

**INTERNAL AUDIT NOTIFICATION DATED 24.05.2023**

Telangana Southern Power Distribution Company Limited (TSSPDCL) came into being on 02nd June 2014 after bifurcation of the erstwhile State of Andhra Pradesh.

With its headquarters at Hyderabad, TSSPDCL encompasses an area of 15 districts,viz., Mahabubnagar, Narayanpet, Nalgonda, Yadadri Bhuvanagiri, Suryapet, Siddipet, Medchal, Wanaparthy, Nagarkurnool, Jogulamba Gadwal, Sangareddy, Medak, Hyderabad, Vikarabad and Rangareddy catering to the power requirements of 9.2 million consumers.

TSSPDCL has 21 Operation Circles, SCADA, 5 Zonal Offices and Corporate Office ; there are 186 Nos. Accounting and Non**-**Accounting Units.

Applications (on Firm’s letterhead) are invited from experienced **local** Professional Firms for conducting Internal Audit Functions in TSSPDCL.

The details of proposed allotment of 186 Units are as follows –

|  |  |  |  |
| --- | --- | --- | --- |
| **Sl. No.** | **Circle Set** | **Circles included in the Set** | **Units**  **(Nos.)** |
| **1** | **Medak** | *Medak, Sangareddy Siddipet* | 31 |
| **2** | **Nalgonda** | *Nalgonda, Suryapet, Yadadri* | 29 |
| **3** | **Mahabubnagar** | *Mahabubnagar, Nagarkurnool, Narayanpet, Wanaparthy & Gadwal* | 31 |
| **4** | **Rangareddy-I** | *Cybercity, Vikarabad & Rajendranagar* | 23 |
| **5** | **Rangareddy-II** | *Habsiguda, Medchal, Saroornagar* | 27 |
| **6** | **City-I** | *Banjarahills, Secunderabad, Hyderabad South* | 24 |
| **7** | **City-II** | *Hyderabad Central, SCADA, Master Plan, Corporate Office, Metro Zone, RR Zone, Rural Zone, Medchal Zone* | 21 |
|  |  | **TOTAL** | **186** |

**Only 1 ‘Circle Set’ will be allotted to 1 Professional Firm.**

1. **Qualification Criteria** – The **local** Professional Firm should have atleast 3 Partners, of which atleast 1 Partner should have CISA/DISA qualification.

Copy of the latest “Firm Constitution Certificate” issued by the concerned Professional Institute should be enclosed with the Application.

1. **Experience** – The Professional Firm should have minimum experience of 5 years in Internal Audit/Statutory Audit of Public Sector Undertakings/Private Companies. Those having experience in Power Sector with proven track record will be preferred.
2. **Scope** - An indicative Scope of Audit is stated in **Annexure – A** for reference.
3. **Terms and Conditions** –
4. The tenure of the contractual assignment shall initially be for the period 1st July, 2023 to 31st March, 2025. The contractual period is further extendable on year to year basis, on satisfactory performance.
5. The Firm shall carry out the Internal Audit Work at the EROs/ Division Offices/ Circle Offices, etc., falling under the purview of the respective Circles on a full-time basis on all working days.

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1. Each Audit Team shall have 1 Qualified employee and 2 Audit Assistants (**not Articled Assistants /Trainees**). The Partner shall monitor the Audit assignment atleast twice a month, at the place of Audit.
2. The Firm shall not assign or transfer the work to other Firms, etc.
3. TSSPDCL reserves the right to accept the application or not, even if the Firm meets all conditions.
4. Any legal dispute shall be settled within the jurisdiction of any Court in Hyderabad.
5. Firm shall ensure strict compliance of EPF & ESI provisions in respect of it’s employees and give monthly proof of compliance.

Interested **local** Professional Firms shall indicate their expected monthly remuneration **“Circle Set”** wise. The remuneration quoted should be all-inclusive, i.e., including Travelling and Out of Pocket Expenses, etc. GST should be stated separately. **The remuneration quoted will be valid for the entire contract period.**

The following details have to be furnished along with the Application –

1. Details of Partners (in the following format) –

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Sl. No. | Name | Membership No. | Qualification | CISA/ DISA | Date of joining the Firm |
|  |  |  |  |  |  |

1. Details of Qualified Employee and 2 Audit Assistants (**not Articled Assistants /Trainees)** who would be deployed full- time for the assignment (in the following format) –

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Sl. No. | Name | Qualification | Experience  (years) | Date of joining the Firm |
|  |  |  |  |  |

Applications in sealed cover superscribing “**Application for Internal Audit Notification”** thereon should be –

1. sent by Registered Post AD/Speed Post/Courier to the Office of the Chief General Manager (Finance), TSSPDCL, 6-1-50, Corporate Office, A-Block, 3rd floor, Mint Compound, Hyderabad – 500 063 (Ph. 2343 1036);

OR

1. dropped in “Drop Box” placed on the 3rd Floor, A-block, in the Office of the Chief General Manager (Finance)/TSSPDCL.

**The last date for receipt of Applications is 07.06.2023 by 5.00 p.m.**

Place : Hyderabad sd/-

Date : 24.05.2023 CHAIRMAN & MANAGING DIRECTOR

**ANNEXURE – A**

**AN INDICATIVE SCOPE OF WORK**

The Scope would extend to cover a full-fledged Internal Audit covering all processes by study/ checking and review of all important documents/ records for all the Units of the Circle.

An **Illustrative (not exhaustive)** Scope of Work is indicated below –

**GENERAL PARAMETERS:** –

* + 100% coverage of all transactions is expected. However, where due to large volumes, 100% coverage is not possible, the quantum of coverage vis-à-vis the total volume should be optimum. Proper sampling techniques may be adopted in these circumstances and reported accordingly.
  + Verify documentary evidence (both internal and external)
  + Verify that there is a proper authority for all expenditure and transactions.
  + Critically review every aspect relevant to the Internal Audit area, with a view to achieving cost savings and improved revenue earnings.
  + Review adequacy of MIS reports.
  + Verify the accuracy and authenticity of the financial accounting and statistical records.
  + Endeavour for prevention and quick detection of frauds.
  + Check validity of transactions with reference to provisions of laws & Statutes.
  + Ascertain that the standard accounting practices, internal policies & control procedures are being adhered to.
  + Analyse and improve the system of internal checks, in particular, see that it is functional, sound and economical.
  + Review the overall internal control system and bring material departures and non-compliance to the notice of the Management and report thereon. This review also generally aims at locating unnecessary and weak controls and to suggest effective and economical controls.
  + Review the adequacy of documentation, filing system & record keeping.
  + Report on shortcomings and improvements possible in the systems & procedures.
  + Report adequacy of existing Information Technology Support System and suggest for improvement, wherever required.

**GENERAL ACCOUNTING:** –

TSSPDCL has implemented SAP S/4 HANA version. The Internal Auditor is expected to be well-versed in all modules of SAP S/4 HANA version. While conducting Internal Audit of an Office/ Unit, the Internal Auditor has to report on the Internal Financial Controls in SAP.

The Internal Auditor has to thoroughly scrutinise the Journal Entry (JE) Register.

**REVENUE:** –

TSSPDCL has implemented “Energy Billing System (EBS)” Software for LT and HT Revenue. While conducting Internal Audit of Revenue Units, the Internal Auditor has to report on the Internal Financial Controls in EBS. Further, the Internal Auditor has to ensure monthly reconciliation between EBS and SAP.

The Internal Auditor has to verify all the records in Revenue Units thoroughly to arrest the Revenue leakages /shortfalls. Further, the Internal Auditors has to pay more attention and 100% checks shall be done for the following –

* + Revenue Leakages in case of Meter Changes, CTPT Changes, Category Changes, Load enhancements, phased demands, Multiplying Factor (MF);
  + Cheque Bounce cases;
  + Surcharge against cheque bounce cases (up to the date of realization);
  + Surcharge against cheque payments till to the date of realization;
  + All Credit JEs;
  + Debit and Credit entries against Bill Stopped Services;
  + Collection of Burnt Meter charges against all burnt meters replaced;
  + Ensure all norms followed for new services releases;

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* + Tools and Plants Register particularly in regard to Computer, Printer, Spot Billing Machines and Spot Collection Machines being used for billing and collection purpose;
  + Ensure all norms followed for new services releases;
  + Ensure all norms followed for seasonal industries;
  + Ensure all norms followed for temporary services;
  + Verify all the Theft & Malpractice cases; the No. of cases pending since long time & reasons; and
  + Verify all Meter exceptional and point out the revenue shortfalls.

**PURCHASE:** –

Review the adequacy of floating enquiries and whether they are in line with the Company Policy –

* + Review of all enquiries and quotations
  + Review on the basis of quotations/other price information.
  + Comparative price analysis
  + Scrutiny of purchase orders & compliance with authorization procedures.
  + Review of Post facto purchase orders.
  + Analysis of the reasons for amendment to purchase orders.
  + Analysis of material rejection V/s orders placed.
  + Report on any cases of purchases made by the other departments which should normally be handled directly by purchase department.
  + Review open purchase orders & comment on follow-up.
  + Review receipt of material as per scheduled dates of delivery and penalties on party defaulting.
  + Report on any emergency purchases made.

**OTHER SPECIFIC AREAS:** –

* + To Report on IT Returns’ filings and TDS
  + To Report on GST Compliances with respect of income GLs, posting of incomes to correct GLs for creating GST Liability, etc.
  + To study & review existing budgetary control of all expenditure & suggest improvements.
  + To critically evaluate all repairs & maintenance works with cost/benefit analysis along with suggesting corrective measure, if any.
  + To evaluate all on-going capital expenditure as regards viability/internal returns etc. including existing projects management procedures/ functions thereof.
  + To review all work orders released, accounted and closed. Ensure devolution of materials in closed work orders
  + To study existing procedural guidelines for processing bills of suppliers contractors & suggest improvements.
  + To check LOCs preparation processes & suggest for better internal control measures.
  + To study & review status regarding pendency of Internal Audit Paras & A.G Audit Paras.
  + To check whether audit remarks pointed out are being avoided during the subsequent period.
  + To carry out Physical Verification of Stocks, “Bill Stopped Services” as per instructions of Management from time to time.
  + To study & review internal control measures for staff T.A Bills, Medical Reimbursement, Retirement benefits & other benefits.
  + In case of pensions, to check the calculations, fixation, restoration etc.
  + Any other matter which is relevant for the operations of the Company.