

INTERNAL AUDIT MANUAL
(REVENUE AUDIT SECTION)
(FIRST EDITION-2008)



**Instructions for the Internal Audit Parties/Revenue
Audit Parties in connection with perpetual audit of
Consumers' Accounts etc.**

Published by:

**THE CHIEF GENERAL MANAGER AUDIT
DHBVN, HISAR**

Introduction: Internal Audit is an independent appraisal function within an organization for review of the system of control and quality of the performance as a service to the management. The necessity of having an internal audit system has also been recognized by the Companies Act, 1956, the Companies (Auditors' Report) Order, 2003, vide clause 3, sub clause (vii), has made it obligatory for the auditors of all companies (including Government companies) with a paid-up capital and reserves in excess of Rs. 50 lakh at the commencement of the financial year concerned or having an average turnover exceeding Rs. 5 crore for a period of three consecutive years, to comment on whether the company has an internal audit system, commensurate with its size and nature of business.

1. **General:** Erstwhile Haryana State Electricity (HSEB) in recognition of the growing role and importance of Internal Audit in a commercial organization like HSEB (now DHBVN), decided to constitute the Internal Audit Wing as a separate Department under the independent charge of Chief Auditor, now re-designated as Chief General Manager/Audit. Further, the Internal Audit Department is a tool for management which is responsible for checking of expenditure accounts as well as for checking of Revenue accounts of the Nigam. The Revenue Audit wing of the Internal Audit Department is responsible for the audit of consumers' as well as cash collection accounts. The Revenue Audit Wing is headed by DGM/Audit (Sr. Accounts Officer) and the audit is got carried out through Internal Audit Parties. Revenue Audit Parties. The Internal Audit Party/Revenue Audit Party forms a part of the staff of Internal Audit Department and the audit works done by them is controlled by the Chief General Manager/Audit.

1.1 Ordinary an Internal Audit Party (IAP) consists of an Assistant Manager/Audit and two Audit Clerks and they are primarily meant for cent-per-cent audit of consumers' accounts of various

Audit Manual (Revenue Audit)

sub-divisions as provided by the office of Chief General Manager/Audit.

- 1.2 For better control of IAPs/RAPs, even distribution of work and for convenience of field offices to contact the concerned audit parties for audit matters, the jurisdiction of each IAP is fixed and out of all sub-divisions under the jurisdiction of an IAP one Sub-Division is fixed as head-quarter of the Internal Audit Party. All the correspondence with the Internal Audit Parties by the head-quarters or by the field offices is made at the head-quarter of the IAP.
 - 1.3 The Revenue Audit Parties (RAP) consists of a Manager/Audit and two Assistant Managers/Audit. The RAP is primarily responsible to carry out the test audit of consumers' accounts over and above the audit carried out by the Internal Audit Parties. Besides the RAPs are responsible for conducting Special Audit, wherever and whenever required and assigned by the Chief General Manager/Audit. The jurisdiction and head-quarter of RAP is fixed like IAP and all correspondence with the RAP is made at the head-quarter of RAP.
 - 1.4 For the better control a unique number is assigned to each IAP/RAP.
- 2. Object of audit:** The inspection of the Sub-divisional offices by the Divisional Accountants attached to respective Divisions, of the divisional and Sub-divisional offices by the Accountant General's Inspecting staff and of the divisional offices by the Chief Engineer/Superintending Engineer are of the nature of test audits only. But the audit of consumers' accounts of the subdivisions by the
-

Internal Audit Party will be perpetual and complete audit, i.e. audit of all revenue transactions connected with the consumers' accounts of the Sub-Division. The main object to this perpetual audit is that the accounts of a month/quarter are, for certain, audit during the following month/quarter and the mistakes and irregularities, if any committed during the course of the accounts month/quarter detected at the earliest possible with as little delay as possible. Each Sub-divisional office will, therefore, have to be audited monthly/quarterly in rotation.

2.1 In addition to the above the Internal/Revenue Audit Parties are expected to educate the staff of the sub division with a view to increase their efficiency in accounts work. Not only the record/books of the sub divisions be audited, corrected and brought upto date but verbal instructions should also be imparted to the sub divisional staff in revenue/accounts matters, pointing out the errors committed by them and explaining the proper procedure to be followed. The instructions may be imparted with a view to minimize the mistakes. It is needless to say that minimization of the mistake will not only reduce the workload of sub divisional staff and audit but also increase their efficiency and will facilitate them to give attention towards other areas of accounts/revenue matters. This will also result into elimination of cases of loss of revenue and harassment to consumers.

2.2 The principal of audit i.e. **“General is more important than particular”** should be followed and where omission is found made/irregularity is found committed in general, the point should be taken up with the sub divisional staff and the same should be got set right. Such omissions/irregularities should not

Audit Manual (Revenue Audit)

be ignored simply because of non-involvement of under-assessment/loss of revenue.

2.3 It should also be checked that the instructions issued by the Nigam are followed meticulously and timely. Non-compliance/non-observance of instructions should be taken seriously and should be dealt accordingly. Wherever required, a special report should be made to head-quarter as non-compliance/non-observance of instructions forfeits the very purpose of issue of instructions.

3. Books of Reference: In additions to the ordinary books of references viz., Account Code Volume-III, Departmental Financial Rules, Punjab Financial Rules, Banking Instructions and Punjab Public Works Department Code etc. the Internal/Revenue Audit Parties should be familiar with the contents of the following documents:-

- a. Application and Agreement Forms for all categories of consumers including Temporary Supply.
 - b. Schedules of Tariff for all categories of consumers.
 - c. Schedule of Service and General Charges.
 - d. Abridged Terms and conditions of Supply for all categories of consumers.
 - e. Model agreement for public Lighting Supply and Special agreements with Industrial and Bulk Supply Consumers.
 - f. Sales Manual Instructions, Manual of Instructions and Manual of Orders.
 - g. Regulation for duties and responsibilities of various functionaries responsible for the upkeep and maintenance of consumers' accounts.
 - h. Sales Instructions, Sales Circular and other allied issued by the Head Office from time to time.
-

Audit Manual (Revenue Audit)

- i. Tariff Orders issued by the HERC from time to time.
 - j. Clarifications issued by the Head Office/concerned Department from time to time.
4. **Register of Special Points:** A register of special points shall be maintained at headquarters in Revenue Audit Section. All the points referred to Internal Audit Wing for special investigation by the higher authorities or management shall be entered in this register. Further, the revenue audit wing shall also be responsible to enlist and post all the point for special investigation/checking based on the reports received from field offices, complaints and the circulars/instructions issued by the Nigam from time to time in the said register. Separate pages may be allotted keeping in view the gravity of points of investigation and types of points. These points shall be reviewed from time to time and shall be conveyed to the Internal Audit Parties/Revenue Audit Parties or Special Audit Parties being deputed for audit. The compliance by the audit parties in this regard shall also be watched and reviewed from time to time.
5. **Maintenance of Daily Progress Register:** Incharge of Internal/Revenue Audit Party should maintain a diary to show the daily work done by himself and his audit clerks. All members of the party should sign the diary daily. The diary should be maintained in a register duly bound and page numbered. The pages should be numbered before the register is brought to use. Particulars of the work done by each member of the audit party from day to day should be briefly written up in the Progress Register.
- 5.1 For all outgoing and in-coming letters, Dispatch and Receipt Registers (foolscap size) should be maintained by one of the audit clerks in each audit party.
-

- 6. Intimation of visit:** The tour programme of each Internal/Revenue Audit Party shall be prepared and issued by the Chief General Manager/Audit (Revenue Audit). The tour programme shall be prepared on quarterly basis and in such a way that all the offices under the jurisdiction of Audit Party are audited in rotation. Immediately after receipt of approved tour the incharge of Audit Party should give to the AGM/SFM Sub division/office sufficient notice in advance of the dates of their visit to enable the AGM/SFM to be present except that when the former may be required by the CGM/Audit to make surprise visits to Sub divisional offices. In case any change in the tour programme in rotation is required the request should be submitted to the headquarters well in time so that the same is considered while issuing the tour programme for that quarter. The change in the rotation shall only be allowed on cogent reasons only.
- 6.1 While submitting the intimation of visit the incharge of Audit Party should ask the AGM/SFM incharge Sub-Division/Office to keep ready all the record which was not produced during previous visit of the Sub-Division/Office and the cases which he wants to get audited/pre-audited.
- 6.2 Ordinarily the actual movements should be in accordance with the tour programme; but if in any case, a change is anticipated, the approval should be obtained from headquarter and on receipt of approval or in anticipation of approval the change should be notified to all the concerned well in time. If the halt at any place is estimated to exceed the time prescribed by the Headquarter, the prior approval of the Chief General Manager should be obtained.
-

6.3 With a view to effecting economy in Traveling Allowances the tour programme for the months, in which there is a spell of holidays exceeding three days, should be so arranged that these holidays are spent at the headquarters and not at outstations, except that when the Audit Party, just before the holidays, is at a station, returning from which to headquarters involves traveling allowance exceeding the amount of daily allowance for the number of holidays.

6.4 **Permission to leave temporarily the station of duty or grant of casual leave to the audit staff:** All matter regarding leave, leaving the station, change in programme, etc., should invariably be referred to the Head Office in time and prior sanction should be obtained.

In case of extreme urgency of private nature, however, incharge of Audit Party may leave the station on a holiday in anticipation of the approval of the Headquarters which should be applied for at once. In the case of audit clerks intending to leave the headquarters on the holidays, the incharge of Audit Party may grant the permission and inform the Headquarters of his having done so. Incharge of Audit Party may also grant casual leave not exceeding two days to the audit clerks in case of urgency subject to the approval of the Headquarters, which should be obtained in due course.

7. **Procedure of audit:** Immediately after his arrival in the Sub divisional office the Internal/Revenue Audit Party should carry out a casual inspection of the consumers' accounts of the Sub divisional to see and ensure that internal control over the upkeep and maintenance of consumers' and revenue accounts exists and the same are maintained strictly in accordance with the instructions laid down for the

same. The Audit Parties should also check and ensure that the checks prescribed for the supervisory staff/officers are being carried out by the supervisory staff/officers meticulously and that the checking being carried by them is reliable and effective.

7.1 Immediately after receipt of tour programme from the headquarters, the concerned Audit Party shall intimate the concerned AGM/SFM incharge Sub Division/Sub Office about the date (s) of inspection and audit month (s) provided for the audit. The AGM/SFM shall be asked to keep all the record (including the record not produced earlier) ready for the inspection.

7.2 On the 1st day of visit the Manager/Assistant Manager Incharge of the party will meet the AGM/SFM incharge of the Sub Division/Office personally and shall issue a Half Margin asking him to intimate whether any priority work (e.g. cases prepared under Land Recovery Act, award (s)/decision(s) of Arbitrator/Court/Negotiation Committee/Competent authority etc.) is pending for the audit or not. The IAP will also ask the AGM/SFM to intimate about the new connection released and the connections permanently disconnected after last visit of the audit party and produce the relevant record in respect of such connection. The HM in question will be signed by both i.e. AGM/SFM and Manager/Assistant Manager incharge of the Audit Party as a case of joint note of discussion or Minutes of Meeting and will be returned by the AGM/SFM on the same day or latest by the next working day after recording the reply. The IAP shall audit/pre-audit all the cases so reported by the AGM/SFM incharge of the Sub Division/Office on the priority basis but it would be the duty and responsibility of the Sub Division/Office

Audit Manual (Revenue Audit)

to produce all relevant record demanded by the audit. The responsibility of delay in auditing/pre-auditing of such cases due to non-production of record will rest upon the AGM/SFM and CA/UDC (R) of the Sub Division/Sub Office concerned.

In case the AGM/SFM Incharge of the Sub Division/Sub Office happens to be on leave or out of station, the above formalities will be observed on the 1st day of returning of the AGM/SFM to his office.

7.3 The actual cash in hand with the cash balances of both the Cash Books (General and Revenue cash book) shall be checked on the 1st day of visit by the incharge of the Audit Party. Occasional checking of cash during the visit shall also be conducted by the IAPs/RAPs.

7.4 **Issue of Half Margin:** Each and every observation on checking of the accounts/record including under-assessment, omission, irregularities and non-observations of instructions should be pointed out through Half Margin.

However, cases of petty under-assessment of revenue arising in a routine manner and not involving any important aspect or interpretation of rule/tariff etc, should not be taken up through half-margin. Instead these should be brought to notice of the AGM/SFM/Commercial Assistant/UDC concerned and got charged to the consumers' accounts through SC&AR. Entry of the same shall be recorded in the Register of Petty under-assessments. Realization of these items shall be checked during next visit of the sub division on random basis.

The IAPs/RAPs are required to prepare and issue the Half Margins on the printed Half Margin Pads supplied by the headquarters. Issue of half margin on the blank papers or local

Audit Manual (Revenue Audit)

printing/purchase of half margins is not allowed. These instructions should be followed strictly and meticulously. However, the audit party shall not issue any half margin of over-assessment or for the refund. Such cases noticed if any, should be brought into notice of AGM/SFM verbally and the issue regarding allowing of refund should be left on them.

- 7.5 The Half-margin should be prepared in duplicate by using carbon paper and the original half-margin should be handed over to the AGM/SFM incharge of the Sub-division/office. The duplicate half margin shall remain in the Half Margin Pad/Book.
 - 7.6 The RAPs/IAPs will maintain a register of issue of half margin on the prescribed Register and in accordance with the instructions as printed on the Half Margin Register. Separate registers will be opened for each Sub Division/Sub Office. The RAP/IAP shall prepare the half margins on the daily basis and shall hand over the same to the AGM/SFM or his authorized representative on the same day or latest by the next morning. The AGM/SFM shall also ensure that no delay in receipt of the half margin is caused by him or by his authorized nominee. The inspecting officers while conducting the checking of AGM/SFM /Sub Division/Sub Offices will also scrutinize the Register of Half Margins and shall ensure that there is no delay in issue and handing over the half-margins. Non-issue of half-margins on daily basis shall attract disciplinary action.
 - 7.7 All the half margins issued by the Audit Party shall be first entered in the prescribed Half Margin Register and then shall be handed over to the concerned AGM/SFM. Acknowledgement of the receipt of the half margin shall be given by the AGM/SFM
-

Audit Manual (Revenue Audit)

himself in the appropriate column of the Half Margin Register. However, the AGM/SFM can issue an Office Order to effect that the half margins will be received by any other official (Name & Designation to be mentioned) on his behalf but in such case he would have to endorse the copy of the same to the concerned IAP and also the Chief General Manager/Audit, DHBVNL, Hisar. In case he (AGM/SFM) issues such order, he (AGM/SFM) would be held responsible for the disposal of HM, as if he had personally received the HMs.

7.8 On the closing day of audit inspection, the RAP/IAP shall prepare, a list of all the half-margins issued during the visit showing their disposal by the Sub Division. This list shall be signed by the Incharge RAP/IAP as well as by the incharge of the Sub Division/Sub Office or his authorized nominee and a copy of the same shall be submitted to the concerned DGM, GM and CGM/Audit. The concerned DGM/GM shall scrutinize the list and take up the matter with concerned AGM/SFM for disposal of pending half margins, if any.

7.9 **Disposal of Half-Margins by Sub Division:** The observations made by the Internal Audit through Half Margin Memorandum should be scrutinized by the AGM and the amount of short assessment where found chargeable, should be charged to the consumers' accounts within one week of the receipt of the half margin. The half margins not involving any under-assessment should also be disposed-off immediately by expediting the information asked for or by complying the observations as made in the half margin. The importance of the half margin should not be assessed on the basis of involvement/non-involvement of the short/under-assessment

Audit Manual (Revenue Audit)

and all the half margins issued by audit should be disposed off immediately. Where any site checking or verification of record etc. is involved the half margin should be returned within 7 days of its issue.

- 7.9.1 Where the amount pointed out by the Audit Party is not found chargeable, the half margin should be returned to the Audit Party after recording the detailed reply/justifying the reasons and quoting the instructions under which the amount pointed out in the half margin is not chargeable. The half margins not involving any under-assessment should also be disposed off accordingly.
- 7.9.2 The Audit Party shall examine the reply submitted by the AGM/SFM for non-charging of half margin and shall drop the half margin in case the same is found justified/in order. In case the reply submitted by the AGM/SFM is not found/considered as in order or justified, the same shall be returned back after recording the instructions/reasons for which the reply submitted by the Sub-Division/office cannot be accepted.
- 7.9.3 In case the AGM/SFM is convinced with the further observations made by the Audi Party, he should accept and comply with the observation made in the half margin. Where the AGM feels that the audit observations are not correct, he should refer the case to his DGM (OP) within one week of the receipt of the Half Margin giving full justification for non-acceptance of the Half Margin.
-

Audit Manual (Revenue Audit)

- 7.9.4 The DGM (OP) should examine and consider each case referred to him with reference to the observations raised by the audit and reply submitted by the AGM/SFM and convey his decision to the AGM/SFM within 10 days of the receipt of reference from AGM/SFM. In case the audit observations are not accepted by him, a copy of the reply should also be endorsed to the Internal Audit Party simultaneously alongwith a copy of the Half Margin.
- 7.9.5 The Internal Audit will review the decision of the Executive Engineer and in case the audit is not satisfied with the reply, the complete case should be referred to the Chief General Manager/Audit (Revenue Audit) Hisar within one week of the receipt of reply from the DGM/ (OP).
- 7.9.6 The Chief General Manager/Audit shall review the case and where he upholds the view of the Internal Audit; he will take up the matter with the General Manager/OP and Chief General Manager/OP concerned and ensure its settlement within two months from the date of first reference.
- 7.9.7 The Chief General Manager/Audit shall submit a quarterly statement to the Management indicating the cases, which have been taken up by him with the GMs & CGMs (OP) and have not been settled within two months from the date of his first reference.
- 7.9.8 In case above instructions for the disposal of the half margins are not observed by the AGM/SFM incharge Sub-Division/office is not followed meticulously and disposal of the half margin is delayed without any cogent/justified
-

Audit Manual (Revenue Audit)

reasons, he shall be held responsible for loss sustained, if any, due to delay in disposal of half margin and the loss sustained due to amount becoming irrecoverable and/or interest losses @ 12% PA shall be recovered from him/them.

7.10 On the closing day of the audit inspection, the IAP will again discuss with the AGM/SFM incharge of the Sub Division/office on all the important issues, including the general irregularities noticed in the upkeep and maintenance of consumer's accounts, if any, suggesting further action to be taken by the Sub Division/Sub Office. A joint discussion note of the discussion held will be prepared on the half margin and will be signed by both. The details of the records not produced to the audit shall also be recorded on the H.M. itself.

7.11 The IAPs are required to submit their report on the prescribed Performa (Forwarding Memo) within 10 days of close of audit. The submission of Forwarding Memo within the stipulated period shall be ensured by the IAPs. The IAPs shall also enclose the copies of the half-margins issued on the 1st day and closing day of the audit inspection (as referred to para-7.2 and para-7.10 above.)

8. Sphere of audit: All records connected directly or indirectly with the consumers' accounts should be audited by the Audit Party. The following points require special attention:-

8.1 After introduction of computerized billing, the checking of consumers' ledgers with reference to mistakes in calculations, totaling and applying of rates etc. are not required to be carried out. As such checking of ledgers by IAPs/RAPs have been

Audit Manual (Revenue Audit)

dispensed with. For this purpose only software audit is required to be carried out. However, the audit parties shall continue to check the billing of some consumers on random basis to ensure that the software application is correct and no manipulation is being done. The consumers' of all groups should be taken into such random checking. The audit party will also maintain a record of such consumers whose accounts are completely checked/audited in all respect during such random checking. In case any discrepancy (even minor) is noticed during such checking the same shall be reported to the Headquarter immediately and personally.

8.2 Even after relaxation of checking of consumers' ledgers, checking of other records as per details given as under and assessment/realization of revenue shall be carried out on the basis of various checklists/exceptional reports generated by the computer billing agency.

The checking of following records shall be continued to be checked on cent percent basis as hereto:-

- i. Service Register.
 - ii. Test Report Register.
 - iii. Electric Measurement Books.
 - iv. Consumers' cases of all new connections released.
 - v. Consumers' cases of all extension/reduction of load/Contract Demand.
 - vi. Register of dismantlement of permanent and maintenance works.
 - vii. Streetlight Register.
 - viii. Meter Reading Record/ Meter sealing record.
 - ix. CA-21 and CA-22.
-

Audit Manual (Revenue Audit)

- x. Energy Variation Register.
 - xi. All job orders viz. Service Connection Orders, Reconnection Order, Disconnection Order, Sundry Job Order, Meter Change Orders and Fuse Replacement Orders etc. etc.
 - xii. All M&P checking reports issued from the date of last checking. The cases of delay in checking/non-checking within the prescribed time shall also be watched and pointed out. Further it shall also be checked whether Register of M&P Checking Register is maintained properly or not.
 - xiii. All checking reports of checking carried out by Vigilance/Special checking parties and authorized officers. It will be duty of the Sub Division to get checked each checking report from audit. No audit party/audit personnel shall be held responsible in case any such report is not got checked from audit or is not produced to audit. However, where a proper register of such checking is maintained, it will be duty and responsibility of audit to check cent percent checking report as entered in the register or pointed out the missing reports.
 - xiv. Each and every item entered in the SC&AR with reference to its correctness and admissibility. It would also be checked and verified that the same has been entered in the advice register and has duly been posted in the ledger.
 - xv. Revenue Cash Book, Remittance Register, Bank Ledger and Main Cash Book. Revenue collected during a month as per Revenue Cash Book shall be compared with the total realization posted in the ledgers as per payment
-

Audit Manual (Revenue Audit)

Final Listing (Date wise and group wise). The variation/discrepancies, if any shall be pointed out by the audit but the account-wise reconciliation shall be made by the Sub Division under intimation to audit.

xvi. Implementation of awards announced by the Arbitrators and the court cases decided by the courts of law.

8.3 The computer-billing agency is supplying below noted lists called exceptional lists. The action to be taken by the Sub Division on each list is explained against each. The audit parties during audit inspection will check that the action as required to be taken in each list is taken promptly by the Sub Division and shall point out omission/irregularities/ discrepancies noticed, if any. In the cases where the loss of revenue is sustained due to non-action by the Sub Divisional staff a specific report will be made by the audit parties for initiating action against delinquents/person(s) at fault.

Sr. No.	Name of exceptional lists	Action to be taken by (OP) staff
1.	List of bills check before issue.	All such bills are required to be checked and where any discrepancy is noticed is to be corrected before the same is issued i.e. delivered to the consumers. This is required to minimize complaints regarding issue of incorrect bills to the consumers.
2.	Faulty/ defective meters.	Copies of these lists should be immediately passed on to SFM/FM I/c area for verification of the meter. Where the meters are found faulty/defective/burnt/glass broken/ M&T seals broken, the same should be replaced immediately
3.	Meter Burnt.	and where working of meter is found within permissible

<p>4.</p> <p>Meter Glass Broken.</p>	<p>Glass Broken.</p>	<p>limit, the corrective advice is to be sent to billing center.</p> <p>It is also to be verified and checked that the average/adhoc units billed to the consumer are not less than actual consumption recorded by the meter even if it is faulty. In such cases difference should be charged immediately to avoid accumulation of dues and average units based on the connected load/reasonable consumption should be got enhanced besides immediate replacement of the defective/faulty meter.</p> <p>The adhoc charges billed by the Computer Center are always provisional charges and the consumer account is required to be overhauled as per instructions contained in SMI-4.14 i.e. on the basis of average consumption recorded during corresponding months of preceding year, failing which average consumption of preceding 6 months failing which average consumption of preceding 3 months for meter being defective. In case no reasonable base is available or the available base is less than 3 months the consumer account is to be overhauled on the basis of average consumption of succeeding 3 months after installation of a correct meter.</p>
<p>5.</p> <p>M&T seals found broken.</p>	<p>M&T seals found broken.</p>	<p>The actual reading shall be got verified through SFM/FM Incharge of area and further action shall be taken as per report of finding.</p>
<p>6.</p> <p>Negative reading.</p> <p>7.</p> <p>Dial over.</p> <p>8.</p> <p>High/Nil /low consumption.</p>	<p>Negative reading.</p> <p>Dial over.</p> <p>High/Nil /low consumption.</p>	<p>The consumption of the consumer shall be got ascertained by issue of notice of assessment or through SFM/FM Incharge of area. Where the reading cannot be taken even after issue of notice/deputation of SFM/FM the supply</p>
<p>9.</p> <p>Provisional (PL) basis.</p>	<p>Provisional (PL) basis.</p>	<p>The consumption of the consumer shall be got ascertained by issue of notice of assessment or through SFM/FM Incharge of area. Where the reading cannot be taken even after issue of notice/deputation of SFM/FM the supply</p>

		of the consumer shall be disconnected from the pole and shall not be restored till reading is taken. In case the consumer does not come forward for concurrent two billing cycles after temporary disconnection of supply his premises shall be disconnected permanently. In no case the premise should be allowed to be shown as locked for 6 months concurrently.
10.	Meter and /or Reading correction	The bills issued before and after making correction in the previous data/master data file shall be checked to ensure its correction.
11.	PDCO/RCO/St atus change cases	All the cases appearing in this list are to be checked to ensure its correction and charging of additional amount/average charges, if any, under the existing instructions.
12.	List of new connections	The particulars entered in the master data file at the time of starting of billing is shown through this statement. It shall be checked that the billing has been raised from actual data of connection and that all the particulars of consumer as entered in the master data file are correct.
13.	Meter change cases	The final reading as well as new initial reading shall be verified to ensure its correction. It shall be further checked and ensured that where any additional amount including average charges is required to be charged the same is charged. The cases in which the meter has been changed being defective and which were being billed on 'PL' basis are to be checked with care to ensure that the PL charges are not adjusted by the computer. In such cases, the consumer account is to be overhauled as per provisions of SMI-4.14 and the provisional charges are to be adjusted only at the time of overhauling of consumer's accounts.

Audit Manual (Revenue Audit)

14.	List of defaulters	A list of such consumers who were issued bills in the last month and have not made payment is being supplied alongwith each billing cycle. For example while issuing the bills for cycle 21 the list of defaulters for cycle 11 is supplied. The Sub Division shall examine these lists and take action to get realized the payment by issue of TDCO/PDCO. A list involving defaulting amount more than a specific amount can be obtained from the computer center on specific request.
-----	--------------------	---

8.4 The checklists as under are supplied by the computer-billing agency regarding realization of amount as posted in the computer ledger. The action required to be taken on these lists is explained against each. The audit parties shall check these exceptional lists on cent percent basis and shall point out omission/irregularities etc. if any.

1. Payment first listing	<p>These lists can be considered as a print out of CCR Book/Bank Challan as the case may be. These lists are generated batch card wise and date wise. The Sub Division is required to check that the amount as shown in payment first listing agrees with the amount shown in the CCR Book. In case there is any difference in the amount as shown in the check list and amount shown in the CCR Book/Bank Challan, the account wise discrepancies is to be ascertained and the mistake is to be set right through SC&AR. Necessary remarks has also be recorded in these check list to avoid duplicity.</p> <p>These lists shall be properly maintained in a separate folder.</p>
2. Payment final	The amount as shown in the payment first listing is

listing (Ledger-wise and data wise)	segregated ledger wise and group wise. Through these statements the amount to be posted in the ledger at the time of next billing cycle is shown. In other words only the realization as appearing in the payment final listing should be found posted in the ledgers. These check lists therefore should be maintained ledger wise or should be placed with ledger. These check lists are much important and require double-checking. All the entries of this checklist must appear in payment first listing and all the realization posted in the ledger must appear in these check list. The Sub Division shall therefore, carry out the checking of the same accordingly.
3. Payment final listing (Group-wise & date wise abstract)	Group-wise and date wise totals of payment final listing are shown in this list. This list is generated at the time of each billing cycle or for the batch cards submitted by the Sub Division. As such, at least 4 lists are supplied during a month. Reconciliation of cash realization as posted in the consumers ledger and amount received as per Revenue Cash Book can be made only with this statement. These lists are, therefore, required to be maintained in a separate folder.
4. Check list of SC&AR (JE List)	The amount debited/credited to the consumer account through SC&AR is shown in this checklist. It is therefore, required to be checked that all the entries made in the advice register appears in the check list and vice versa only the amount as shown in the advice register is appearing in the check list. Further in ledger also all the items appearing in the checklist and vice versa only the amount appearing in the checklist should be found posted. These lists should also be placed with ledgers.

- 8.5 In addition to above checking the audit party shall also carry out following checking:-
- (a) Compliance of audit observations raised during previous audit inspections through audit note(s) if specifically asked to do so.
 - (b) Realization of revenue audit paras issued by IAPs/RAPs and reporting of it to Headquarter.
 - (c) Watching of compliance of instructions issued by the Nigam in the Sub Division. The cases in which financial loss is involved shall be reported to Headquarter through a specific report.
 - (d) Checking on other points as assigned by Headquarter from time to time.
- 8.6** The points which require checking by the Internal Audit Parties have been incorporated in the checklist for audit of consumers' accounts and are placed at Annexure-"A". The checklist is not exhaustive but is illustrative only. The Audit Parties should update the checklist and add all those points which they detect and found worth to include in the checklist.
- 8.7** Each item of the record checked by the Manager/Assistant Manager/Audit or his Audit Clerks should invariably be ticked with audit pencil. The audit certificate as below should be recorded by the Manager/Assistant Manager/Audit under his dated signature on all the records audited by the audit party. The Audit Clerk should also put his dated signature under the audit certificate on the records checked by him. In case a record or document is audited partly by the Manager/Assistant Manager/Audit and partly by the Audit Clerk/ Clerks, the portion checked by each should be specified in the audit certificate.
-

AUDITED Dated Signature of Member of Audit Party

(Date and Signature should be in ink)

Note: - It should be clearly understood that a certificate of check recorded by an Audit Clerk on the record checked by him does not absolve the Manager/Assistant Manager/Audit of his responsibility of proper scrutiny and supervision of the audit work as a whole.

- 9. Distribution of duties amongst the members of the audit party:** The Audit Parties are expected to work as a team and shall be solely responsible for the cent per cent audit of consumers' accounts, but in order to fix responsibility in case of delinquencies in audit work on the part of the various members of the audit party the duties of the Manager/Assistant Manager and the audit clerks with regard to the checking of consumers' accounts/records are distributed as under: -

- 9.1 The Manager/Assistant Manager/Audit should check the following records:-
- (I) Software audit by checking the bills on random basis.
 - (II) All Job Orders viz. Service Connection Orders, Reconnection Orders, Disconnection Orders, Meter Replacement Orders, Sundry Job Orders etc. etc.
 - (III) General/Main Cash Book, Revenue Cash Book and Remittance Register.
 - (IV) Cases of new consumers with relevant records.
 - (V) All checking Reports of M&P, Vigilance wing and Operation staff.
 - (VI) Registers of [1] variation of energy, [2] dismantlement of permanent and maintenance works and [3] Street Light.
-

Audit Manual (Revenue Audit)

(VII) All refund cases allowed during the period of audit.

In addition to the above it will be the duty of the Manager/Assistant Manager/Audit to write Audit Reports and exercise general scrutiny and supervision over the work of the audit clerks.

9.2 The Audit clerks should check the following records: -

- a. Ledgers – all exceptional/checklists issued/supplied by the billing agency while issuing the ledger/bills.
- b. Checking of all advices sent to the billing agency/section with the originating record and posting of the same in the ledgers.
- c. Consumers' Cash Received Book with duplicate copies of Receipts (From-04).
- d. Consumption Security Register (including the opening balances)
- e. Sundry Charges and Allowances Register
- f. Service Register
- g. Reconciliation of cash realizations posted into the ledgers with the amount received as per Revenue Cash Book
- h. Abstract Returns
- i. Measurement Books
- j. Connected Load Registers (general scrutiny and check of some items at random).

Note: (I) All Manager/Assistant Manager/Audit must abide by the above duty list, in case, however, a Manager/Assistant Manager incharge of Audit Party has to make any deviation from the same due to some cogent reasons, he may do so, but he must record the fact of his having done so, giving reasons for the change in the Daily Progress Register which

Audit Manual (Revenue Audit)

is being maintained by the audit party. He should also intimate to the Head Office about the same at the end of the month.

- (II) Half margins in respect of all omissions and irregularities should be written by the respective members of the party in respect of the records checked by each and not by one member only on behalf of the others.

9.3 In the above duty list of the audit clerks no demarcation has been made in the duties of the two audit clerks. It is expected that the Manager/Assistant Manager/Audit of each party would distribute the work between his audit clerks on a fair basis and according to his judgement in the best interest of the work.

10. Form of Forwarding Memo/Audit Report: The Forwarding Memo/Audit Report should be prepared on the prescribed computerized format copy of which is placed at Annexure- 'B'. The Audit Party should make a copy of the Forwarding Memo/Audit Report of the format before preparation of report. So that copy of the format is always available with the party and the same is not overwritten.

10.1 The Forwarding Memo has been designed in such a way that all the information on the audit conducted by the Audit Party is reported to headquarter. As such it is desired from the Audit Parties that all the information is filled in correctly and no column is kept blank. In case any column of the Forwarding Memo is kept blank, it will constitute non checking on the related point by the Audit Party and action shall be taken accordingly.

Audit Manual (Revenue Audit)

- 10.2 Whenever deemed necessary, confidential reports of irregularities of serious and important nature should be sent to the Head-quarter addressed to the Chief General Manager/Audit or Deputy General Manager/Revenue Audit by name.
- 10.3 All the cases of irregularities/omissions noticed in upkeep and maintenance of consumers' accounts must be reported to headquarters through a separate letter addressed to CGM/Audit or DGM/revenue Audit.
- 10.4 All the half-margins issued during the audit and returned by the Sub Division should be incorporated in the Forwarding Memo. The Half margins dropped on the reply of the Sub Division/Office should not be incorporated in the Forwarding Memo but should be submitted to headquarters for scrutiny and record. The Audit Report of all the half-margins of difference of opinion between audit and Operational staff should be prepared and submitted to headquarters alongwith Forwarding Memo for scrutiny and further action. The Audit Report should be prepared with care so as to avoid further correspondence and decide the issue at the earliest. The observations made by the audit, reply submitted by the Sub-division/office on the observations raised by the audit and the point of disagreement dully supported with facts/instructions should be clearly mentioned/incorporated in the audit report. Wherever required, the supporting documents should also be annexed to the Audit Report.
- 10.5 Points of little or no importance should not be including in the Audit Report.
-

Audit Manual (Revenue Audit)

- 10.6 The Audit Note will be written from the half margin concerned embodying the original objection, the Sub divisional Officer's reply and further remarks by the Incharge of Audit Party.
- 10.7 At the completion of the audit, the Audit Note should be delivered to the Sub divisional Officer and his acknowledgement, stating the total number of items and pages, obtained. No copy of the audit note should be kept by the Audit Party nor should a copy be sent to the Head-quarter by the Audit Party.
- 10.8 The Audit Report together with all the half margins and the acknowledgement referred to in the preceding sub-paragraph should be submitted to the Head-quarter for further disposal. The report should be written neatly in a polite language so as to avoid any offence to the Sub divisional Officer, the gist of whose reply should also be embodied in it. It should be arranged under suitable headings. The real underlying idea is that the audit reports should be so brief as to involve the minimum amount of additional work on the staff of the Sub divisional offices audited. They should be written in such a manner as to prove instructive and educative, without any offence to the staff. This aim can be achieved only by the goodwill and mutual co-operation between the auditors and the staff of the Sub division being audited. Every body connected with the work should, therefore, develop in himself a sense of such a co-operation.
- 10.9 The efficiency of an Internal/Revenue Audit party would be judged as much by the improved standard of the accounts work done by the clerical staff employed in the various Sub divisional offices which they inspect as any other thing. The ultimate aim of every Audit Party should be to educate the Sub divisional
-

Audit Manual (Revenue Audit)

staff in such a manner as to improve the standard of efficiency of their accounts so that in due course of time it should be possible for the audit party to the state in their report that the accounts have been audited and every thing has been found correct and in order. The Sub divisional Officers should, therefore, afford every facility to the Audit Parties, in carrying out their work, and full co-operation should be shown to enable them to complete their audit satisfactorily within the limited time at their disposal.

10.10 The audit note duly replied to should be sent by the Sub divisional Officer concerned to the concerned Audit Party within a fortnight from the date it is delivered to him.

11. Action to be taken at headquarters: On receipt of the Forwarding Memo/Audit Report from the Audit Party the same shall be scrutinized at the Headquarters and the report of findings relating to the office audited will be prepared. The report shall be put up to The DGM/Revenue Audit dully commented and highlighting the under-assessment detected & got charged, details of half margins pending with the office audited & under-assessment involved therein, status of upkeep and maintenance of consumers' accounts and revenue accounts, irregularities/omissions found committed and existence of internal Control in the sub-division/office. The DGM/Revenue/Audit shall pass orders regarding action to be taken on each point and also obtain approval/concurrence of the CGM/Audit wherever required.

11.1 The Draft Audit Report submitted, if any, shall also be scrutinized and the observations raised by the audit through half margin, the reply submitted by the operational staff and further observations made by the audit party shall be examined and

Audit Manual (Revenue Audit)

submitted to the DGM/Revenue Audit dully commented. The DGM/Revenue Audit may pass orders to take further action or submit the case to CGM/Audit for concurrence/approval of his orders. The CGM/Audit after careful consideration of the case may concur the orders passed by the DGM/Revenue Audit or record his own orders.

- 11.2 Further action on the Forwarding Memo/Draft Audit Report shall be taken by the office as per orders recorded by the DGM/RA or CGM/Audit as the case may be and the follow up action shall be taken till the case is finalized.
 - 11.3 The irregularities/omissions/shortcomings as reported by the audit party shall be conveyed to the concerned AGM/SFM with a copy to DGM/GM concerned, asking to set right all the omissions/shortcomings/irregularities and submit the compliance report within a stipulated period. In case the irregularities/omissions etc. are not discontinued and are repeated in the sub-division/office, a report of the same shall be prepared and put up to CGM/Audit for taking up the matter with higher authorities or to report the facts to management.
 - 11.4 The Objection Book of all the revenue audit Paras shall be maintained at the headquarters. For the better management the Paras shall be classified into [a] Minor Para [b] Major Para and [c] Paras of Serious Nature involving fraud/embezzlement/misappropriation of revenue. The financial limit of Petty, Minor & Major under-assessment shall be fixed by the CGM/Audit from time to time. Where any item is placed in the Objection Book of Paras of Serious Nature; the name of the officer/official involved in the Para as well as extent of his responsibility shall also be
-

Audit Manual (Revenue Audit)

recorded in the Objection Book and vigorous pursuance shall be made till its finalization. The realization of amount of Minor/Major Paras shall be watched regularly and the vigorous pursuance shall be made till realization/settlement of Para.

- 11.5 The amount got charged by the audit cannot be refunded without concurrence of audit. In case after charging of the amount to consumer's account, it is noticed that the amount is not chargeable, the AGM/SFM concerned shall prepare a detailed case along with the documentary evidence on the basis of which the amount is not found chargeable and shall put up the case to the audit party concerned for verification of facts and recording his comments. The detailed case duly verified and commented by the concerned audit party shall be submitted to CGM/Audit for approval of withdrawal of Para from the Objection Book and according concurrence for refund.
- 11.6 There may be certain cases in which the amount charged to the consumer's accounts on the behest of audit is objected by the consumer on one pretext or the other. In such case the AGM/SFM concerned shall prepare a detailed case quoting the instruction as well as his comments as why the amount in question is not chargeable and submit the same to the authority competent to decide the same under Sale Manual Instruction No-5.18 for deciding the case. The competent authority will pass well speaking order in the case. After the case is decided by the competent authority, if any amount becomes refundable, the concerned AGM/SFM shall submit the case duly verified and commented by concerned audit party to CGM/Audit for concurrence. The case shall be examined at headquarters and shall be submitted to CGM/Audit for decision through DGM/RA.
-

11.7 There may be other cases in which no audit observations are involved but refund is to be allowed as per Award of Arbitrator, decision of Court of Law/competent authority, the refund shall be allowed without pre-audit in case amount to be refunded is up to Rs.50,000/-. Such cases shall be post audited during the next visit of the audit party in the sub division/office. Where the amount to be refunded is more than Rs.50,000/- but up to Rs.5,00,000/- the refund shall be allowed only after getting the same pre-audited form the concerned audit party. The cases of refund above 5 lakhs shall be referred to headquarters for pre-audit.

12. Duties & responsibilities of AGM/Revenue Inspection: The AGM/Inspection Revenue) is responsible to carry out the checking of the work done by the Internal Audit Parties / Revenue Audit Parties as well as status of upkeep and maintenance of consumer accounts in the Operation Sub-Division/Sub Office. To ensure that the assessment /realization of revenue and other statistical returns relating to revenue audit are incorporated in the monthly cash accounts correctly, the AGM/Inspection may also inspect the Divisional Office and check/compare the figures as incorporated in the monthly accounts in the Division with the actual figures of the assessment, realization, line losses etc. of Sub-Division/Sub Office. Another important duty of the AGM/ Inspection is to review all outstanding revenue audit paras and advice/suggest to the field offices for settlement of the same. As such while framing the tour programme of the AGM/Inspection, the no. of paras outstanding in the Sub-Division / Sub Office shall be taken into account. The inspection of Sub Division where number of paras outstanding and amount involved is on higher side shall be got inspected first and there-after the inspection of other offices shall be

carried out where number of paras outstanding and amount involved is smaller.

AGM/ Inspection shall check all the outstanding paras with following criteria:-

- a) Whether the amount was posted to consumer accounts immediately after the same amount was charged through SC&AR and there was no delay in posting of the amount in ledgers.
 - b) Whether the Sub-Division has taken proper action in regulating the amount involved and has issued TDCO / PDCO promptly.
 - c) Where the amount could not be recovered realized due to any dispute and/or the recovery has been stayed by any appropriate authority, the AGM/Inspection shall check whether the amount is actually chargeable to the consumer account or not. In case the amount is not chargeable and the same is required to be withdrawn/refunded, the AGM/ Inspection will examine the case with reference to instructions/documentary evidence and will accord concurrence for withdrawal for the same at site if the amount involved is upto Rs.2500/- and will recommend the same for withdrawal and concurrence approval in case the amount involved is more than Rs.2500/-.
 - d) AGM/ Inspection shall make the report about the status and upkeep and maintenance of consumer accounts in the office inspection and highlight the deficiencies through his Inspection Note.
 - e) As far as possible, AGM/ Inspection will discuss all the issues with the AGM/SFM Incharge of office and record Minutes of Meeting and obtain signatures of the SDO on the discussions held. The decision taken in the meeting shall be maintained at H.Q level till the compliance is made by Sub-Division / Sub Office.
 - f) AGM/ Inspection shall prepare his Inspection Note highlighting the deficiencies/shortcomings noticed in the upkeep and maintenance of consumers' accounts, non-observance/non-compliance of the
-

instructions issued by the Nigam from time to time and shall submit the same along with his recommendations about the improvement in the office work in case anything adverse is noticed by him during his visit.

- g) The AGM/Inspection shall submit his report on the performance of IAP/RAP on the Performa prescribed for the same.

13. Disposal of Audit Report and Audit Notes: Where orders are passed by the Head-quarters to the effect that the compliance with the instructions or removal of defects or objections should be verified by the Internal Audit Party concerned on his next visit to the sub division, the Audit Report or the Audit Note, as the case may be, should be retained in the Sub divisional office concerned till the arrival of the Internal Audit Party to whom the Audit Report or Audit Note should be put up with relevant documents for his verification. The Internal Audit Party should then report to the Head-quarter, in a separate memorandum, the fact of his having made the verification and the state in which the documents were found. A note to the effect that verification has been made should also be recorded by him on the Audit report or Audit Note concerned.

Annexure-'A'

DAKSHIN HARYANA BIJLI VITRAN NIGAM	
OFFICE OF THE CHIEF GENERAL MANAGER/ AUDIT HISAR	
General Instruction for carrying out audit of consumers' accounts.	
<p>Note: These are the general instructions for guidance of audit parties. As such these instructions are not exhaustive and are illustrative only. Members of audit team are advised to refer the Manual of Audit, Standing/Executive Instructions issued by this office and other relevant instructions issued by the Nigam from time to time.</p>	
A	Cash and Cash Account
1	Check physical cash balances in Chest and compare with balances as per both Cash Books on the first day of visit and once/twice again during the visit.
2	Check the posting made in the Revenue Cash Book with reference to the CCR Books, HESL, Bank Scroll, TSI, Easy Bill, other collection agencies and BA-16 Receipt Books used during the period of audit.
3	Check and reconcile the amount remitted into bank as per revenue cash book/remittance register with the statement of remittance supplied by the bank.
4	Check and ensure that entry of all the dishonored cheques has been made in the Revenue Cash Book and further action to recover the amount from consumer has been taken. In case the posting of realization has been found made in the ledgers, check and ensure that the amount of cheque alongwith surcharge has been debited to the consumer account through SC&AR.
5	Check and reconcile the cash realization posted in consumers' ledgers with the amount received as per Revenue Cash Book.
B	Checking of New Cases.

Audit Manual (Revenue Audit)

1	Check all applications for new connections received during the audit period with reference to the charges recoverable at the time of receipt of application? Also check that all the documents required to be submitted alongwith A&A Form, including proof of ownership and certificate of premises not being defaulter has been obtained and placed in the Consumer Case File. Also check that the amount shown paid on the A&A agrees with the amount actually received as per BA-16 receipt.
2	Check all cases of release of new connections with regard to:-
	Completion of Service Register, Test Report Register etc.
	Preparation & sanction of estimate for release of connection and actual expenditure incurred on release of connection.
	Correct and full cost of service line worked out, entered in the Electrical Measurement Book and verified by the AGM in case of Industrial, AP and Bulk Supply connections and other SOP cases.
	Updating of Connected Load Register.
	Recovery of all charges recoverable under the instructions prevailing at the time of release of connection.
	Starting of billing immediately after release of connection with actual reading.
C	Checking of cases of extension/reduction of load/Contract demand
1	Check if the charges prescribed for the extension/reduction of load has been calculated and charged correctly and got deposited.
2	Check that the revised load/Contract demand has been entered in ledger/updated in master file and billing has been started on the revised load/Contract demand.
3	Check that the meter rent has been revised if meter/metering equipments were changed.

Audit Manual (Revenue Audit)

4	Check that the MF has been recalculated and entered in master data file/ledger and billing started on correct MF if meter and/or CTs/PTs were changed.
D	Checking of M&P Checking report.
1	Check whether all CT/PT meters have been checked within the prescribed period?
2	Check whether the working of the meter has been declared within permissible limit and status of all seals has been reported ok?
3	Check whether the MF as worked out by the M&P and entered in ledger is same and billing is being made correctly?
4	Check whether the consumer has been charged correctly where the loss of revenue was observed/reported.
5	Check that the penalty for exceeding the contract demand has been charged correctly, where MDI was reset after exceeding beyond permissible limit.
6	Check whether notice has been issued and action for clubbing of load has been taken where more than one connection has been reported in the same premises. Also check that the billing is made on the basis of clubbed load in case consumer has not submitted documentary evidence for eligibility of having separate connection in the same premises.
7	Check whether the observations raised in the checking report has duly been complied by the S/Division and/or got complied from consumer? Also check that there is no loss/apprehension of loss in case observations were not attended properly.
E	Checking by vigilance and other checking agencies/staff (LL-1)
	Check that the assessment of loss to the Nigam and compounding charges (Civil & Criminal Liabilities) has been made correctly, notice

	has been issued to consumer under proper acknowledgement or through approved mode and the FIR has been lodged in all theft cases. Also check that the proper action for the recovery of charges has been taken by the Sub-Division.
F	Checking of Sundry Job Orders (SJOs) i.e. SCOs, RCOs, MCOs, TDCOs, PDCOs
1	In case of SCO check and verify from the consumers ledgers that Initial Reading, Connected Load, Date of Connection etc. has correctly entered in the advice sent to billing section and the same has correctly entered in master data.
2	In case of RCO check and verify from the consumers' ledgers that Initial Reading, Connected Load, Date of re-connection etc. has correctly entered in the advice sent to billing section and the same has correctly entered in master data. Also check and verify that the category, load, site & all other conditions of supply are the same as were before disconnection and no alternation has been allowed. Also check that the MMC from the date of disconnection to date of RCO has also been recovered.
3	In case of MCO check and verify from consumer ledgers that Final Reading of old meter, initial reading and MF of new meter has correctly been entered in the ledger and future billing has been made correctly. Also check and verify that the average charges for the defective period, billing upto final reading & other charges chargeable, if any, have correctly been charged.
4	In case of TDCO on default check and verify that Final Reading of the meter has correctly been entered in the ledger and billing has been made correctly. Also check that the surcharge for the next six months or date of dismantlement of service line whichever is earlier has been charged. Further check that the security of the consumer has been adjusted and account has been closed in case consumer

	has not get restored his supply within six month of TDCO.
5	In case of TDCO on consumer request check that the billing for the month in which temp. disconnections was allowed has been made as normally. The billing for the next month is made on the MMC after allowing consumption upto MMC and thereafter the billing is made on double of tariff rate applicable (without levy of MMC). Also check that the consumption during the months of disconnection (excepting month of disconnection and next) is not exceeds to the extent of 5% of average consumption recorded during preceding six month (or less if not available) and if exceeded the billing has been started as normal from that month. Also check that no consumption is allowed after TDCO where separate NDS connection has been allowed.
6	In case of PDCO check and verify that the billing upto final reading has been made, dismantlement of the service line has been made and the dismantled material has been entered in Dismantlement Register (CA-104), dues outstanding has either been paid by the consumer or the same has been recovered by adjusting the consumer's security and notice has been issued for recovery of balance amount, if any. Also check that proper action for recovery of the defaulting amount is being taken.
G	Checking of consumers' ledgers
1	Check that the tariff rates as made applicable to each category of the consumers are correct and all component of Schedule of Tariff has been made applicable and nothing has been left out.
2	In the case of HT consumers check that the LT Surcharge, Steel Furnace Surcharge, penalty for low power factor, penalty for exceeding the contract demand has correctly been charged where it was applicable. Also check that where metering is on LT,

	consumption has been increased by 3% on account of transformation losses.
3	Check all cases of minus billing as reported through exceptional report/MIS so as to ensure that the minus billing is due to genuine reasons and not otherwise.
4	Check all cases of dial over (round complete), high consumption, nil consumption as reported through exceptional report/MIS so as to ensure that the same are due to genuine reasons and not otherwise.
5	<p>Check all cases of faulty/defective meters as reported through exceptional/MIS reports so as to ensure that the billing is being made on the average charges correctly and prompt action is being taken for replacement of same. The average is to be charged highest of following:</p> <p>a. Consumption recorded during same month(s) of preceding year.</p> <p>b. Average consumption recorded during six months preceding to date of defect.</p> <p>c. Average consumption recorded during three months preceding to date of defect.</p> <p style="text-align: center;">In case none of the base as stated above is available, the consumer shall be charged on provisional basis and his account shall be finally adjusted on the basis of average consumption of succeeding three months after installation of correct meter.</p> <p style="text-align: center;">Provided that the consumer shall be billed on actual consumption in case the consumption recorded during the month is more then the average consumption worked out as above.</p>

	<p>It is however, clarified that the consumer can be charged on average basis for a period of not more than six months from the date of meter being defective/date of test. In case the consumer was not charged on average basis immediately after meter became defective and some amount cannot be charged being beyond six months the same shall be charged/recovered from officer/official at fault. It is also made clear that there is no limitation of period for charging on average basis after the date of meter being defective/testing of meter.</p>
6	<p>Check all case of meter burnt, Meter glass broken, M&T seal(s) found broken not only with regard to charging of average but also check that the proper investigation for meter being burnt, glass broken, seals broken has been made by the S/Divn and proper action has been taken. Also check that there is no apprehension of theft/loss of revenue and replacement of the meter has not been delayed in such case.</p>
7	<p>Check all the cases of premise locked and the cases in which the premises have been shown locked for more than three billing cycles and point out such cases asking to get the reading of such cases to avoid accumulation of revenue.</p>
8	<p>Check all advices sent to billing agency with regard to its correctness, genuineness, its posting and point out discrepancies, if any. Also check that the advices are sent after authentication by concerned AGM/Commercial Assistant and in token of authentication dated signatures are appended thereon.</p>
9	<p>Check that proper action to recover the defaulting amount from connected consumer is being taken in the sub division and TDCO/PDCO are issued and effected promptly and consumption/meter security of the defaulter is adjusted where the payment is not received even after PDCO.</p>

Audit Manual (Revenue Audit)

10	<p>Check that proper action to recover the defaulting amount outstanding from permanently disconnected consumers has been taken in the sub division by transferring the amount in other accounts of the same consumer or the connection existing in the same premises and LRA cases are prepared and submitted to recovery officer after observing usual formalities.</p>
H	Checking of SC&AR Register
1	<p>Check all entries made in the SC&AR with reference to correctness and also check that the same has been posted in the next billing. Where any amount has been charged to the consumer account check that the same has been charges correctly and as per instructions of Nigam and there is no under-charging. In case of refunds check that the refund allowed was admissible as per instruction, was allowed after observing usual formalities and approval of competent authority was obtained before allowing the refund. Also check that concurrence of audit was obtained before allowing the refund out of the amount charges on behest of audit.</p>
I	Checking of records of JEs/AFMs
	<p>Check all the record of JEs/AFMs which is directly/indirectly related to consumers' accounts viz. CA-21 & CA-22 are meant for maintaining of record of meters. Initial Reading of the meter when installed at consumer premises and final reading with meter status is entered when meter is removed from consumer premises. Form-4 is used to record the material received, labour charges paid for work. EMB is recorded for the material used on the work and CA-104 is used to record the material received from dismantled work. The audit party therefore, should check each relevant record while auditing other cases.</p>
J	Exercising of prescribed checks by the supervisory officers/staff

Audit Manual (Revenue Audit)

	Check that the checking prescribed for the supervisory staff is being carried out by them. The cases of losses of revenue should be examined with a view whether the loss could have been avoided in case the prescribed checks had been carried out.
K	Compliance of previous audit observations
	Check all the record which was not produced during previous visit or was pending for auditing.
	Check that the audit observations as raised during previous audit inspection have been attended & complied with properly.
	Check all the cases prepared under Dues Recovery Act (LRA Cases) put up during visit. Also check all refund cases put up for verification & comments and forward the same to CGM/Audit dully commented.
	Check that the under-assessment pointed out and charged by the S/Divn during previous checking has been posted in consumers' account in the next billing cycle.
	Check and report the realization of the under-assessment pointed out during previous visits and reported earlier.
Stamp(Seal)	



DAKSHIN HARYANA BIJLI VITRAN NIGAM
OFFICE OF THE CHIEF GENERAL MANAGER/ AUDIT
VIDYUT SADAN, VIDYUT NAGAR, HISAR-125005
 Phone-01662-220128 FAX: 01662223075
 Email: chiefauditor@dhbvn@gmail.com

www.dhbvn.com

AUDIT REPORT OF CONSUMERS' ACCOUNTS

Name of Office Audited			
Month (s) Audited		to	
Dates of Visit		to	
		to	
		to	

DETAILS OF ENCLOSURES

1	Enclosure- I to Enclosure-VII of the Audit Report.		
2	Half-margins relating to major paras issued and accepted by the S/Divn.		Nos.
3	Half-margins relating to minor paras issued and accepted by the S/Divn.		Nos.
4	Half-margins withdrawn accepting the reply submitted by the S/Divn.		Nos.
5	Half-margins not accepted alongwith comments, if not withdrawn.		Nos.
6	Copy of petty register (List of petty items)		Pages
7	List of omission/irregularities noticed, if any.		Pages
8			
9			
10			

Memo No: _____ **Dated:** _____
 Forwarded to the Chief General Manager/Audit, DHBVN, Hisar for further necessary action please.

SPACE FOR USE AT HQRS.			
Diary No			Sign. & Stamp (Seal)
Date			
Code No		Party No:	

DAKSHIN-HARYANABUJI VITRANINGAM OFFICE OF THE CHIEF GENERAL MANAGER/AUDIT										
Register of Half-margins issued by the Internal Audit Party										
HMNo	Date of Issue	Account Nb	Category	Name of consumer	Description of charges	Amount pointed out	Date of Return	Amount accepted	SC&AR ItemNb	Classification
						Total	0	0		

Audit Manual (Revenue Audit)

Enclosure-I							
 www.dhbvn.com	DAKSHIN HARYANA BIJLI VITRAN NIGAM OFFICE OF THE CHIEF GENERAL MANAGER/ AUDIT VIDYUT SADAN, VIDYUT NAGAR, HISAR-125005 Phone-01662-220128 FAX: 01662223075 Email: chiefauditor@dhbvn@gmail.com						
CERTIFICATE OF AUDIT							
Name of Office Audited							
Month (s) Audited	to						
Dates Of Visit	to						
<p style="text-align: center;">Certified that all the record required to be checked as per scope of audit and instructions issued through Audit Manual, Standing Orders/Executive Instructions have been audited and necessary audit observations thereon has been included in the Audit Report/Note. The Summary of the audit carried out is submitted as under:-</p>							
1.	The cash in the chest was checked & counted and found as under:	HM No. and date issued if any.					
	Date of checking		As per Cash Book	Actual in chest	Difference, if any		
	Revenue		General	Revenue	General	Revenue	General
Report on the Revenue collected Remitted into Bank. (RIB)							
Was deposited on the same date or on the next date ? Yes/No							
Average revenue cash kept in the chest during the month. Rs.							
2.	The entries of Remittance Register are signed by the AGM while handing over the cash for remittance and thereafter verification of remittance from pay-in-slips in the afternoon of the same day?						
	The MTO No. & date is obtained from the bank and entered in the remittance Register ?						
	Has AGM incharge has checked the remittance made and shown in Revenue Cash Book with RIB Statement submitted to CGM/Finance and Bank Ledger?						
	Has any irregularity in remittance observed? If yes, attach report. Yes/No						
Report on checking of Revenue Cash Book, CCR Book and General Cash Book.							
Checked all cash books and found written & maintained as per instructions? Yes/No							
Observed any cutting/overwriting without attestation? Yes/No							
Observed any wrong totaling? If yes, attach report? Yes/No							
3.	All cheques dishonored by bank found entered in the Revenue Cash Book and debited to consumers' account.						
	Checked the amount transferred to General cash Book and found correct?						
	Checked all entries made in Revenue Cash Book with Receipt Books and subsidiary Books and observed any difference resulting into embezzlement? If yes, attach report. Yes/No						
	Report on the reconciliation of Cash Realization posted in consumers' ledger.						
Reconciliation of Cash Realization posted in consumers' ledgers found made? Yes/No							
If found reconciled, please supply following details.							
4.	Amount of cash realization posted in ledgers	Rs.					
	Amount received as per abstract of CCR Books/Revenue Cash Book	Rs.					
	Amount found un-posted, less/excess Posted and adjusted through SC&AR	Rs.					
If not reconciled, HM No. & Date vide which omission pointed out.							

Audit Manual (Revenue Audit)

5	Checked the statement of assessment & realization as submitted to Division and incorporated in the monthly accounts and category-wise break-up and found in order? If not, attach report.		
Report on checking of Sundry Charges & Allowance Register.			
6	All the refunds found allowed after having approval of competent authority, where required and observing all usual formalities?		
	Checked correctness of all items and found correct/in order?		
	All the items found posted in consumers' ledger without any delay?		
	Abstract of SC&AR found prepared and tallied with the amount posted in ledgers?		
Report on checking on new connections:			
7	Checked all the applications received during the period of audit and charges recoverable at the time of applications found recovered correctly?		
	Checked the consumers case files of all connections released during the period of audit and observed:		
	All documents required to be submitted including proof of ownership and certificate of premises not being defaulter were obtained and has been placed in file?		
	The actual cost of release of connection is not more than + - 5% of estimated cost?		
	All charges recoverable for release of connection stands recovered?		
	Advice found sent/billing found started immediately after release of connection?		
	Report on the omissions/irregularities/short recoveries made/attached?		
Report on Checking by M&P Organization.			
8	Total connections having CT/PT Meters in the Sub Division.		Nos.
	Connections required to be checked during the audit period.		Nos.
	Connections checked within the stipulated period.		Nos.
	Connections checked but after due date (Over delayed in checking).		Nos.
	Connection due for checking but not checked till close of audit. (attach list)		Nos.
	Cases of loss of revenue reported through checking reports.		Nos.
	Accounts overhauled and amount charged by the sub- Division.	Rs.	
	Additional amount got charged by the audit, if any.	Rs.	
	Accounts not overhauled by sub-division and amount charged by audit.	Rs.	
Loss of revenue, if any, due to over delay in checking. (Attach list)	Rs.		
Report on checking by Vigilance, (OP) & other agencies.			
9	Total Nos. of connections checked & LL-1 issued.		Nos.
	Amount charged by the sub-division on the checking reports & recovered.	Rs.	
	Amount charged but appropriate action for recovery not found taken.	Rs.	
	Less amount charged by S/Divn. & now got charged by audit.	Rs.	
Amount not charged by the S/Divn. & got charged by audit. (Attach list)	Rs.		
Report on checking of job orders.			
10	All the job orders issued during the period of audit and the SJOs pending for audit since previous audit (excepting as mentioned in Column-5 of Enclosure-III) has been audited and the amount chargeable, if any, has been pointed out through HMs/Audit Note.		
Report on checking of consumers' ledgers.			
11	Nos. of HT consumers where trivector meters have not been installed or are defective. (Attach list)		Nos.
	Nos. of LT Industrial connections where CT operated meter should have been installed but not installed or are defective. (Attach List)		Nos.
	Nos. of connections where meters are lying defective for more than six months.		Nos.
	Whether appropriate action was taken for replacement of defective meters.		
	Nos. of cases of Meter Seals Broken, Glass Broken and other tampering with meter reported but neither investigations made nor meter replaced.		Nos.
	Nos. of connections where billing has been made on premises locked basis for more than three cycles and no action to access the consumption has been taken.		Nos.
	Nos. of cases where TDCO/PDCO were not issued for recovery of the defaulting amount.		Nos.
	Nos. of TDCO/PDCO issued but not effected and defaulting amount not recovered.		Nos.
	Nos. of cases where PDCO issued but Security not adjusted.		Nos.
	Nos. of cases where PDCO issued but no action for recovery of defaulting amount taken.		Nos.
Any other irregularity/omission noticed and report attached?			

Audit Manual (Revenue Audit)

12	Whether the checks prescribed for the supervisory staff on the consumers accounts, cash accounts and advice sent to billing agency are being carried out and internal control over the functioning of all staff exits? In case of negative report include in irregularities/omissions noticed.														
13	Whether the Feeder Manger incharge of the area, concerned AGM, DGM and GM (OP) has carried out the checking of meters as prescribed for them under SMI-4.3(2)? If not, attach report.														
14	Whether AGM (OP) and DGM (OP) have checked the MF of all CT/PT meters as per norms prescribed for then? If not attach report.														
15	Audit note for less important points detected during visit issued and compliance of points raised through previous audit note checked.														
<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 35%;">Name of Auditor</th> <th style="width: 35%;">Designation</th> <th style="width: 30%;">Signature</th> </tr> </thead> <tbody> <tr> <td>1. Sh.</td> <td></td> <td></td> </tr> <tr> <td>2. Sh.</td> <td></td> <td></td> </tr> <tr> <td>3. Sh.</td> <td></td> <td></td> </tr> </tbody> </table>				Name of Auditor	Designation	Signature	1. Sh.			2. Sh.			3. Sh.		
Name of Auditor	Designation	Signature													
1. Sh.															
2. Sh.															
3. Sh.															
Name of Incharge:			Party No: 												
Signature:															
Stamp/Seal															
Remarks: Audit parties are advised to make report on all points through a single report titled "Irregularities/Omissions Noticed?"															

Enclosure-II			
DAKSHIN HARYANA BIJLI VITRAN NIGAM OFFICE OF THE CHIEF GENERAL MANAGER/ AUDIT HISAR			
STATEMENT OF RECORD AND DOCUMENTS NOT PRODUCED BEFORE AUDIT PARTY			
Part-A			
Record/documents related to current audit inspection not produced			
Sr. No.	Particulars of record/documents not produced	Reasons given for non-production	Name of official responsible
1			
2			
3			
4			
5			
Part-B			
Record/documents related to previous audit inspections not produced			
Sr. No.	Particulars of record/documents not produced	Reasons given for non-production	Name of official responsible
1			
2			
3			
4			
5			
Part-C			
Record/documents produced but could not audited			
Sr. No.	Particulars of record/documents produced but not audited	Reasons given for non-auditing	
1			
2			
3			
4			
5			
Certified that the incharge of the office has been asked (Vide Memo No & Date Mentioned below) to direct the concerned official to arrange and produce the record as stated above during next inspection and copy of the same has been endorsed to the concerned DGM (OP) Division with a request to take suitable action against the officer/official responsible for non-production of record. Memo No Date vide which Non-Production of Record Conveyed 			
Stamp (Seal)			

Enclosure-III								
DAKSHIN HARYANA BIJLI VITRAN NIGAM OFFICE OF THE CHIEF GENERAL MANAGER/ AUDIT HISAR STATEMENT SHOWING NUMBER OF JOB ORDERS ISSUED, PRODUCED, AUDITED AND PENDING FOR AUDITING								
Sn.	Description	SCOs	RCOs	MCOs	TDCOs	PDCOs	SJOs	Total
1	Pending for audit as per col-5(c) of the previous forwarding memo/Audit Report							
2	Issued during the period of audit provided							
3	Total (1+2)							
4	Nos. of job orders audited during the inspection							
	Nos. of job orders pending for audit							
	a. Nos. of Job orders not produced							
	b. Produced but could not audited							
	c. Total							

Certified that the incharge of the office has been asked (Vide Memo No & Date Mentioned below) to direct the concerned official to arrange and produce the Job Orders as stated above during next inspection and copy of the same has been endorsed to the concerned DGM (OP) Division with a request to take suitable action against the officer/official responsible for non-production of record.

Memo No Date vide which Non-Production of SJOs Conveyed

List of job orders not produced and produced but pending for audit should be enclosed invariably.

Stamp (Seal)

Audit Manual (Revenue Audit)

Enclosure-IV			
DAKSHIN HARYANA BIJLI VITRAN NIGAM OFFICE OF THE CHIEF GENERAL MANAGER/ AUDIT			
Input Statement No-1	Month	1/1900	
A. Introduction:			
1		Code No	
2		Diary No	
3		Date	
4	Party No.		
5	Month(S) Audited		
6	Date(s) of visit		
B. Abstract of Minor Objection Book		Nos.	Amount
7	Issued during the visit (Debit)		
8	Transferred in (Debit)		
9	Withdrawn (Credit)		
10	Transferred out (Credit)		
11	Realized (credit)		
C. Half Margin Account		Gen. Nos.	Evaluated Amount
12	Pending from previous visit(s).		
13	Issued during audit		
14	Returned & accounted for		
15	Pending with Sub Division		
Break-up of pending Half-margin			
16	Less than three months		
17	More than 3 months but less than 6 month		
18	More than 6 months but less than year		
19	More than one year		
D. Cause-wise break-up of under-assessment detected & got Charged			
20	Wrong application of Tariff/wrong billing		
21	Wrong calculation of consumption/Omission of MF		
22	Non/less charging of penalty for MDI/Unauthorized load		
23	Non/less charging of LT Surcharge/steel furnace surcharge		
24	Non/less charging of LPF Penalty/Capacitor Surcharge and Excess PF rebate.		
25	Non/less levy of average charges		
26	Non-issue of bills		
27	Non/less charging during temp. disconnections		
28	Non/less charging on M&P Checking Reports		
29	Non-less charging on checking of Vigilance & others (LL-1)		
30	Unauthorized/irregulars refunds found allowed		
31	Non/Less recovery of charges recoverable at the time of release of connection. (FSC, Development Charges, Share cost/Inspection Charges, Consumption/Meter Security etc.)		
32	Non levy/recovery of the charges introduced during the period of audit through Sale Circulars/Instructions		
33	Other reasons (Non-Classified)		
34	Total	Para	Amount
35	Half-margins returned as un-accepted but reply not found satisfactory. Audit report attached.		
Abstract of UA Accepted		Para	Amount
36	Petty		
37	Minor		
38	Major		
Break-up of under-assessment			
39	Nigam's Charges/SOP		
40	Electricity Duty		
41	Municipal Tax		
42	Total		

Stamp(Seal)

