



**THE WEST BENGAL POWER DEVELOPMENT CORPORATION LIMITED**  
(A Government of West Bengal Enterprise)

**WBPDC**

**Corporate Identity No. : U40104WB1985SGC039154**  
**: Registered & Corporate Office :**

'Bidyut Unnayan Bhaban', Plot No. 3/C, LA-Block, Sector-III, Salt Lake, Kolkata – 700 098  
● Phone : (033) 2335-0571/2339-3100 ● Fax : (033) 2339-3186/2339-3286 ● Website : www.wbpdc.co.in  
● email : wbpdc@wbpdc.co.in

Ref. No. WBPDC/Internal Audit/17-18/17/1371

22<sup>nd</sup> September, 2017

**Sub.: Engagement of Internal Auditors for the Power Stations & Corporate office of WBPDC**

The West Bengal Power Development Corporation Ltd. (WBPDC) is a wholly owned Government of West Bengal Enterprise engaged in generation of electricity. Five thermal Power Stations at (i) Kolaghat, (ii) Bakreswar, (iii) Bandel, (iv) Santaldih & (v) Sagardighi are under the control of WBPDC. WBPDC's turn over for the financial year 2016-17 was around Rs.8,900.00 Crore.

Offers are invited from the firms of Auditors for carrying out internal audit functions at one or two Power Stations of the Company for the financial year 2017-18. The Firm should have at least 5 (five) years of internal audit experience in manufacturing organizations of repute. The detailed scope of work for the Internal Audit is enclosed vide **Annexure**.

Detailed particulars regarding partners, audit assignments carried out etc. and other relevant details along with indicative fees for the job may please be submitted to the undersigned on or before 12<sup>th</sup> October, 2017.

**The Dy. General Manager (F&A) – Internal Audit**  
**The West Bengal Power Development Corporation Ltd.**  
**'Bidyut Unnayan Bhaban',**  
**3/c, LA Block, Sector – III,**  
**Bidhannagar,**  
**Kolkata – 700 098**



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## ANNEXURE

### SCOPE OF INTERNAL AUDIT 2017-18

The Scope of Internal Audit will generally cover the following basic areas on quarterly basis :

1. Review of the Action Taken on the adverse observations of the previous Internal Audit

2. Financial Accounts :

- a) Test Checking of Cash & Bank Transactions with supporting vouchers (Coverage 30%).
- b) Verification of Physical Cash Balance without prior notice at least once in each quarter.
- c) Checking of Journal Vouchers (Coverage 30%).
- d) Bank Reconciliation with Banks balance confirmation on half yearly basis. If any entry appears for more than 3 months old the reasons thereof to be reported.
- e) Scrutiny of Loan Interest paid (Corporate Office only)
- f) Ageing analysis of Advance to Suppliers/Creditors/Security Deposits/Earnest Money Deposits.
- g) Specific comment on the adjustment of advance to suppliers against Banks.

3. Statutory Compliances :

(I) **Tax Deducted at Source**

- a) Specific comment by the auditors whether the provisions of Income Tax Act, 1961 have been complied with while deducting Tax at Source.
- b) To report if Tax at proper rates are deducted and paid within scheduled time.
- c) In case of deduction of Tax on salary to ensure the follow up of Corporate guideline on the issue.
- d) In case, if in any of the payment deduction of tax at lower rate is deducted to verify the certificate of lower tax at source.
- e) Filing of TDS return and issue of TDS certificates.

(II) **Works Contract Tax upto 30.06.2017**

- a) Applicability of Works contract Tax on contractual payment as per VAT Laws upto 30.06.2017

- b) To verify deduction and payment
- c) Filing of Return
- d) Issue of TDS Certificate.

**(III) Service Tax upto 30.06.2017**

- a) Applicability of Service Tax on various kinds of receipts.
- b) Compliance of the Point of Taxation rules in respect of Service Tax collected and to verify if the proper Invoice as required by Service Tax laws are being raised.
- c) Compliance of Service Tax on Reverse Charge Mechanism
- d) Payment of Service Tax dues.
- e) Filing of Service Tax Return – its verification with accounts.

At least 10% of the service contracts/works contracts awarded by the Unit during the period of audit must be covered and auditors must report on the applicability of service tax under Reverse Charge / Works Contract Tax on such contracts.

**(IV) Goods and Services Tax (GST)**

- a) Filing of Return, payment of GST
- b) GST under Reserve Charge Mechanism (RCM) Compliance
- c) Raising of Invoices under RCM

**4. Fuel :-**

**Coal/Oil**

- a) Test Checking of Coal & Oil Bill with R/R & Other relevant documents with reference to rate & grade & reconciliation with Coal suppliers on quarterly basis.
- b) Checking of Grade Slippage claims along with sampling results.
- c) Checking of Railway Freight claim with Railway Freight charges (Covering 30%).

**5. Stores & Inventories :-**

- a) Physical verification of Stores and Inventories on test check basis with ABC analysis (One Quarter only).
- b) Identification of Procurement of Capital Stores. A certified list detailing dates of procurement, supplier, items and value is to be submitted along with the 4<sup>th</sup> quarter report.
- c) List of Material Arrival Note (MAN) to be physically verified and time gap of payment of Stores Receipt Voucher.

**6. Purchase, Services & Works :-**

- a) Scrutiny of purchase invoice with indent, Tender procedure, financial vetting, order placement, stores receipts voucher, Stock position & utilization in depth of test check basis (30% coverage).

- b) Reporting on the adjustment/position of supplier/contractor advance with age wise analysis.

**7. Staff Related Matters :-**

Checking of employee related payments like LTC, HTC, Medical Bill, Travelling Bill, Advance etc. on test check basis (30% coverage) as per their entitlement.

**8. Sale of Scrap :-**

- a) Checking of scrap sale bills with reference to scrap disposal committee report and comments on the action taken by the Department Accounting of Statutory Deductions/Payment. A certified Report must be submitted along with the 4<sup>th</sup> Quarter Report.

**9. Sale of Energy :-**

Checking of sale of Energy bill with reference to Tariff order (Corporate Office Only)

**10. Legal Cases :-**

Scrutiny of Pending Legal Cases & Report thereon (Corporate Office Only)

**11. Implementation of ERP (w.e.f. 01<sup>st</sup> September, 2017) :-**

- a) 100% checking of Data Migration from Units / Corporate Office Trial Balance along with relevant details to ERP
- b) Recording of transaction for the period from 01<sup>st</sup> September, 2017 to 14<sup>th</sup> September, 2017 in ERP from blackout sheets

**12. Others :-**

- a) General observation on the above aspects with suggestion for system improvement.
- b) Report on compliance to the observations of the Cost Auditor.

**13. Audit Frequency :-**

- a) 1<sup>st</sup> comprehensive Audit Report should be for the period from 1<sup>st</sup> April, 2017 to 31<sup>st</sup> December, 2017 and the Report must be submitted within 28.02.2018.
- b) Final Audit Report up to the month of March, 2018 must be submitted within 31.05.2018.

Before submission of the Reports, the Auditors are required to have detailed discussion with the head of the unit and a minute of such meeting must be annexed with the report.