigate the reasons for the same and suggest remedial action, if any;
- Compare the average consumption per installation of the DC as a whole with average consumption for each category of consumers. In case of average consumption being significantly lesser than the overall average consumption of the DC (of that category), investigate the reasons for the same and suggest remedial action, if any;
- Compare the average revenue billed per installation of the DC as a whole with average revenue billed for each category of consumers. In case of average revenue billed being significantly lesser than the overall average demand of the sub-division (of that category), investigate the reasons for the same and suggest remedial action, if any;
- Analyze the balances of receivables (arrears in terms of number of days of demand) for each category of consumers and compare it individual with ledger balances. In case of large variations in the level of receivables in respect of a particular ledger, investigate the reasons, and suggest remedial action;
- Verify the meter reading and billing efficiency. In case the percentage of meter reading and billing is significantly lower, auditor should take immediate action to report the matter to the administrative authorities for taking immediate appropriate action. While reporting the matter auditor should quantify the loss of revenue on account of the above reason.
- Verify the collection efficiency. In case the percentage of collection efficiency is significantly lower as compared to the previous year, the auditor should report the matter to the administrative authorities for taking immediate appropriate action.
- Money receipt books have been handed over to line men w.e.f March 2016 for collection of revenue from consumers along with their regular work. While auditors visit the field office for doing their routine audit work , checks are to be done to verify that the total of all CAC issued against a particular money receipt book matches with the grand total of the Money receipt book and the revenue so collected is remitted by means of CRA. Also appropriate checks must be done to ensure that no error / fraud is done while implementing this practice in the field.

9.14 SCOPE OF HT REVENUE AUDIT

High tension (HT) Revenue unit contribute huge chunk of revenue for the Company. The HT Billing is done at the RAO (Accounting Unit) of the respective Circle. The Auditor has to verify **100%** of the Revenue from HT consumers.

Each HT consumer has executed a HT agreement with the Company. The Auditor has to read the terms and conditions of the HT agreement.

Review of Internal Control

Ensure that the laid down system of Internal Control is properly implemented. Since the number of consumers is low and the value of transactions is high there shall be a system of 100% verification in almost all the activities. Further the Internal Check shall be more objective rather than the repetition of the same Check.

Important features of HT Billing

- Voltage of Supply
- Contracted Maximum Demand / Recorded Maximum Demand
- Load Factor (for the purpose of allowing Incentive to consumers)
- Restriction on Lights and Fans Consumption
- Billing of Colony consumption at a separate rate
- Minimum off-take and Billing (in case of consumption less than specified level)
- Import and Export of Electricity (in case of Billing of consumers having Captive Power Plants)

Important areas to focus

- Check whether the tariff category and billing is done in line with the tariff policy as notified by the regulator i.e. MPERC and its amendments from time to time.
- Analysis of load and consumption pattern with last year and last six months in all cases and reporting the reasons for changes
- Check whether the meter readings in respect of the HT consumers are being taken jointly by the Officer of the Company and representative of the consumer, on the fixed date as per the Billing programme or not.
- Check whether the copies of the meter readings are dispatched to the Regional Accounts Office for the preparation of the Bills, and the receipt of the same is sent to the RAO and intimated within 3 days of deposit by the consumer.
- Check whether action for temporary disconnection to the consumer is issued in the event of default of the payment of the bills on time by the consumer.
- Ensure that the application of tariff is correct.
- Verify the General terms and conditions of the tariff.

- Correspondence with the consumer and Company is to be verified.
- Ensure that the subsidy claim is correctly lodged.
- In case of Increase / Decrease in Load whether supplementary agreement has been carried out.
- Increase/ Decrease in Load and its impact on Billing
- Termination of Agreement and sanction by competent authority
- Lighting Load whether segregated or not?
- Metering of Colony consumption.
- Whether Security Deposit is as per the MPERC Regulations 2004 as amended from time to time.
- Check on Test Basis whether Interest on Security Deposit as calculated by RMS is correct?
- Check the Status of PDC, arrears adjustment, security deposit adjustment, actions taken for recovery etc.
- Levy of SLDC Charges in case of Persons operation Capital Power Plants (CPPs) and export of energy to the DISCOM / State Grid.
- Monthly Reconciliation of HT Revenue Receipt.
- Check whether the adjustment and RPO compliance is well in place for open access consumers.
- Check the electricity duty is calculated as per the provisions of the electricity Act.

Review of Agreements

- Service Agreement with the consumer shall be reviewed at periodic intervals as there may be changes in the business of the consumer or there may be changes in the Tariff conditions / principles of categorization for Billing.
- Citizen Charter as prescribed is followed and all commercial activities relating to issue of New Service Connections, metering, meter reading, billing, collection, realizing bad debts, disconnections, reconnections, customer complaint, vigilance checking, compounding, filling of theft cases in special courts and follow up to be commented upon. In case of any adjustment given in the bills against own generation of wind energy, verification of such calculation and terms of PPA.

9.15 VERIFICATION OF STORES

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

Scope of the Audit of the Stores and Pricing in the Stores includes (but not limited to):

- Review of the Internal Controls in the Stores;
- Audit of Pricing of Issues;
- Review of valuation of Inter-store transfers;

- Review of age-wise analysis;
- Review of system of level of inventory;
- Periodic physical verification of inventory.

Checklist:

- Check whether initial records and other books of accounts are maintained properly;
- Check whether the Requisition books are maintained properly and issued by the appropriate authority;
- Check whether the Stores accounts are closed on the prescribed dates of the month and recorded in the accounts of the respective month;
- Check whether the reconciliation of the quantities is done on a timely basis;
- Check whether the priced stores ledger are maintained properly;
- Check whether the Stores Issues are valued at the prescribed pricing method;
- Check whether the monthly Stock balances are maintained as per the approved limits;
- Verify whether the Stock reconciliation certificate is prepared on a monthly basis and actions initiated in clearing the differences are taken:
 - In respect of the excess and shortages the explanations of the departmental staff is obtained, examined and approval of the officer concerned is available for the adjustments carried out in the ledger;
 - Check whether the adjustments have been made in the ledgers;
 - Check for no fictitious adjustments made in the ledger.
- Check whether the internal checks prescribed in the manual are conducted and registers for this purpose are maintained;

9.16 INTERNAL AUDIT OF BOOKS OF ACCOUNTS AT RAO OFFICE

Scope of work as detailed hereunder is an attempt to outline road map in broad term with the objective of management to ensure compliance to Generally Accepted Accounting Practices / Principles as well as requirement of the Companies Act, 1956 (now Companies Act 2013) / Income Tax Act / Accounting Standards published by the Institute of Chartered Accountants of India besides accounting policies adhered to by the Company. This also includes timely reconciliation of various suspense heads of accounts and maintenance of proper subsidiaries duly reconciled with the books of accounts. The selected bidder shall work as facilitator for accomplishing the aforesaid objective and shall not confine to reporting aspect only.

The main emphasis of the audit of the quarterly accounts of RAO (s) should be to ensure that:-

- Accounting Standards issued by the ICAI are being followed keeping in view the accepted accounting policies of the management

- The monthly trial balances incorporating all advice of transfer debits / advice of transfer credits, Inter Company Transactions, Store Issue Notes, Store Receipt Notes, DCB and other adjustment vouchers are submitted timely and properly.
- Reverse entries for outstanding liabilities have been passed at the beginning of the year.
- The provisions, including provisions for outstanding liabilities, pension, gratuity, contributory provident fund, NPS etc. are properly made and booked under proper head of accounts.
- Pre-paid expenses are properly accounted for.
- Credits on account of receipt against deposit works are transferred on completion of the work to consumer contribution and debit under work in progress is transferred to fixed assets on the basis of completion reports.
- Advice of transfer Debits / Advice of transfer credits and Inter Company Transfer have been originated well in time and are responded after due verification from the concerned timely.
- T33here are no minus balances under any head of accounts and if existed, steps taken to clear minus balances.
- Party wise list of debtors / creditors.
- All receipts and expenditure relating to the period have been properly booked under correct head of accounts.
- MIS & Accounts are tallying in respect of ED/Cess etc.
- Proper and timely adjustments are being made in the books of accounts in respect of realization by adjustment.
- Year wise fixed asset-cum-depreciation register is prepared.
- Stores ledger balances are tallying with the balances appearing in the books of accounts.
- Valuation of closing stores inventory / scrap / obsolete / retrieved material and accounting thereof should commensurate with the accounting as per AS read with accounting policies of the Company.
- All material issued for capital works should be booked under CWIP and proper monthly record of CWIP scheme wise, estimate wise is prepared by accounting unit.
- Capital works completed should be got transferred to fixed assets.
- All pay orders relating to deduction at source viz. CPF / EPF / NPS / Income Tax / Service Tax / WCT / Entry Tax etc. are sent within stipulated time period.
- The outstanding observations of previous Statutory Auditors are cleared.
- Required subsidiaries are properly maintained and reconciled with books of accounts.
- Reconciliation of Bank Accounts, Transfer within Circle, Advances for O&M supplies, Advances for Inter Unit Stores Account, liabilities of entry tax, liability for O&M supplies, sundry debtors collection a/c, sundry debtors for sale of power, Net salary payable a/c, unpaid

salary a/c, bonus /ex-gratia and deduction at source viz. Income Tax, GPF, CPF, EPF, HPS, LIC etc. are properly done and all should tally with the subsidiaries.

- The Audit report should be prepared immediately after audit of trial balance of the RAO and should be submitted to the Chief General Manager immediately.

10. MINIMUM FEES:

- As required by the latest guideline issued by the Institute of Chartered Accountants of India, there is a requirement to specify the minimum fees for the assignment in the tender itself then the members may participate in the tendering process. Therefore the minimum fees for block period for each of the group of work specified in Annexure 1 is as under :

Group	Region/ Circle Office	Total no. Of Offices Audited as per Annexure-1	Minimum Fees (Rs)
A	O&M circle Bhopal & Raisen + Gwalior Region Office	54	1620000
B	O&M Circle Hoshangabad + O&M Circle Sheopur	67	2010000
C	O&M Circle Betul + City Circle Gwalior	67	2010000
D	O&M Circle Sehore + O&M Circle Bhind	61	1830000
E	O&M Circle Vidisha + O&M Circle Shivpuri	53	1590000
F	City Circle Bhopal + O&M Circle Morena	68	2040000
G	O&M Circle Rajgarh + O&M Circle Gwalior	73	2190000
H	Bhopal Region + O&M Circle Guna	47	1410000
I	HT Revenue Audit Bhopal Region	8	1495900
J	HT Revenue Audit Gwalior Region	7	730800

Note:-

- The minimum fees as mentioned above are exclusive of taxes. Bidder has to quote the fees exclusive of taxes. The taxes as applicable will be paid extra by MPMKVCL.
- In case, apart from above offices any additional office is required to be audited, the same may be awarded to the selected bidder for that Group after getting approval from order placing authority.

ANNEXURE -1

I. LIST OF GROUPS FOR WHICH BIDS ARE REQUIRED:

Group	Region/ Circle Office
A	O&M circle Bhopal & Raisen + Gwalior Region Office
B	O&M Circle Hoshangabad + O&M Circle Sheopur
C	O&M Circle Betul + City Circle Gwalior
D	O&M Circle Sehore + O&M Circle Bhind
E	O&M Circle Vidisha + O&M Circle Shivpuri
F	City Circle Bhopal + O&M Circle Morena
G	O&M Circle Rajgarh + O&M Circle Gwalior
H	Bhopal Region + O&M Circle Guna
I	HT Revenue Audit Bhopal Region:- <ol style="list-style-type: none">1. City Circle Bhopal2. O&M Circle Bhopal (Including Raisen Circle)3. O&M Circle Sehore4. O&M Circle Rajgarh5. O&M Circle Betul6. O&M Circle Hoshangabad7. O&M Circle Vidisha
J	HT Revenue Audit Gwalior Region:- <ol style="list-style-type: none">1. Gwalior City Circle2. O&M Circle Gwalior3. O&M Circle Bhind4. O&M Circle Morena5. O&M Circle Guna6. O&M Circle Shivpuri7. O&M Circle Sheopur

II. LIST OF NUMBER OF OFFICES FOR THE ABOVE GROUPS A to H

S. No.	Region / Circle Office	D/C's for L.T. Rev. Audit	Offices for System and Exp. Audit					Offices for Books Of Accounts Audit	Physical Verification	Total
			Division Off.	Circle Off.	RAO	STC DN	STM DN	RAO	STORE	Total
1	O&M circle Bhopal & Raisen	35	7	1	1	1	1	2	-	48
2	Gwalior Region Office	-	-	1	1	0	0	2	2	6
	Total Offices in Group A	35	7	2	2	1	1	4	2	54
1	O&M Circle H'bad	35	4	1	1	1	1	2		45
2	O&M Circle Sheopur	14	2	1	1	1	1	2	--	22
	Total Offices in Group B	49	6	2	2	2	2	4	0	67
1	O&M Circle Betul	30	3	1	1	1	1	2		39
2	City Circle Gwalior	18	4	1	1	1	1	2	--	28
	Total Offices in Group C	48	7	2	2	2	2	4	0	67
1	O&M Circle Sehore	23	2	1	1	1	1	2		31
2	O&M Circle Bhind	20	4	1	1	1	1	2	--	30
	Total Offices in Group D	43	6	2	2	2	2	4	0	61
1	O&M Circle Vidisha	13	2	1	1	1	1	2		21
2	O&M Circle Shivpuri	23	3	1	1	1	1	2	--	32
	Total Offices in Group E	36	5	2	2	2	2	4	0	53
1	City Circle Bhopal	23	4	1	1	1	1	2		33
2	O&M Circle Morena	25	4	1	1	1	1	2	--	35
	Total Offices in Group F	48	8	2	2	2	2	4	0	68
1	O&M Circle Rajgarh	24	3	1	1	1	1	2		33
2	O&M circle Gwalior	30	4	1	1	1	1	2	-	40
	Total Offices in Group G	54	7	2	2	2	2	4	0	73
1	Bhopal Region Office	-	-	1	1	0	0	2	2	6
2	O&M Circle Guna	29	4	1	1	1	1	2	2	41
	Total Offices in Group H	29	4	2	2	1	1	4	4	47
	Total Offices(A to H)	342	50	16	16	14	14	32	6	490

Note: For Books of Accounts and physical verification of Area Store two offices considered for FY 2018-19 and 2019-20.

III. OFFICES FOR “I” GROUP

S. No.	Office for HT ‘Revenue Audit’	No. Of Consumers (2015-16)	No. Of Consumer (2016-17)	No. Of Consumer (2017-18)
1.	Accounting Unit City Circle Bhopal	649	657	668
2.	Accounting Unit O&M Circle Bhopal	392	410	375
3.	Accounting Unit O&M Circle Sehore	67	79	86
4.	Accounting Unit O&M Circle Rajgarh	63	77	76
5.	Accounting Unit O&M Circle Betul	55	59	62
6.	Accounting Unit O&M Circle H’Bad	95	98	111
7.	Accounting Unit O&M Circle Vidisha	39	44	51
8.	Accounting Unit O&M Circle Raisen	-	-	61
Total		1360	1424	1490

IV. OFFICES FOR “J” GROUP

S. No.	Office for HT ‘Revenue Audit’	No. Of Consumers (2015-16)	No. Of Consumer (2016-17)	No. Of Consumer (2017-18)
1.	Accounting Unit City Circle Gwalior	182	185	195
2.	Accounting Unit O&M Circle Gwalior	206	217	237
3.	Accounting Unit O&M Circle Morena	138	144	160
4.	Accounting Unit O&M Circle Bhind	13	14	15
5.	Accounting Unit O&M Circle Guna	76	82	91
6.	Accounting Unit O&M Circle Shivpuri	35	35	45
7.	Accounting Unit O&M Circle Sheopur	5	6	7
Total		655	683	750
Grand Total		2015	2107	2240

V. DETAILED LIST OF CIRCLEWISE DIVISIONWISE DISTRIBUTION CENTRES:

Group	Region	Circle	Division	S.No	DC/Zone
A	Bhopal	BHOPAL O & M CIRCLE	BHOPAL O&M DIVISION	1	BARASIA
				2	GUNGA
				3	DANISHKUNJ
				4	INTKHEDI
				5	KHAJURI SARAK
				6	LALARIYA
				7	MISROD R
				8	NAZEERABAD R
				9	PARWALIA SADAK
				10	RATIBAD
				11	SUKHI SEWANIYA
			BUDHNI O&M DN	12	BUDHNI
				13	REHTHI
				14	SHAHGANJ
			MANDIDEEP GR CTR DN	15	MANDIDEEP GRWTH CTR
			NASRULLAGANJ O&M DN	16	LADKUI
				17	NASRULLAGANJ
		RAISEN O&M CIRCLE	BARELI DIVISION	1	BARELI RURAL
				2	BARELI URBAN
				3	BARI
				4	DEORI
				5	KHARGONE
				6	UDAIPURA
			OBEDULLAGANJ DVN	7	CHICKLOD
				8	GOHARGANJ
				9	MANDIDEEP
				10	OBEDULLAGANJ
			RAISEN DIVISION	11	BEGAMGANJ
				12	BEGAMGANJ RURAL
				13	DAHEGAON
				14	GAIRATGANJ
				15	RAISEN R
				16	RAISEN U
				17	SALAMATPUR
				18	SILWANI
	Gwalior				Not applicable

B	Bhopal	HOSHANGABAD CIRCLE	HARDA DIVISION	1	CHARUWA
				2	HARDA RURAL NORTH
				3	HARDA SOUTH RURAL
				4	HARDA URBAN
				5	KARTANA
				6	KHIRKIYA
				7	MASANGAON R
				8	RAHAIGARH GAON
				9	SIRALI
				10	TIMARNI
			HOSHANGABAD DIVISI	11	BAGHWADA
				12	DOLARIYA
				13	HOSHANGABAD RURAL
				14	HOSHANGABAD ZONE 1
				15	HOSHANGABAD ZONE 2
				16	SEONIMALWA R
				17	SEONIMALWA URBAN
				18	SHIVPUR
			ITARSI DIVISION	19	ARI
				20	BABAI
				21	GURRA
				22	ITARSI
				23	KESHLA
				24	PATHROTA
			PIPARIYA DIVISION	25	BANKHEDI
				26	CHANDONE
				27	PACHAMARI
				28	PIPARIYA NORTH-R

				29	PIPARIYA SOUTH
				30	PIPARIYA URBAN
				31	SANDIA
				32	SEMRI HARCHAND
				33	SHOBHAPUR
				34	SOHAGPUR RURAL
				35	SOHAGPUR URBAN
	Gwalior	SHEOPUR CIRCLE	SHEOPUR NORTH DIV	1	BHOGI KA TIRAHA
				2	DHODAR
				3	DHONTI
				4	GASWANI
				5	RAGHUNATHPUR
				6	SOIKALAN
				7	VEERPUR
				8	VIJAYAPUR RURAL 2
				9	VIJAYAPUR URBAN 1
			SHEOPUR SOUTH DIV	10	BARODA
				11	KARHAL
				12	PANDOLA
				13	SHEOPUR RURAL
				14	SHEOPUR URBAN

C	Bhopal	BETUL CIR	BETUL NORTH DVN	1	AMBADA
				2	AMLARURAL
				3	AMLARURAL
				4	BHIMPUR
				5	BORDEHI
				6	CHICHOLI
				7	GHODA GONGRI
				8	KHEDLI BAZAR
				9	SARNIR & U
				10	SHAHNIPUR

			BETUL SOUTH DVN	11	ATNAIR
				12	BETUL BAZAR
				13	BETUL RURAL
				14	BETUL TOWN URBAN
				15	BHAINSDEHI
				16	JHALAR
				17	KHEDISAOLIGARH
				18	PADHAR
				19	SATNAIR
				20	SAWALMENDHA
			MULTAI DIVISION	21	BISNOOR
				22	DUNAWA
				23	GHATBIROLI
				24	JAULKHEDA
				25	MASOD
				26	MULTAI RURAL
				27	MULTAI URBAN
				28	PRABHATPATTNAM
				29	RAIAMLA
				30	SAIKHEDA
	Gwalior	GWALIOR CITY CIR	CENTRAL Division	1	C.S.S.
				2	Baraghata
				3	C.P.S.S.
				4	S.K.C.
				5	Laxmiganj
			EAST Division	6	Morar
				7	D.D.Nagar
				8	Thatipur
				9	City Centre
				10	Baradari
			NORTH Division	11	Vinay Nagar
				12	Tansen
				13	Phoolbag
				14	Transport Nagar
				15	Ladhedi
			SOUTH Division	16	Kampoo
				17	S. Kampoo
				18	Gol pahadiya

D	Bhopal	SEHORE O&M CIRCLE	ASHTA DIVISION	1	ASHTA URBAN
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				2	BHANWARA BAGER
				3	HAKIMABAD
				4	JAWAR
				5	KHACHROD
				6	KOTHARI
				7	MAINA
				8	METWARA
				9	SIDDIQUE GANJ
			SEHORE DVN	10	AHMADPUR
				11	AMLAHA
				12	BHAUKHEDI
				13	BIJORI
				14	BILGISGANJ
				15	BIRJISH NAGAR
				16	DIWADIA
				17	DORAHA
				18	ICHHAWAR
				19	KHAJOORI KALAN
				20	NAPLAKHEDI
				21	SEHORE U
				22	SHYAMPUR
				23	THOONA
	GR	BHIND O&M CIRCLE	BHIND DIVISION	1	ATAR
				2	BHIND RURAL
				3	BHIND URBAN
				4	ETHAR R
				5	PHOOP R
				6	UMARI
			GOHAD DIVISION	7	GOHAD RURAL
				8	GOHAD URBAN
				9	KIRATPURA
				10	MAU
			LAHAR DIVISION	11	ALAMPUR RURAL
				12	ASWAR
				13	DABOH
				14	LAHAR
				15	MIHONA
				16	RON R
			MEHGAON DIVISION	17	AMAYAN
				18	BARAHED
				19	GORMI

			20	MEHGAON
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E	Bhopal	VIDISHA CIRCLE	GANJ BASODA DIVISION	1	BAGRODA
				2	BASODA T
				3	DUMMY KURWAI
				4	GANJ
				5	LATERI
				6	SIRONJ
				7	TYONDA
			VIDISHA DIVISION	8	GYARASPUR
				9	MIRZAPUR
				10	NATERAN
				11	SHAMSABAD
				12	VIDISHA R
				13	VIDISHA URBAN
	Gwalior	SHIVPURI CIRCLE	PICHHORE DIVISION	1	BHONTI
				2	KHANIA DHANA
				3	KHANIYADHANA RURAL
				4	KHOD
				5	PCHHORE RURAL
				6	PICHHORE
			SHIVPURI I DIVISION	7	BAIRAD I
				8	BAIRAD II
				9	BAROD 1
				10	POHARI II
				11	POHARI IST
				12	SHIVPURI RURAL
				13	SHIVPURI URBAN
			SHIVPURI II DVN	14	BADARWAS
				15	DINARA
				16	KARERA URBAN
				17	KHATORA RURAL
				18	KHERAGHAT
				19	KOLARAS RURAL
				20	KOLARAS URBAN
				21	MAGRONI
				22	NARWAR
				23	RANNOD

F	Bhopal	City Circle Bhopal	EAST DN.	1	Ayodhya Nagar
				2	Industrial Gate
				3	Karond
				4	Chandbad
				5	Anand Nagar
				6	Bhanpur
			NORTH DN.	7	Bairagarh
				8	Bus Stand
				9	City Kotwali
				10	Imami Gate
				11	Sultania
				12	Indra Vihar
				13	Chhola
			SOUTH DN.	14	Arera Colony
				15	Kotra
				16	MP Nagar
				17	T.T. Nagar
				18	Jahangirabad
				19	Bhadbhada
			WEST DN.	20	Shahpura
				21	Shakti Nagar
				22	Vidhya Nagar
				23	Vallabh Nagar
	Gwalior	MORENA CIRCLE	AMBAH DIVISION	1	AMBAH R&U
				2	DIMINI
				3	KHADIYAHAR
				4	PORSA R&U
				5	RACHHED
				6	RAJODHA
				7	THARA/AMBATT
			MORENA-I O&M DN	8	DATTAPURA U
				9	GANESHPURA R & U
				10	MORENA U
			MORENA-II O&M DN	11	BAGHCHINI
				12	BANMORE
				13	HETAMPUR
				14	JIGNI
				15	NOORABAD R
				16	SUMAOLI
			SABALGARH DIVISION	17	ALAPUR
				18	JAORA

			19	KAILARAS
			20	PAHARGARH
			21	RAMPUR KALAN
			22	SABALGARH R
			23	SABALGARH URBAN
			24	SUJARMA
			25	ZUNDUPURA

G	Bhopal	RAJGARH O&M CIR	BIAORA DIVISION	1	BIAORA RURAL
				2	BIORA URBAN
				3	MALAWAR
				4	SUTHALIA
				5	MAU
				6	PADLIYAMATA
				7	SARANGPUR
			NARSINGHGARH DVN	8	BODA
				9	EKLERA
				10	GADIA
				11	JHADLA
				12	KURAWAR
				13	NARSINGHGARH RURAL
				14	NARSINGHGARH URBAN
				15	TALEN
			RAJGARH BIORA DIV	16	CHHAPIHEDA
				17	KHUJNER
				18	PACHORE RURAL
				19	PACHORE URBAN
				20	KHILCHIPUR
				21	MACHALPUR
				22	RAJGARH RURAL
				23	RAJGARH

Gwalior	GWALIOR O&M CIRCLE	DABRA DIVISION	24	ZEERAPUR
			1	ANTARI
			2	BHITARWAR
			3	CHINOR
			4	DABRA
			5	DABRA R
			6	DEORI KALAN
			7	KARHAIA
			8	PICHORE
		9	TEKANPUR	
		DATIA DIV	10	BANDONI KHURD
			11	BASAI
			12	BHANDER
			13	DATIA R
			14	DATIA U
			15	INDERGARH I
			16	INDERGARH II
			17	SALON R
			18	SEONDHA
			19	SITAPUR
			20	THARAT
			21	UNNAO R
		GWALIOR O&M DVN	22	BARAI
			23	GHATIGAON
			24	GWALIOR RESII MORAR
			25	HASTINAPUR
26	MOHNA			
27	MOTIJHEEL			

			2 8	SAKHIYA VILAS
			2 9	UTILA
		MALANPUR GR CTR DVN	3 0	MALANPUR GROWTH CTR

H	Bhopal				Not Applicable
	Gwalior	GUNA CIRCLE	ASHOK NAGAR DIV	1	ASHOKNAGAR U
				2	AWARI R
				3	CHANDERI
				4	ESHAGARH URBAN
				5	NAISARI R
				6	SHADORA
				7	TOMMAN
			GUNA O&M DIVISION	8	ARON
				9	BAJRANGGARH
				10	BHADORA
				11	BAMORI
				12	FATEHGARH
				13	GUNA R
				14	GUNA URBAN
				15	MYNA
				16	PAGARA R
				17	RAMPUR R
			MUNGAWALI	18	BAHADURPUR
				19	MIRKABAD
				20	MUNGAOLI U
				21	PIPARI
			RAGHOGARH DIVISION	22	BINAGANJ
				23	CHACHODA
				24	JAMNER
				25	KUMBHRAJ
				26	MAKSUDANGARH
				27	MIRGWAS R
				28	RAGHOGARH R &U
				29	RUTHAI

ANNEXURE -2

Format for Price Bid

Price Bid for the Group _____ (Please mention Group A to H whichever is applicable)

	2015-16 to 2017-18 (LT Revenue Audit)
	2016 -17 to 2017-18 (S & E Audit)
	2018-19 (Books of A/c) PV of Area Store March 2019)
	Fees (In Rs.)
1	Fees for audit of all Auditee Offices for the block period including all T.A. /D.A., Lodging, Boarding, out of pocket expenses etc. (Excluding GST) complete as per all Terms and conditions mentioned in the Tender Document.

Quoted Fees = **(A)**

Total Number of Auditee Offices in the Group **(B)**

Quoted Fees per Auditee Office **(A)/(B)**

Price Bid for the Group _____ (Please mention I or J whichever is applicable)

	For the block period 2015-16 to 17-18
	Fees (In Rs)
1	Fees for audit of all Auditee Offices for a year including all T.A. /D.A., Lodging, Boarding, out of pocket expenses etc. (Excluding GST) complete as per all Terms and conditions mentioned in the Tender Document.
2	Total Quoted Fee (A)
3	No. of Consumers (B)
4	Quoted Fees per Consumer (C=A/B)

(To be signed by an authorized signatory of the Bidder / Consortium Leader, along-with seal of firm)

Title of Authorized Signatory

Name of Firm

Date and Place

NOTE:

1. The Price Bid shall be submitted as a 'fixed price' quote for the deliverables specified in this document.
2. All prices should be in INR and shall be specified in figures and words and price should be in whole number.
3. It may please be noted that payment shall be released, as specified above in the Tender Document, subject to satisfactory progress of the work.
4. If there is a discrepancy between words and figures, the amount in words will prevail. However, if the amount quoted in words is not legible or not clear in meaning, MPMKVVCL, Bhopal may consider the amount quoted in figures as final. Such offers may also be rejected at the sole discretion of MPMKVVCL, Bhopal.

ANNEXURE -3

Covering Letter for submission of Bid
(The covering letter is to be submitted by the Bidder on its Letterhead)
(To be kept in envelope 1)

Reference No.

Date:

To,

Chief General Manager
O/o MD(CZ), MPMKVVCL,
Nishtha Parisar, Govindpura, Bhopal.

Sub: Bid for Appointment of Internal Auditors at the Region/ Circle Level, MPMKVVCL, Bhopal (Tender Specification No MD/MK/05/NIT/..... Bhopal, DT)

Dear Sir,

In response to the Notice Inviting Offers, dated issued by MPMKVVCL, we offer PROPOSAL to participate in the bidding process for selection of the "Internal Auditors at the Circle Level."

We are submitting this PROPOSAL on our own. If selected, we understand that it would be on the basis of the organizational, technical, financial capabilities and experience as specified in the Tender document.

We understand that the basis for our qualification will be our PROPOSAL, and that any circumstance affecting our continued eligibility under the Tender document, or any circumstance which would lead or have led to our disqualification under the Tender document, shall result in our disqualification under this process.

We understand that you are not bound to accept any or all our PROPOSALS you receive.

We declare that we have not entered into any sub-contracting arrangement with any other person or firm including the other Bidders for the assignment, in connection with the preparation and/or submission of our PROPOSAL for the assignment, or preparation of the bidding documents.

We submit herewith, authenticated copies of the firm's Partnership Deed (as applicable).

We declare that we have disclosed all material information, facts and circumstances to the MPMKVVCL, which would be relevant to and have a bearing on the evaluation of our PROPOSAL and selection.

We acknowledge and understand that in the event that MPMKVVCL discovers anything contrary to our above declarations; it is empowered to forthwith disqualify us and our PROPOSAL from further participation in the process.

For information/ clarification Mr. (Name of the Partner) , address, email id, telephone number may be contacted.

We hereby state that we have read and understood the terms and conditions of the Tender document and agree to abide by the same. We further agree to undertake the said assignment to the satisfaction of MPMKVVCL, Bhopal and as per the terms and conditions of the tender document.

Yours faithfully,
Partner of the Bidder / Consortium Leader
Name & Seal of Signatory
Address:

Note: Partners of the Partnership Firm will sign the letter.

ANNEXURE -4

Letter for submission of cost of tender document and EMD
(The covering letter is to be submitted by the Bidder on its Letterhead)

(To be kept in envelope 1)

Reference No.

Date:

To,

Chief General Manager
O/o MD(CZ), MPMKVVCL,
Nishtha Parisar, Govindpura, Bhopal.

Sub: Bid for Appointment of Internal Auditors at the Region/ Circle Level, MPMKVVCL, Bhopal (Tender Specification No MD/MK/04/604. (due for opening on 10.01.19)

We are enclosing the following:

- a. **<Bidder to insert this Clause if applicable>** Account payee Demand draft drawn on *<Bidder to insert name of the Bank on which drawn>* for Rs./- (Rupees only), drawn in favor of "Sr. Accounts Officer (HOAU), MPMKVVCL" payable at Bhopal, towards cost of tender document.
- b. Account payee Demand draft drawn on *<Bidder to insert name of the bank on which drawn>* for Rupees (as applicable as per table), drawn in favor of "Sr. Accounts Officer (HOAU), MPMKVVCL" payable at Bhopal, towards Earnest Money Deposit.
- c. Details of online payment of tender fee and EMD.

Enclosures:

1.
2.
3.

Thanking You,

.....
(Signature of Partner of the Bidder / Consortium Leader)

Name...
Date...
Place...

ANNEXURE -5

Bidders Background and Qualifications – Evaluation Criteria for Selection of Internal Auditor

A) Technical Evaluation

The evaluation criteria for selecting the auditor are mentioned below:-

S. No.	Particulars	Information	Enclosures
1	Name of the Firm		Latest Partnership Deed
2	Address of the Head Office of the Firm (Phone No., Email id, fax, Mobile No., Address)		
3	Firm Registration No. (as mentioned in the constitution certificate)		Latest constitution certificate of the Firm issued by ICAI
4	Whether the Head Office / Branch Office is in Bhopal/ Gwalior/		-do-
5	Whether any Office of Operation is in the Circle of the Group.		-do-
6	No. of Branches of the Firm		
7	Address of Branches with the Date of Opening		
8	Number of Full-time Partners with the firm		
9	Name of the Partners in the firm along with their membership number issued by ICAI, and the year of association with the firm		
10	Team Leader to be assigned on the assignment with their qualification		Biodata with experience of the Team Leader likely to be assigned to the task
11	No. and name of the Professionals to be provided by the bidder on the assignment.		Biodata of the Audit Officers likely to be assigned on the task.

S.No.	Criteria	Sub-Criteria	Document of submitted	Max Marks	Admissible marks
1	Annual Turnover in each of the last three immediately preceding financial years, i.e. 2015-16, 2016-17 & 2017-18	IF above Rs 50-100 lakh	Copy of audited financial statement or income expenditure A/c and Receipt Payments A/c whichever is applicable along with return of income tax for the financial year	15	10
		IF above Rs 100-150 lakh			12
		IF above 150 to 200 lakh			14
		If >201 lakh			15
2	Establishment of the firm and age as of 30.11.2018	if 10-15 yrs	Copy of constitution certificate issued by concerned institute	15	11
		if 15-20 yrs			13
		if > 20 yrs			15
3	Total Experience in Internal Audit	if 5-10yrs	Copies of engagement order, terms of reference & completion certificate	10	6
		if 11-15 yrs			8
		if > 15 yrs			10
4	Number of Staff				
4.1	Qualified CA/ CMA	1 marks per staff	Certificate from the concerned Institute	5	5
4.2	Semi Qualified (Inter CA/ CMA)	1 to 5 staff	Certificate from the concerned Institute and CV of the concerned staff	4	2
		6 to 10 staff			3
		>10 staff			4
4.3	Other staff	1 to 10 staff	Certificate from the concerned Institute and CV of the concerned staff and self certification by the firm	3	2
		>10 staff			3
4.4	Diploma in Information & System Audit (DISA) or Diploma in IS Audit & Control qualified Employee	1 point each – Maximum 3 points for 3 employees.	Copy of certificate issued by concerned institute	3	3
5	Number of full time working partners as on 30.11.2018	IF 5-7	Latest Partnership deed and certificate issued by concerned institute	10	6
		If 8-10			8
		If > 10			10
6	Head Office located at Bhopal/ Gwalior		Copy of evidence	5	5

7	Having any appreciation letter regarding performance of internal audit	Each letter will carry 2.5 marks max. 5 marks	Copy of appreciation letter	5	5
8	Experience in Internal Audit in Distribution Sectors in last 5 year	Each Internal Audit assignment will carry 3 marks for each Co. & each year	Copies of engagement order, terms of reference & completion certificate	15	15
9	Statutory Audit of PSU (with operating turnover more than Rs. 200 cr.) audited in last 05 years	Audit Assignment will carry 2 marks for each Co. and each year	Experience/Completion Certificates of Statutory Audit and financial statement of PSU for validate turnover	10	10
			Total Marks = ST (Score Technical)	100	

The minimum qualifying marks is 50% on technical evaluation

The total score value in Technical Part is 100. A bidder has to secure a minimum of 50.00% (value rounded off to two decimal) score out of the total value to be qualified in Technical Part. Only the bidder who will qualify accordingly, be invited to submit the Price Bid on a subsequent date.

B) Financial Evaluation

The formula for determining the financial scores (FS) is as below:

$$FS=100 \times FM/F$$

Where,

FS = Financial Score,

FM= FM is the lowest price quoted by any firm/bidder and

F= F is the price quoted by the firm

The weights given to the technical and financial proposal are:

Technical (T) = 0.5 and Financial (F) =0.5

Total of all Score = ST x 0.5 + FS x 0.5

Note :

1. The financial bid will be opened as per the sequence mentioned in Anneure-1.
2. Documentary evidence is to be provided in support of the above criteria.

C) Financial Statements of the bidder

Details of the Bidder / Consortium Leader

S. No.	Particulars	2015-16	2016-17	2017-18
1	Total Assets			
2	Total Liabilities			
3	Net worth			
4	Annual Turnover			
5	Total expenditure			
6	Depreciation			
7	PBT (Profit before tax)			
8	PAT (Profit after tax)			

Note:

- 1. Attach copies of the audited financial statements of the last 3 financial years.**
- 2. Attach photocopies of Income Tax returns of the firm for last 3 financial years.**

(C) Credentials of the Bidders

a) A brief “Profile” of the Firm’s Practice and experience giving the following details clearly:

- Details of the assignment / projects undertaken by the bidder in the last 10 years with the following information**

1	Assignments undertaken.
2	Form of organization (Partnership/ Proprietary/Company).
3	Nature of Operation of the organization
4	Experience/Completion Certificates of Statutory / Internal Audit from at least three clients out of the Clients as mentioned above.

- Curriculum Vitae of the Individual Experts, Team Leader and the Audit Officers proposed on the engagement.**

ANNEXURE -6

(This undertaking is to be submitted along with the Technical Bid.)

(This undertaking should be on a non-judicial stamp paper of requisite value duly notarized)

To,

Chief General Manager,
O/o MD(CZ), MPMKVVCL,
Nishtha Parisar, Govindpura, Bhopal.

Dear Sir,

Sub: Bid for Appointment of Internal Auditors for Circle, MPMKVVCL, Bhopal (Tender Specification No.MD/MK/04/604(due for opening on 10.01.19.)

This undertaking is submitted in respect of the appointment of Internal Auditors for Circle Office of MPMKVVCL, Bhopal, in response to the tender document dated issued by MPMKVVCL, Bhopal and subsequent amendment thereof.

We hereby confirm that:

1. We have never been blacklisted by any Government Department or Public Sector Undertaking of any State Government in India or the Government of India for practicing in India.
2. We have no pending or contemplated legal suit or criminal cases on grounds of turpitude or for violation of any other law in force.

We understand and agree that if the information mentioned above is found to be incorrect at any stage of this Bidding Process; our Bid shall be considered as non-responsive and rejected accordingly. If this undertaking is found to be incorrect post the issue of LoA, then such LoA issued shall be cancelled and the contract terminated, without any liability to either Party. Under such circumstances, however, we acknowledge and accept the right of MPMKVVCL to encash our EMD.

We further understand and agree that if the Audit is awarded to us and this undertaking is found to be incorrect after execution of the work, the order of appointments stands terminated, without any liability to either Party. Under such circumstances, however, we acknowledge and accept the right of MPMKVVCL to encash our security deposit.

.....
(Signature of the Partner of the Firm/ Consortium Leader)

Name...

Date...

Place...

ANNEXURE -7

Format for Clarification in Tender Document

Sl. No.	Clause no. and existing provision	Clarification required	Rationale for the clarification

Note: Kindly sent query before pre-bid meeting in email id as mentioned in clause in 9.10 i.e mpcz.audit@gmail.com and dgmfinance.audit@gmail.com

(b) ‘Composite Report’ format for the Audit of Auditee Office

..... **Auditee Office**

Audit Dates						
Audit Firm						
Partner in Charge						
Manager						
Team Leader						
Audit Team						
Report discussed and finalized on						
A.	<u>Contents</u>					
B.	<u>Executive Summary</u>					
	A summary shall be included classifying issues as follows			The issues shall also be classified on the basis of their nature as Design deficiency, Operational inefficiency, System Deficiency.		
	Priority I Issues			This shall include issues requiring Immediate Implementation / Compliance & having high business impact.		
	Priority II Issues			This shall include issues requiring Implementation / Compliance in medium & Long term & having low business impact.		
C.	<u>Current Year Issues</u>					
	Sr. No	Issue / Root Cause	Implication/ Risk	Recommendation	Management Response	
D.	<u>Follow-up of Previous Reports</u>					
	Sr. No.	Summarized Agreement	Agreed Implementation Date	Current Implementation Status	Current Recommendation	Current Implementation Plan

Audit Dates						
E. Category wise list of audit short claims						
Category of consumer	Audit short claim			Remarks		
	Energy Charges	Interest	Others			

.....
(Signature of Partner of the Bidder / Consortium Leader)

Name:
Date:
Place:

ANNEXURE -9

Schedule of Opening of Financial Bids

Group	Region/ Circle Office
A	O&M circle Bhopal & Raisen + Gwalior Region Office
B	O&M Circle Hoshangabad + O&M Circle Sheopur
C	O&M Circle Betul + City Circle Gwalior
D	O&M Circle Sehore + O&M Circle Bhind
E	O&M Circle Vidisha + O&M Circle Shivpuri
F	City Circle Bhopal + O&M Circle Morena
G	O&M Circle Rajgarh + O&M Circle Gwalior
H	Bhopal Region + O&M Circle Guna
I	HT Revenue Audit Bhopal Region:- <ol style="list-style-type: none"> 1. City Circle Bhopal 2. O&M Circle Bhopal (Including Raisen Circle) 3. O&M Circle Sehore 4. O&M Circle Rajgarh 5. O&M Circle Betul 6. O&M Circle Hoshangabad 7. O&M Circle Vidisha
J	HT Revenue Audit Gwalior Region:- <ol style="list-style-type: none"> 1. Gwalior City Circle 2. O&M Circle Gwalior 3. O&M Circle Bhind 4. O&M Circle Morena 5. O&M Circle Guna 6. O&M Circle Shivpuri 7. O&M Circle Sheopur

ANNEXURE -10

Indicative Performance Parameters of the work of Internal Auditor

The performance of the Auditor shall be determined based on the following parameters:

- Feedback from the competent authority of the Company;
- Elapsed time for issue of reports – completion of audit work to draft report;
- Elapsed time for issue of reports – draft to final report;
- % unsatisfactory audit opinions (not more than 10%);
- % of recommendations accepted (not less than 50% - 70%);
- Number of repeat audit findings;
- Amount of direct savings potential as a result of audits;
- Amount of measurable savings achieved as a direct result of audits;
- Number of major process improvements implemented as a result of audits;
- Extent of reliance External audit can place on Internal Audit;
- Extent of advice given; and
- Number of best practice ideas shared

In addition to the above list, the Internal Auditor is also expected to follow and meet the minimum standards for Internal Audit as prescribed from time to time.



ANNEXURE -11

ON LETTER HEAD OF THE CONCERNING AUDITEE OFFICE

(To be issued by DC/Zone In charge)

CERTIFICATE OF COMPLETION OF INTERNAL AUDIT

I, (Name of officer) , (Designation of officer) , O/o _____ has certified that M/s (Name of CA/ CMA Firm) has conducted the LT Revenue audit of (Name of DC/Zone) for the period _____ from _____ to _____ as per order No. _____ dated _____.

It is further certified that we have discussed at length the observations raised by the Audit and the initial result of our discussion is as under:-

1) No. of Para raised by audit

Particulars	No. of Para	Amount
With Recovery		
Without Recovery		N/A
Total No. of Para's		

2) Para which is accepted/not accepted

Particulars	No. of Para		Amount	
	Accepted	Not Accepted	Accepted	Not Accepted
With Recovery				
Without Recovery			N/A	N/A
Total				

3) Para's on which opinion of Division office is required and comments of division on Para's Not Accepted by the Dc/Zone in charge are separately enclosed as "Annexure-A".

Further, it will be ensured on our part that the demand against accepted Para's (with recovery) will be raised in the next billing cycle and the compliance will be sent within 30 days.

4) Internal Auditor feedback (Please Comment and rate on scale from 1 to 10)

.....

Date: -

Place: -

(Seal & Signature of Office in charge)

Name of Office

It is certified that we have discussed with the DC/Zone in charge and his/her views are duly incorporated above.

Date: -

Place: -

(Seal of CA/ CMA Firm & Signature of Audit Officer)

Name Of Audit Officer

(This Document will be prepared by the Audit Team of CA/ CMA Firm)

“Annexure-A”

1) Para's Not Accepted by DC/Zone:-

Para No.	Brief Description of Para	Amount involved	Agreed/Not Agreed by comments of DC/Zone

2) Para's on which opinion of division office is required:-

Para No.	Brief Description of Para	Amount involved	Opinion of Division

Date: -
Place: -

(Seal & Signature of Office DC/Zone in charge)
Name of Office

Date: -
Place: -

(Seal & Signature of Division in charge)
Name of Office

(This Document will be prepared by the Audit Team of CA/CMA Firm)

ON LETTER HEAD OF THE CONCERNING DIVISION
(To be issued by the Divisional Engineer for System & Expenditure Audit of their Division)

CERTIFICATE OF COMPLETION OF INTERNAL AUDIT

I, (Name of officer) , (Designation of officer) , O/o _____ has certified that M/s (Name of CA/ CMA Firm) has conducted the audit of System & Expenditure of (Name of Division) for the period _____ from _____ to _____ as per order No. _____ dated _____.

It is further certified that we have discussed at length the observations find out by the Audit and the initial result of our discussion is as under:-

1) No. of Para raised by audit

Particulars	No. of Para	Amount
With Recovery		
Without Recovery		N/A
Total No. of Para's		

2) Para which is accepted/not accepted

Particulars	No. of Para		Amount	
	Accepted	Not Accepted	Accepted	Not Accepted
With Recovery				
Without Recovery			N/A	N/A
Total				

3) Para's on which opinion of Circle office is required and comments of Circle on Para's Not Accepted by the Division in charge are separately enclosed as "Annexure-AA".

Further, it will be ensured on our part that the demand against the accepted No. of Para's (with recovery) will be recovered and the compliance will be sent within 30 days.

4) Internal Auditor feedback (Please Comment and rate on scale from 1 to 10)

.....
.....

Date: -

(Seal & Signature of Division in charge)

Place: -

Name of Office

It is certified that we have discussed with the DC/Zone in charge and his/her views are duly incorporated above.

Date: -

(Seal of CA/ CMA Firm & Signature of Audit Officer)

Place: -

Name Of Audit

(This Document will be prepared by the Audit Team of CA/ CMA Firm)

“Annexure-AA”

3) Para's Not Accepted by the Division:-

Para No.	Brief Description of Para	Amount involved	Agreed/Not Agreed by comments of Division

4) Para's on which opinion of Circle office is required:-

Para No.	Brief Description of Para	Amount involved	Opinion of Circle

Date: -

Place: -

(Seal & Signature of Office DC/Zone in charge)

Name of Office

Date: -

Place: -

(Seal & Signature of Division in charge)

Name of Office

(This Document will be prepared by the Audit Team of CA/ CMA Firm)

ON LETTER HEAD OF THE CONCERNING DIVISION
(To be issued by the Divisional Engineer for LT Revenue Audit of the DC's under their Division)

CERTIFICATE OF COMPLETION OF INTERNAL AUDIT

It is certified that we have gone through of all the reports of internal audit of LT revenue of the DC's/ Zones under the jurisdiction of this division submitted by M/s (Name of CA/ CMA Firm) and discussed at length the observations raised by the Audit. The following reports are discussed with the auditors:-

Sl. No.	Name of DC/Zone	Remark if Any

Internal Auditor feedback (Please Comment and rate on scale from 1 to 10)

.....
.....

Date: -
Place: -

(Seal & Signature of Office in charge)
Name of Office

(This Document will be prepared by the Audit Team of CA/ CMA Firm)

ON LETTER HEAD OF THE CONCERNING ACCOUNTING UNIT
(To be issued by the Sr. AO/AO for HT Revenue Audit of their Circle)

CERTIFICATE OF COMPLETION OF INTERNAL AUDIT

I, (Name of officer) , (Designation of officer) , O/o _____ has certified that M/s (Name of CA/ CMA Firm) has conducted the HT Revenue audit of (Name of Circle) for the period _____ from _____ to _____ as per order No. _____ dated _____.

It is further certified that we have discussed at length the observations find out by the Audit and the initial result of our discussion is as under:-

1. No. of Para raised by audit

Particulars	No. of Para	Amount
With Recovery		
Without Recovery		N/A
Total No. of Para's		

2. Para which is accepted/not accepted

Particulars	No. of Para		Amount	
	Accepted	Not Accepted	Accepted	Not Accepted
With Recovery				
Without Recovery			N/A	N/A
Total				

3. Para's on which opinion of Circle office is required and comments of Circle on Para's Not Accepted by the office in charge are separately enclosed as "Annexure-AA".

4. Internal Auditor feedback (Please Comment and rate on scale from 1 to 10)

.....
.....

Further, it will be ensured on our part that the demand against the accepted No. of Para's (with recovery) will be recovered and the compliance will be sent within 30 days.

Date: -

Place: -

(Seal & Signature of RAO)

Name of Office

It is certified that we have discussed with the Sr. AO/ AO and his/her views are duly incorporated above.

Date: -

Place: -

(Seal of CA/ CMA Firm & Signature of Audit Officer)

Name Of Audit

(This Document will be prepared by the Audit Team of CA/CMA Firm)

“Annexure-AA”

4) Para's Not Accepted by the RAO:-

Para No.	Brief Description of Para	Amount involved	Agreed/Not Agreed by comments of RAO

5) Para's on which opinion of Circle office is required:-

Para No.	Brief Description of Para	Amount involved	Opinion of Circle

Date: -

(Seal & Signature of Sr.AO/AO)

Place: -

Name of Office

(This Document will be prepared by the Audit Team of CA/ CMA Firm)

ANNEXURE -12

PROFORMA OF BANK GUARANTEE FOR CONTRACT PERFORMANCE

(To be stamped in accordance with stamp Act)

Ref:

Bank Guarantee No.....

Dated.....

To,
Chief Financial Officer ,
Madhya Pradesh Madhya Kshetra Vidyut Vitaran Company Ltd.
Nishtha Parisar, Govindpura, Bhopal
Madhya Pradesh.

Dear Sirs,

In consideration of Madhya Pradesh Madhya Kshetra Vidyut Vitaran Company Ltd. (hereinafter referred to as the 'Owner' which expression shall unless repugnant to the context or meaning thereof include its successors, administrators and assigns) having awarded to M/S

.....with its registered/Head office at

..... (Herein after referred to as the internal auditor which expression shall unless repugnant to the context or meaning thereof, include its successors, administrators, executors and assigns), a Contract by issue of Owner's Letter of Award

No.....datedand the same having been unequivocally accepted by the internal auditor, resulting in a Contract bearing No.....Dated.....Valued atfor.....(Scope of Contract) and the inter auditor having agreed

to provide a Contract Performance Guarantee for the faithful performance of the entire Contract equivalent to(%).....(Percent) of the said value of the Contract to the Owner.

We (Name and Address of the Bank).

Having its Head Office at(hereinafter referred to as the 'Bank' which expression shall, unless repugnant to the context or meaning thereof, include its successors, administrators, executors and assigns) do hereby guarantee and undertake to pay the Owner, on demand any and all monies payable by the internal auditor to the extent of.....as aforesaid at any time upto.....(days/month/year) without any demur, reservation, contest recourse or protest and/or without any reference to the Internal auditor.

Any such demand made by the owner on the Bank shall be conclusive and binding notwithstanding any difference between the owner and the internal or any dispute pending before any Court, Tribunal, Arbitrator or any authority. The Bank undertakes not to revoke his guarantee during its currency without previous consent of the Owner and further agrees that the guarantee herein contained shall continue to be enforceable till the Owner discharges this guarantee.

The Owner shall have the fullest liberty without affecting in any way the liability of the Bank under this guarantee, from time to time to extend the time for performance of the contract by the internal auditor. The Owner shall have the fullest liberty, without affecting this guarantee to postpone from time to time the exercise of any powers vested in them or any right which they might have against the internal auditor, and to exercise the same at any time in any manner and either to enforce or to forbear to enforce any covenants, contained or implied, in the Contract between the Owner and the Internal auditor or any other course or remedy or security available to the owner. The Bank shall not be released or its obligations under these presents by any exercise by the Owner of its liberty without reference in the

matters aforesaid or any of them or by reason of any other Act of omission or commission on the part of the Owner or any other indulgences shown by the Owner or by any other matter or thing whatsoever which under law would but for this provision have the effect of relieving the Bank.

The Bank also agrees that the Owner at its option shall be entitled to enforce this guarantee against the Bank as a principal debtor, in the first instance without proceeding against the internal auditor and notwithstanding any security or other guarantees the owner may have in relation to the Internal auditor's liabilities.

Notwithstanding anything contained herein above our liability under this guarantee is restricted to.....And it shall remain in force upto and including.....and shall be extended from time to time for such period as may be desired by M/S
On whose behalf this guarantee has been given.

Dated this.....Day of.....2016 at.....

WITNESS

.....
(1Signature) (2Signature)
.....
(1Name) (2Name)
.....
(Official Address) (Name, Designation with Bank Stamp)
Attorney as per Power Of
Attorney No:.....
Date:.....

Note:

- This sum shall be 10% of the annual quoted fees.
- The date will be One Hundred and eighty days (180 days) after the end of Warranty Period as specified in the Contract.
- The stamp papers of appropriate value shall be purchased in the name of issuing firm.
- BG should be issued on non-judicial stamp paper, it must. be ensured that the date of issue of stamp paper must not be more six months prior to the date of execution of BG.
- The stamp duty on the bank guarantee must be 0.25% of the amount of the BG, subject to a maximum of Rs 25,000 (subject to revision).

Agreement

This Agreement is made at Bhopal on the between **Madhya Pradesh Madhya Kshtera Vidyut Vitran Company Limited**, a Company Incorporated under the Companies Act 1956 and having its Registered Office at Nishtha Parisar, Govindpura Bhopal-462023 (Hereinafter referred to as “MPMKVVCL” and the Regional Office at Bhopal & Gwalior. Which expression shall unless repugnant to the context a meaning there of be deemed to mean and include its successors and assignees as the first party.

AND

....., **Chartered Accountant/ Cost Accountant** having Head Office at and Branch Office at (Hereinafter referred to as, Which Expression shall unless repugnant to the context a meaning thereof be deemed to mean and include its successors and assign) as the Second Party.

WHEREAS

WHEREAS MPMKVVCL has been incorporated a wholly owned undertaking of Govt. of Madhya Pradesh and is entrusted with the task of sub-transmission and distribution of electricity in the territorial areas comprising all the district within the administrative jurisdiction of the four divisional commissioners of Madhya Pradesh namely Bhopal, Hoshangabad, Gwalior and Chambal.

b) And whereas the client had issued an enquiry vide No. for outsourcing the internal audit of Region/Circle Office to the Chartered Accountant/ Cost Accountant firm.

c) And therefore, in response the auditor has offered his rate to the client. The client after evaluating rate issued a letter of award to participant auditor vide Bhopal, dated to give his consent in case they are interested to conduct the internal audit of Group No of the Company on the rate as approved by the Company as per letter of Award.

d) That the auditor is the firm is registered in ICAI/ ICMAI (erstwhile ICWAI) and his registration No. is The Head Office of the Firm is situated

e) That the auditor here by confirms that:

- The firm has never been blacklisted by any Government Department or Public Sector Undertaking of any State Government in India or the Government of India for practicing in India.

- The firm has no pending or contemplated legal suit or criminal cases on grounds of turpitude or for violation of any other law in force.
- The firm understands and agrees that if the information furnished by the auditor is found to be incorrect at any stage during tenure of audit, the contract is liable to be terminated unilaterally, with the cost and liability to the auditor.

f) From the service commencement date the firm shall provide the services in accordance with the terms of this agreement & tender document and will ensure that with effect from the services commencement date, team of persons are available to provide the services as per the requirements of the tender documents.

g) The firm agrees that it will follow and comply with any reasonable instruction, direction or requests given or issued which are consistent with the terms of this agreement by MPMKVVCL's relevant authorized representative in writing or, where it was reasonably impracticable to do so in writing, given orally and subsequently confirmed in writing by such authorized representative in connection with the performance of the services.

h) In accordance with the said allotment, the auditor will arrange to conduct the Internal Audit of Group no..... in accordance with the scope, process, procedure of collecting, analyzing, interpreting and documenting so as to ensure the objectivity of internal controls.

i) The firm shall perform the services in accordance with the services levels as part of the scope of services in the tender document. If the firm to meet the services levels as per scope of services, the form shall as soon as reasonably practicable:-

- Identify the cause of such failure;
- Take such action as is reasonably required to minimize the impact of the failure and to prevent it from recurring;
- Where possible, correct the failure ; and

Advice MPMKVVCL, of the status of the remedial efforts being undertaken for meeting the services levels as per scope work.

j) The head of department (HOD) of the Office to be audited will arrange all the records as may be demanded in writing by the auditor for his examination as per rules and regulations applicable for the time being in force.

k) As per the outcome of the examination of the records the irregularity, infringement, deficiency and manipulations observed if any will be pointed out and reported through half margin (HM) to the Head of Department for clarifications etc.

l) The Head of department of whose office being audited will arrange the reply of HM within 48 hrs. The reply / clarification given by the HOD will be examined by the auditor in context to the observations. If the reply is found convincing, satisfactory and meeting the requirement of the observations the Para will be dropped. The audit Para which are not dropped will be converted into draft Para for inclusion in the audit report.

m) On completion of audit of the allotted office, the auditor will prepare a draft audit report on the basis of clause-(h, i & j) above and discuss with the head of department (HOD) audited. According to outcome of the discussion the draft Para will be finalized for preparation of audit report.

The audit report so prepared will be supported with subsidiary annexure to make the audit report comprehensive and justifiable.

n) Confidentiality:

- All data, information audit plans and reports will be regards as strictly confidential and for the client and their representatives only.
- For the avoidance of doubt, no details whatsoever of the clients business obtained during the course of the audit shall be divulged to any unauthorized third party, without prior written permission of the Director (Finance) or his designated office.
- In the event of material breach of confidentiality provisions the client shall have the right to terminate the services upon giving written notice to the effect.
- All Audit files, working papers, reports and other documents specifics to the client shall remain the property of the client/ all archives/ material will be stored on the client's property or such other location as authorized by the client.
- All current audit files, working papers, reports and other documents specific to the client will be held by the auditor in secure locked filing cabinets located in designated Internal Audit accommodation.

o) The Auditor shall abide himself to arrange payment in accordance with the rate as shown in letter of award no..... Bhopal, Dated..... 2018. The auditor shall invoice MPMKVVCL, for the charges as laid out in the tender document.

p) Force Majeure event means any event beyond the reasonable control of the affected party, Force Majeure event includes, but is not limited to, acts of god, expropriation or confiscation of facilities, any form of government intervention, war, hostilities, rebellion, terrorist activity, local or national emergency (including an emergency services to a hospital), sabotage or riots, and floods, fires, explosions or other catastrophes.

- Force Majeure does not include:
 - Strikes or other industrial action by employees of MPMKVVCL or the vendor; or
 - Any act or omission of party's employees, agents, or subcontractors (Except to the extent that Person is affected by force majeure events.)

q) Neither party shall be responsible for failure to, or delay in, carrying out any of its duties under this agreement to the extent to which this is caused by a force majeure event.

r) Should a Force Majeure Event occur, the affected party shall:

- Take all reasonable steps to overcome and mitigate the effects of the Force Majeure Events as soon as reasonably practicable, including actively managing any problems caused or contribute to by third parties and liaising with them;

s) On becoming aware of the Force Majeure event promptly inform the other in writing of the details and provides information of the force majeure event and information about which services have been affected to the extent that such information is known, together with, if practicable, an estimate of the period during which the force majeure event will continue; and notify the other as soon as it becomes

aware that the force majeure event has stopped. If the force majeure event continues for more than 15 calendar days, the unaffected party may terminate this agreement by giving 15 calendar days written cost or liability to the other party (except in respect of antecedent breaches).

t) Nothing in this clause shall suspend MPMKVVCL's obligation to pay the charges in accordance with this agreement in respect of any portion of the services provided by the firm to MPMKVVCL not affected by a force majeure event.

u) Any dispute arising out of the contracts which have not been amicably settled by mutual discussion shall only be referred to the arbitration in accordance with arbitration and conciliation Act 1956.

v) The contract shall commence w.e.f. the date of signing of the contract and shall be valid initially for a period of

w) MPMKVVCL, Bhopal reserves the right to cancel the contract without assigning any reasons thereof without any liability of any party.

x) The auditor will raise no objection for termination of contract by client, in case of any information provided by the auditor is found contrary to eligibility criteria, at any stage during the validity of contract, and agrees to compensate all the damages and cost incurred by client, on termination and retendering.

Signed on this In presence of the witnesses as shown below:-

(Auditor)

M/s.....
Chartered Accountants / Cost Accountant

Chief General Manager
for and on behalf of MPMKVVCL

Witness (1)

1.

2.

Witness (2)

1.

2.

TENDER / CONDITIONS ACCEPTANCE LETTER

(To be given on Rs. 10/- Stamp Paper duly Notarized)

Date :

To,

The Chief General Manager (Procurement),
O/o MD, MPMKVVCL,
Bhopal-462023

Phone No. 0755-2602033-34

Sub: Acceptance of Terms & Conditions of Tender.

Ref: Tender Reference No. MD/MK/04/TS-604

NAME OF WORK:- Appointment of Chartered Accountant/ Cost Accountant Firms as an Internal Auditor of Field Offices of MPMKVVCL for audit block year 2015-16 to 2017-18.

Dear Sir,

1. I/We have downloaded/ obtained the tender document(s) for the above mentioned 'Tender' from the website(s) namely:- <https://mptenders.gov.in>
2. I/We hereby certify that I/We have read all terms and conditions of the tender documents from Page No. 01 to 87 (including all documents like annexure), schedule(s), etc.), which form part of the Contract Agreement and I/We shall abide hereby the terms / conditions/clauses contained therein.
3. The corrigendum(s) issued from time to time by your department/ organization too have also been taken into consideration, while submitting this acceptance letter.
4. I/We hereby unconditionally accept the tender conditions of above mentioned tender document(s) / corrigendum(s) in totality /entirely.
5. In case any provisions of this tender are found violated, your department/ organization shall be at liberty to reject this tender/ bid including the forfeiture of the full earnest money deposit absolutely and we shall not have any claim/ right against deptt. In satisfaction of this condition

Yours faithfully

(Signature of the Bidder, with Official Seal)