

## **UJVN Limited**

### **NOTICE INVITING EXPRESSION OF INTEREST FOR EMPANELMENT OF FIRMS OF CHARTERED ACCOUNTANTS FOR CONDUCTING INTERNAL AUDIT IN UJVN LIMITED FOR THE FINANCIAL YEARS 2024-25, 2025-26 & 2026-27.**

EOI No. 01/UJVNL/Internal Audit/2024-25

Dated 02.07.2024

UJVN Limited, a Government of Uttarakhand Undertaking, invites Expressions of Interest (EOI) from reputed Chartered Accountants firms for Empanelment as Internal Auditors for the Financial Year 2024-25, 2025-26 & 2026-27.

The format of application along with the selection criteria, Annexures specifying the extent of coverage in areas, reporting requirements, terms of reference, list of units and locations etc. are available at Nigam website [www.ujvnl.com](http://www.ujvnl.com). The same can be downloaded from website.

Firms may send their applications in the prescribed format under sealed cover to the Dy. General Manager, Internal Audit, UJVN Limited, Room No. 203, Ujjawal, Maharani Bagh, GMS Road, Dehradun – 248001 so as to reach latest by July 18, 2024 upto 04.00 p.m.

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## FORMAT OF APPLICATION

for

**EOI No. 01/UJVNL/Internal Audit/2024-25**

**Dated 02.07.2024**

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

**Head Office:**

<b>Address</b>	<b>Date of Establishment</b>	<b>Contact Person/Mobile number/other contact Nos.</b>	<b>E-mail</b>	<b>Supporting document Annexure no. &amp; Page no.</b>

**Branch Office 1:**

<b>Address</b>	<b>Date of Establishment</b>	<b>Contact Person/Mobile number/other contact Nos.</b>	<b>E-mail</b>	<b>Supporting document Annexure no. &amp; Page no.</b>

**Branch Office 2 :**

<b>Address</b>	<b>Date of Establishment</b>	<b>Contact Person/Mobile number/other contact Nos.</b>	<b>E-mail</b>	<b>Supporting document Annexure no. &amp; Page no.</b>

(Insert information for additional Branch office(s), if any)

**5. Details of Partners :**

<b>SL No.</b>	<b>Name of the Partner (s)</b>	<b>Membership No.</b>	<b>Membership status ACA/FCA /CISA/ISA</b>	<b>Date of joining the firm as partner</b>	<b>Supporting document Annexure no. &amp; Page no.</b>
1					
2					
3					
4					
5					

**6. Details of Qualified Assistants:**

<b>SL No.</b>	<b>Name of the Assistant</b>	<b>Membership No.</b>	<b>Whether ACA/FCA /CISA/ISA</b>	<b>Date of joining the firm as Qualified Assistant</b>	<b>Supporting document Annexure no. &amp; Page no.</b>
1					
2					
3					

**7. Details of Semi-Qualified Assistants:**

<b>SL No.</b>	<b>Name of the Assistant</b>	<b>Qualification</b>	<b>Date of joining the firm as a Semi Qualified Assistant</b>	<b>Supporting document Annexure no. &amp; Page no.</b>
1				
2				
3				

**8. Empanelment with CAG**

Copies of letter/document from CAG regarding Empanelment with CAG

**9. Details of Experience of firm in Power Sector as Statutory/Internal Auditors from FY 2013-14 onwards:**

<b>SL No</b>	<b>Name of the Company/Unit</b>	<b>Year of Audit</b>	<b>Type of Audit Whether Statutory /Internal Audit</b>	<b>Supporting document Annexure no. &amp; Page no.</b>
1				
2				
3				

**10. Details of Experience of firm in sectors/industries other than Power Sector under Central/State Government/PSUs from FY 2013-14 onwards :**

<b>SL No</b>	<b>Name of the Company/Unit</b>	<b>Year of Audit</b>	<b>Type of Audit - Whether Statutory /internal Audit</b>	<b>Supporting document Annexure no. &amp; Page no.</b>
1				
2				
3				

**11. Details of Valid Peer Review Certificate No. \_\_\_\_\_ dated \_\_\_\_\_**  
(Enclose Supporting Document)

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

**13. PAN No. of the Firm:**

**14. GST Registration No.:**

**15. EPF Registration No.:**

**Signature of Partner  
with  
Name & Seal of the Audit  
Firm**

**Annexure-A**

**Selection Criteria for Empanelment of CA firms**

<b>SL.NO.</b>	<b>PARTICULARS</b>	<b>POINTS TO BE ALLOCATED</b>	<b>MAXIMUM POINTS</b>
1	Year of Establishment of the firm	1 (One) per full Financial year	<b>10</b>
2	Firm's Head office located in Uttrakhand	Five points	<b>5</b>
3	Firm's Branch office located in Uttrakahand	2 (Two) per branch	<b>6</b>
4	No. of Partners in the Firm who have been with the applicant firm for a minimum period of one year as on the date of application.	2(two) for each partner who is ACA/FCA	<b>10</b>
5	Number of partners/qualified assistants (Chartered Accountants) with CISA/ISA/ Certification in Forensic Accounting and fraud Prevention from ICAI	2 (two) per person	<b>10</b>
6	No. of Qualified Assistants (CA) employed with the Firm	2 (two) per person qualified assistant	<b>6</b>
7	No. of Semi- qualified Assistants (CA-IPCC/ Inter) employed with the Firm	1 (one) per semi qualified assistant	<b>6</b>
8	Empanelment with CAG	2 (two) per year	<b>10</b>
9	Experience of the firm in Power sector (Listed/PSU's) as Statutory/ Internal Auditors	2 (two) per year of audit	<b>18</b>
10	Experience of the firm in sectors/industries other than Power under Central/State Government/PSUs as Statutory/Internal Auditors	2 (Two) per year of audit	<b>16</b>
11	Valid Peer Review Certificate issued by ICAI		<b>3</b>
	<b>Total Points</b>		<b>100</b>

**Note :**

1. Experience from the financial year 2013-14 onwards only shall be considered while carrying out evaluation for criteria at SL. No. 8-10 above.
2. SL. No. 8 to 10 Points for each year's experience shall be awarded irrespective of the number of audits conducted during that particular year.

3. Power Sector at SL. No. 9 would mean an entity engaged in generation/  
transmission/distribution of electricity.
4. Fraction of the year to be ignored for calculation in no. of years.



## Annexure-B

### **(A) Instructions to Audit Firms:**

1. Format of Application must be completely filled in. Incomplete applications will be out rightly rejected.
2. Please ensure that date of opening of Registered Office, Branch Office(s), entrance dates of all Partners into the firm, date of joining firm as qualified & semi- qualified assistants are invariably indicated in the application.
3. All EOIs will be evaluated on the basis of the documents furnished along with applications only.
4. Since, all the applications will be evaluated strictly on the basis of Selection Criteria as per Annexure-A, please avoid attaching unsolicited information/ documents for processing applications expeditiously.
5. All the documents submitted should be signed by a Partner with his / her name and under the seal of the firm.
6. Applications must be submitted under sealed cover superscribing the EOI Notice No. & date and the words “**Application for Empanelment of CA firms for Internal Auditors for Financial years 2024-25, 2025-26 and 2026-27**”. The name and address of the firm must also be indicated on the body of the envelope.
7. Application must be addressed to Dy. General Manager, Internal Audit, UJVN Limited, Room No. 203, Ujjawal, Maharani Bagh, GMS road, Dehradun 248001. UJVN does not take any responsibility for the loss of application in- transit. Applications sent through E-mail will not be considered.
8. Any application received after the stipulated date & time, due to any reason whatsoever, will be rejected.

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

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

1. Latest registration certificate of the firm issued by The Institute of Chartered Accountants of India w.r.t the information related to the year of establishment of Head Office, Branch Office(s), address(es), details of partners along-with their membership nos. etc. Particulars as indicated in the Certificate(s) will be treated as conclusive and used for the purpose of evaluation of EOIs.
2. Copy of MEF (Multipurpose Empanelment Form) last submitted to ICAI.
3. Certificates of ISA/ CISA/ Forensic Audit and Fraud Prevention from ICAI if any, issued by the respective Institutes.
4. Membership certificates of the qualified assistants issued by ICAI

5. Certificates/ Mark sheets issued by the respective Institutes in evidence of qualification of semi- qualified assistants.
6. A declaration has to be submitted by each audit firm that none of its partner(s) or qualified employee(s) is a partner in any other audit firm which is applying for the current empanelment in UJVNL. **Any EOI without such declaration in this regard shall be summarily rejected.**
7. Copies of appointment letters/Experience/completion certificate for Statutory / Internal audit issued by PSUs/ / Central / State Government(s)/ Scheduled Banks in evidence of experience.
8. Peer review certificate issued by ICAI
9. Copy of PAN card.
10. Copy of GST Registration.
11. Copy of EPF Registration
12. A copy of complete EOI document duly signed as a token of acceptance of all terms and conditions and sealed.

## Annexure-C

### TERMS OF REFERENCE OF INTERNAL AUDIT FOR UJVN Ltd.

**The terms and conditions for conducting Internal Audit in UJVNL are detailed here under:**

Internal audit shall be conducted in 2(two) phases (Phase-I covering the period from April to September and Phase -II covering the period from October to March) of the Financial Year. The commencement of Phase - I audit will be on/around 5th October and Phase -II will be on/around 5th April and the reports for Phase -I &II are to be submitted by 30<sup>th</sup> November and 31<sup>st</sup> May respectively.

#### **1. AUDIT TEAM**

Auditors would deploy a suitable team for undertaking the audit. Audit Team should consist of atleast one Qualified CA one Semi qualified CA and one assistant. It should be ensured that the audit team is headed at all times by a Chartered Accountant/Cost Accountants having CISA/ISA and/or prior experience of auditing on the SAP-ERP platform with required team members.

#### **2. AUDIT REPORT**

The auditor should submit its report with in due time after the end of each Phase as per the requirements of Annexure - D.

#### **3. AUDIT FEE, MINIMUM MANDAYS PER PHASE OF AUDIT**

Details of Audit fee for the year and Estimated Audit Team days required to be devoted in each phase of audit are given in **Annexure - F**. The above audit fee is inclusive of all expenses like travelling and lodging expenses etc. GST, as applicable, will be paid extra.

#### **4.PAYMENT OF AUDIT FEES**

Firms will be paid the Audit fee on Half yearly basis after the completion of Internal Audit and submission of report of all assigned units. The bill should be submitted to Dy. General Manager (Internal Audit), UJVN Limited, Room No. 203, Ujjawal, Maharani Bagh, GMS road, Dehradun – 248001

## 5. GENERAL TERMS AND CONDITIONS

- i. Firms that secure 70 points and above as per criteria given in Annexure-A shall be eligible for empanelment.
- ii. This EOI is only for the purpose of empanelment of Firms and does not guarantee/assure allotment of Internal Audit/any other assignments.
- iii. The Company reserves its right to accept or reject any application(s) without assigning any reasons thereof. The decision of the Company for empanelment of Firms shall be final and binding upon the firms participating in the process of empanelment.
- iv. The empaneled Internal Auditor will ensure that the information obtained in respect of the working/operation of the unit is maintained in strict confidence and secrecy at all times, including after the completion of the assignment. All such information shall remain exclusive property of UJVNL at all the times. A certificate towards maintaining confidentiality is to be provided by the Audit firm at the time of acceptance of Audit assignment.
- v. Assignment of work in subsequent years be made subject to satisfactory performance.
- vi. In case the Audit Firms, which are already appointed as Internal Auditors, are subsequently appointed in UJVNL under any statute/legislature or under any other capacity, the appointment of such Firm as Internal Auditor shall be withdrawn, and a fresh appointment letter will be issued to one of the empaneled firms other than this firm. It shall be the responsibility of the firm to inform this office of any such appointment.
- vii. If progress/performance of the audit team is not found satisfactory, Management reserves the right to discontinue the services of the Firm, without assigning any reason whatsoever.
- viii. The Audit Firm will be debarred from getting, in future, Internal Audit assignments in UJVNL in the following cases:
  - a. If the Firm obtains the appointment on the basis of misrepresentation of information / misstatement of facts at the time of submission of application/documents along with EOI.
  - b. The Audit Firm is found to have sub-contracted the work.
  - c. If the Firm does not take-up audit in terms of the appointment letter.
  - d. If the Firm does not submit the Audit Report, complete in all respects as per terms of the appointment.
  - e. If the firm refuses to take up the assignment as mentioned in the letter of appointment for any reason whatsoever.
- ix. Firms which have conducted internal audit immediately preceding three or more years (FY 2021-22 to 2023-24) at UJVNL irrespective of units covered shall not be considered for internal audit assignment during the proposed empanelment period.

- x 10% Security deposit will be deducted from the running bills and the same shall be refunded after 6(Six) months of the satisfactory completion of the work.
- xi if the assigned work is not completed within stipulated time as above or within time extension (if any) given, penalty @ 0.50% per week shall be deducted from the bill subject to maximum of 10% of agreement/order value.

**A: Scope of work of Lead Internal Auditor**

1. Review the half yearly Internal Audit Reports of almost 30 units
2. Review the replies/compliance submitted by the units.
3. Coordinate with Internal Auditors of the various units of the Nigam
4. Preparation of Agenda/Action Taken Report to be put up before the Audit Committee Meetings.
5. Present the Agenda/ATR in Audit Committee Meetings
6. Ensure the compliance of the directives of the Audit Committee
7. Review, guide and submit recommendations to strengthen the Internal Control system of the Nigam
8. Advice the Nigam for better Corporate Governance System, Risk Management System etc.
9. Other related works as directed by Audit Committee/ Management.

**B: Scope of Work of Internal Audit for F.Y.2024-25 to 2026-27**

Internal Audit is an important tool of management to exercise control over activities of the Company. With the specialized knowledge of Audit firms, UJVNL endeavors to improve not only its performance, but also exercise better management control over its financial / non-financial activities with the help of efficient internal control mechanism.

The Internal Auditors will be required to conduct an in-depth audit of functional/operational areas and report the shortcoming in Internal Control system, Risk Management System etc and submit their recommendations for improvement in the system. It may be noted that the scope and coverage areas mentioned below is only illustrative and not exhaustive. The Internal Auditors may exercise their own judgment regarding the conduct and coverage of audit and in compliance to Auditing and Assurance Standards (AAS) issued by the ICAI, guidelines prescribed in Audit Manual of Government of Uttarakhand and Uttarakhand Procurement Rules as well as rules and orders applicable to the Nigam. The Auditor shall execute the work in the most substantial and professional manner in strict conformity with the Scope of work.

Accordingly, to strengthen the control over UJVNL's financial and non-financial activities, management will rely extensively on the reports submitted by Internal Auditors and hence responsibilities of Internal Auditors are vast and it is expected that the Internal Auditors shall apply their expertise in bringing out the deviations and irregularities and support the

concerned unit in streamlining its activities. The management also desires to gather valuable suggestions from Internal Auditors to review modify and enhance professionalism and financial discipline in the Company.

Based upon UJVNL's requirements and working, the Major Focus Areas to be covered in the Internal Audit of the Nigam are as under: -

**1. Contract Award & Execution:** To verify the contracts awarded on open tender basis, limited tender basis, single quotation basis etc. which includes:

- a) Checking of Estimates
- b) Checking of Pre-qualification criteria
- c) Observations on Tender Evaluation
- d) Observations on Agreement or Post Tender Award of Work
- e) Observations on timely execution of agreements
- f) Review and analysis of whole contract

The minimum sample size to check the aforesaid contracts is as follow:

Type of Tender	Contract Value > Rs. 1crore	Contract Value > Rs. 25 lac but Less than Rs 1crore	Contract Value < Rs. 25 lac
Open tender	100%	50%	30%
Limited Tender	100%	100%	50%
Single Quotation	100%	100%	100%

**2. Energy Accounting & Sales:** The audit should cover the generation details at different units, checking of reports submitted to Regulatory Authorities / Commercial Department of the Nigam, accounting for sale of power, checking of energy bills raised to various utilities, accounts receivable analysis, consumer billing, analysis of arrears in revenue collection and other related works. Checking the unit wise reconciliation of Energy Generated, Energy Imported, Auxiliary Consumption, Transformation Losses and Net Energy Exported for its correctness. Checking of Bill / Invoice wise reconciliation of the outstanding trade receivables and reporting of long outstanding receivables.

**3. Budgeting & Variance Analysis:** The report should contain the Budget Provisions vis-à-vis the Actuals achieved and the reasons for variance. The auditor should check the data uploaded on SAP in this regards, Utilization of Budget through generation of PR/PO. Detailed Review of open PR/PO's.

The report should include:

	Budget	Actual	Variance	Remarks
Sales (MU)				
Sales (Rs)				
O&M Exps				
Capital Exps				

**4. Statutory Compliances:** To ensure compliance of Companies Act, 1956 & 2013 with particular reference to the accounting functions, Accounting Standards, Auditing & Assurance Standards issued by the ICAI. Auditor should review and check the compliances to various Statute applicable to Nigam which includes:

a. Income Tax Act 1961

- (i) Proper deduction of tax at source (TDS) at prevailing rates.
- (ii) Timely deposit of TDS
- (iii) Timely issuance and collection of TDS Certificate .
- (iv) Timely filing and checking of Quarterly returns.
- (v) Ensure that there is no case where TDS needs to be deducted but was not deducted.
- (vi) Payment made in cash under section 40A.

b. Good & Service Tax

- (i) Deduction of tax if the agreement value is more than Rs. 2.5 Lacs
- (ii) Monthly deposit of GST TDS by 10<sup>th</sup> of next month.
- (iii) Ensure that there is no case where GST TDS needs to be deducted but was not deducted.
- (iv) Timely submission of information for filing of returns of GST to HQ.
- (v) Checking of the information prepared for the purpose of the filing of returns.
- (vi) Issuing of E-invoices as per GST Act.
- (vii) Whether the RCM provisions of the GST has the adhered according to the ACT.
- (viii) Whether e-invoice has been received from the contractor as per the rules of ACT.
- (ix) Other matters.

c. Labours Laws & other applicable Acts. Like EPF, ESIC etc



## **5. Fixed Assets & CWIP:**

- a. Work-in-progress should be verified by the Internal Auditors with reference to records available at the respective units. The quantum of work-in-progress recorded should be compared with work orders / contracts and subsequent approvals for variations, to ensure that payments are duly authorized and within the approved values.
- b. To verify timely capitalization of assets and accounting of capital expenditure (including expenditure incidental to the construction) and its further allocation on the specific assets as per Accounting Policy of the Nigam for capitalization and prevalent Tariff Regulations issued by UERC.
- c. To verify that proper records of assets of the company are maintained as per requirements of Companies (Auditors' Report) Order, 2016, issued by the Ministry of Corporate Affairs in terms of sub-section (11) of Section 143 of the Companies Act, 2013. Review the system regarding accounting, custody and safeguarding of assets of the enterprise and to see that the assets of the company are reasonably and adequately protected against loss. Also check that the transfer / sale of each asset is immediately and properly accounted for as well as check the applicable depreciation rates and calculation of depreciation.
- d. The Internal Auditor should review the report on physical verification of Fixed Assets (Land, Building, Plant & Machinery, Furniture & Fixtures, Office Equipment's, etc.) conducted by Unit. In case of discrepancies / deviations, if any, Auditor shall report the same. Internal Audit Report should also contain suggestions for improvement in this area.

## **6. Inventory & Stores:**

To verify that Inventory is accounted as per provisions of the Accounting Standard – 2 issued by the ICAI. Auditor should verify that the transactions pertaining to stores receipts, issues, and the valuation thereof. The coverage shall include purchases of stores and scrap disposal on test basis. The internal auditor while verifying these transactions shall evaluate internal control procedures operative within the enterprise for efficient materials management.

The Internal Audit Report should review and report on physical verification of Inventory conducted by Unit. In case of discrepancies / deviations, if any, Auditor shall report the same. Internal Audit Report should also contain suggestions for improvement in this area.

## **7. Advances & Bank Guarantee**

- a. All advances should be reviewed for its realization.
- b. Documents / agreements relating to secured & unsecured advances to parties shall be verified.
- c. To check all bank guarantees are entered in SAP. There is a proper mechanism that the bank guarantees are extended well before the expiry dates.
- d. To verify Bank Guarantees received by the Nigam against Performance Security /Mobilization Advance/Other and inform whether there is a proper system of maintenance and custody of Bank Guarantees at the units of the Nigam. Adequate emphasis shall also be laid on checking of mechanism of timely renewal and encashment of BGs, in case such need arises.

## **8. Investment:**

To check the investments made in any form like FDRs etc:

- a) Timely renewal of FDR
- b) Proper accounting, timely entries in SAP, safe custody of FDRs
- c) Proper accounting and timely entries in SAP w.r.t. interest accrued/received on FDR.
- d) Proper accounting and timely entries in SAP w.r.t. TDS on interest on FDR

## **9. Borrowing & Loans:** The following are to be checked by the Internal Auditors:

- a. To check the loan tender procedure and terms of agreements
- b. To check the timely payment of instalment and interest, its accounting, entries in SAP and reconciliation.
- c. Others, if any

## **10. Other areas in Finance & Accounts:**

- a. To verify and scrutinize payments to contractors with reference to respective contracts and adjustment thereof while accounting for the work done by them and ensure that deductions in respect of Mobilisation Advance etc. and statutory deductions are correctly made from their bills.
- b. The internal auditor should check that adjustments for returns, shortages, damages and unserviceable stores and materials at sites are properly made.

- c. Ledger Scrutiny: Scrutiny of Grouping, General Ledger, subsidiary records, review of Sundry Debtors, Creditors and loans and advances outstanding for more than one year and submit detailed audit observations if any.
- d. The scope includes verifications of securities deposits with the Nigam received from different parties. The internal auditor shall check and examine the purpose and the duration of such deposits and whether the deposit certificates are in safe custody for presentation at the time of claiming refund. These Security deposits shall also be verified to ensure that the Nigam does not retain these beyond the prescribed period.
- e. Vetting and certification of Unit-wise Trial Balance as at 30th Sep & 31st of March of the Audit Year.
- f. Review of liabilities and provisions.
- g. To check entries in SAP are done on real time basis.
- h. To plug loopholes in the system (if any)
- i. Scrutiny of Bank Transactions & Bank Reconciliation

To verify that cash (wherever applicable) & bank transactions are recorded properly and surplus funds, if any, shall be kept in short terms / flexi deposits with the banks as per Investment Policy of the Nigam. Entries in the books of accounts should tally with the term deposit certificates. Also to verify that interest on deposits and TDS thereon has been accounted for in the books of the Nigam. Also review the stale cheques, if any, and proper adjustment/write back in the books of accounts. Verify the Bank Reconciliation Statements of various Bank Accounts of each auditee unit and report for old / unadjusted items requiring special attention. Timely Preparation and submission of BRS to Head office.

## **11. Establishment & Administration**

To verify that accounting for salary and benefits admissible to employees and directors are being done properly and all subsidiary records for deductions related to employees are reconciled properly. Requirements of IND AS-19 should be complied with. The Internal Auditor must also check whether all liabilities against the accepted employee claims have been provided for in the books of accounts and also check compliance with statutory obligations like Gratuity, Leave encashment, EPF/GPF ,ex-gratia payments etc. Similar checks to be done in respect of TA / DA and other claims for reimbursements. To check other matters related to Human resources.

**12. SAP/Information System Audit:** A holistic review and analysis of SAP system installed in UJVNL. Performance of all modules of SAP is to be evaluated.

- a. Review of key IT Policies.
- b. Process of change management – access rights, customization / changes in SAP and other key systems.
- c. Review of effective utilization of SAP functionalities. Administration of Internal Control through SAP.
- d. Review of key MIS / Reporting generated by SAP and its usefulness for Internal Control, Managerial Decisions, Finalization of Annual Accounts, etc.
- e. Give recommendations to the management for improvement in the SAP System.
- f. Others if any

**13. RMU /Construction Projects**

A detailed review of RMU/Projects under construction shall be reported specifically covering the following areas:

- a. Approval of the RMU /Project under construction, DPR and Project Cost by competent authorities / UERC.
- b. Entire Fund Plan approval for the project. Capital / Retained Earnings / Borrowings / Grants / etc.
- c. Availability of funds / financial closure.
- d. System of close monitoring of Physical and Financial Progress. Methods being adopted by Project Management team for Project Management. PERT, CPM, MS-Project, or any other specialized software / method. System of Monitoring through ERP / SAP- Project Management Module.
- e. Review of Physical & Financial Progress with the Target.
- f. Quantification and analysis of RMU Project Cost Overrun from the original project cost. Identification and articulation of the reasons for RMU Project Cost Overrun for different milestones.
- g. Quantification and analysis of RMU Project Time Overrun from the original scheduled completion time / COD. Identification and articulation of the reasons for RMU Project Time Overrun for different milestones.
- h. Audit of all High Value Contracts (Total Estimated Cost to UJVNL > Rs.1 Crore) on following indicative areas:

- (i) Fundamental breach by contractor.
- (ii) Quantity Variation in the contract and its approval by the competent authority.
- (iii) Extra Items allowed in the contract and its approval by the competent authority.
- (iv) Price Escalation bills in accordance with the contract.
- (v) Claims submitted by contractor and their current status.
- i. Reconciliation of the funds transferred from Central Payment Office, Dehradun and fund utilized by the concerned DDO.
- j. Adequacy of insurance to be checked thoroughly. Every case of underinsurance has to be identified and reported.
- k. Status report on the ongoing 'Projects under RMU' articulating overall progress against the approved timeline / milestone has to be given.

#### **14. Reports on Effectiveness of Internal Control:**

To identify weaknesses in controls which may lead to frauds and report the same to the Management for timely corrective actions.

Keeping in view the above requirements, internal auditors are also required to contribute to the following activities:

- a. Helping in rectification of errors and omissions observed during the course of audit.
- b. Guiding in proper control over banking transactions.
- c. Review and guidance in the finalization of accounts.
- d. To report on any matters observed during the course of audit in order to strengthen internal control system and for improving MIS.
- e. Review the system for intangible assets assessment and impairment of assets.
- f. Review the adequacy of the insurance cover for the various risks involved.
- g. Internal auditor while verifying insurance and other claims of the company should see those losses arising to the company giving rise to claims are properly lodged and proper follow up action is taken for realization of overdue claims and the claims are properly accounted for after settlement.

#### **15. Other Observations and Auditors Suggestion**

**16. Audit Committee Mandate:** Any directives issued by the Audit Committee of UJVN Limited shall also become a part of this 'Scope of Work'.

The Management of UJVN Limited may add / delete / modify the scope of any of these areas of work.

**REPORTING REQUIREMENTS**

Internal Audit Reports should be divided into following three parts:

**Part A : Executive Summary & Important Observations:** It shall include

1. Name & address of the unit and period covered in the Internal Audit
2. Name & contact details of the Head of the unit and Head of Accounts of the unit
3. Name & qualifications of the Audit Team Members
4. Date of start and date of finish of the Internal audit of the unit
5. Summary of major audit observations which needs compliance for better Internal Control.
6. Auditor's Suggestions

**Part B: Review of Compliances of Audit observations pending in previous Internal Audit Report**

Detailed report may be provided in the following format:

S/no	F.Y.	Para no	Audit Observation	Unit Reply	Auditors Remark

**Detailed Report**

Detailed Report should be submitted in following format:

S/no	Audit Observation	Management Discussion	Auditors Remark

Detailed Report should contain all the major areas specified in Scope of work specified in the Annexure D. Major Audit Observations should be duly supported by required documents.

The following may also be kindly ensured:

- (a) The report should be supplemented, in each phase, by a statement indicating particulars of records checked along with their volume and value as compared to

the total volume and value of the transactions. Auditors should also mention the entry date of the last document verified by them in the SAP system.

- (b) The report should also contain references to areas where no adverse observations have been noted. In respect of other areas, specific suggestions for improvement, if any, may also be highlighted for each area.
- (c) The results of audit should be discussed with Head of unit and Accounts Heads of the concerned unit in each phase and important observations should be brought to their notice so that timely corrective actions may be taken. The report should be prepared after duly taking into account the additional information that may be provided / obtained at such discussions.
- (d) Attendance duly certified by the concerned head of unit indicating the audit staff deployed, their designation and the period of deployment in each phase.
- (e) The Unit-wise reports are to be submitted in single hard copy for each phase of audit to the Dy GM, Internal Audit, Room no. 203, Ujjwal, Maharani Bagh, GMS road, Dehradun. Soft Copy of Internal Audit Report have also to be submitted through email to the following email id [ujynlinternalaudit@gmail.com](mailto:ujynlinternalaudit@gmail.com)



**Annexure F**

**Estimated Annual Audit Mandays and Estimated Annual Fees and Locations.**

S/no	Name of Unit/Office	Estimated Audit Team days	Estimated Fees	Principal/ Partner Estimated days	Estimated Fees	Total
A	<b>Lead Internal Auditor</b>	40	240000	12	84000	324000
B	Head Office Units					
1	DGM CPO/CAO	68	476000	4	28000	504000
2	DGM CSPPO					
3	Manager A&S					
4	DGM IT					
5	GM Commercial					
6	GM P&IR					
7	DGM RM					
8	GM M&U-Ganga Valley & Yamuna Valley					
C	<b>Civil Offices / Bhagirathy Valley</b>	64	448000	4	28000	476000
1	DGM Tiloth					
2	DGM Chinyalisaur					
3	DGM Civil Maneri					
4	DGM Civil Dhalipur					
D	<b>Ganga &amp; Ramganga Valley</b>	66	462000	4	28000	490000
1	DGM HGC Chilla-Chilla PS					
2	DGM HGC Pathri					
3	DGM HGC Kalagarh					
4	DGM HGC Khatima					
5	DGM Pithoragarh					
E	<b>Vyasi, Small hydro projects (SHP),Projects under construction/RMU &amp; Civil Haridwar</b>	70	490000	4	28000	518000
1	GM SHP Rishikesh					
2	GM CD&H, Rishikesh					
3	DGM HGC Civil Maintenance, Haridwar					
4	DGM Vyasi					
5	GM Lakhwar					
6	DGM Arrakot Tiuni					

7	DGM Tiuni Plasu					
F	<b>Yamuna Valley</b>					
1	DGM HGC Dakpathar- Chibro					
2	DGM HGC Dakpathar-Khodri					
3	DGM HGC Dakpathar- DDD	60	420000	4	28000	448000
4	DGM HGC Dhakrani- Dhakrani PS					
5	DGM HGC Dhakrani- Dhalipur PS					
6	DGM HGC Dhakrani-Kulhal PS					
	<b>Total</b>					<b>2760000</b>