



KERALA STATE ELECTRICITY BOARD LIMITED

(Incorporated under the Indian Companies Act, 1956)

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ABSTRACT

Constitution of Power Purchase Audit Cell (PPA Cell) in the office of Chief Internal Auditor- Sanction of staff strength – Functions of PPA Cell- Orders Issued.

CORPORATE OFFICE (Internal Audit)

B.O. (FTD No.442/2020/ (KSEBL/CIA/WAD/PPA-1/2019-20)

dated 25.06.2020, Tvpm.

- Read: 1. Note No. CML-EE1/AEE4-2015-16/1015 dated 27.11.2015 of the Chief Engineer (Commercial & Tariff)
2. Note no. CIA/G1/Power Purchase/2015-16 dated, 02.12.2015 of the Chief Internal Auditor.
3. Proceedings No. CIA/G1/Audit of Power Purchase/2015/16 Dtd tvn 09.12.2015 of the Chief Internal Auditor.
4. Note No. CML/EE2-AEE2/General/2019-20/654 dtd 09.10.2019 of Deputy Chief Engineer (Commercial & Planning) with the full powers of Chief Engineer.
5. Note no. CIA/WAD/PPA-1/2019-20 dtd 17.03.2020 of Chief Internal Auditor.
6. Note No. EB3 (a)/GT-2020/HRIS/New Office/2020-21 dtd 28.05.2020 of the Chief Engineer (HRM)
7. Note No. CIA/WAD/PPA-1/2019-20 dtd 10.06.2020 of Chief Internal Auditor submitted to the Chairman & Managing Director
8. Note No. CIA/WAD/PPA-2019-20 dtd 15.06.2020 of Chief Internal auditor submitted before Full Time Directors (Agenda no. 32/6/20)

ORDER

The Chief Engineer (Commercial & Tariff) as per note read as 1st above had requested the Board to arrange regular/concurrent audit of power purchase transactions since adjustment or recovery had to be effected before the expiry of the contract period. This matter had been reviewed by the Board and as per directions, a regular audit team was constituted with one Divisional Accountant and one Senior Assistant to carry out the audit of power purchase transactions on a concurrent (post) audit basis to function under the WAD section attached to the office of the Chief Internal Auditor as per an internal order read as 3rd above.

A proposal to reconstitute Power Purchase Audit Cell, as a separate wing was placed to the Chairman & Managing Director as per note read as 5th above, by deploying officers/staff within the office of the Chief Internal Auditor itself. It was also requested to authorize the Chief Engineer (HRM) to fill the vacancy through deployment so as to effect the changes in HRIS. Accordingly, the Chief Engineer (HRM) has been instructed by Chairman & Managing Director to ensure that people are opting for the same in Power Purchase Audit during the

General Transfer 2020. However the Chief Engineer (HRM) as per Note read 6th above has informed that it is mandatory to have a Board Order sanctioning an office for Power Purchase Audit with required Staff strength. The approval for constitution of PPA Cell was placed before the Chairman & Managing Director as per note read as 7th above and it was ordered to place the matter before Full Time Directors. In order to have an effective internal control mechanism on power purchase transactions that account for 55% total revenue expenditure of KSEBL, the proposal for constituting a separate Audit Cell for Audit of Power Purchase Transaction was placed before Full Time Directors as per note read 8th above. Having considered the matter in detail the Full Time Directors in its meeting held on 18.06.2020

1. Resolved to reconstitute the **Power Purchase Audit Cell** in the office of Chief Internal Auditor as a separate wing/section with the following functions :-
 - a) Audit of Power Purchase transactions in a regular cycle on post audit basis.
 - b) Special Audit if any in Power Purchase transactions.
 - c) Remarks on the matters associated with Power Purchase and Power Purchase Agreements.
 - d) Vetting of various Power Purchase Agreements.
 - e) Any other works associated with the Power Purchase Transactions.
2. Further resolved to deploy the following post for the functioning of PPA Cell.
 - a) Finance Officer - By deploying the existing place of FO in ARI section, O/o the Chief Internal Auditor.
 - b) Two Divisional Accounts Officers (DAO):- By deploying existing place of one DAO from RCA section and second from WAD, O/o Chief Internal Auditor.
 - c) Two Senior Assistants: - By deploying from O/o Chief Internal Auditor- one each from Establishment Audit Section and Personal Staff of Chief Internal Auditor.
3. Further resolved to accord sanction the following
 - 1) To authorize the Secretary (Administration) to fill the vacancy through deployment in respect of (a) stated above.
 - 2) To authorize Chief Engineer (HRM) to fill the vacancy through deployment as mentioned in (b) & (c) above.

Orders are issued accordingly.

By Order of the Full Time Directors,

Lekha. G

Company Secretary (In charge)

To

1. The Chief Internal Auditor. 2. The Chief Engineer (HRM)
3. Dy CE (Commercial & Planning) with full powers of CE

Copy To:

1. The TA to CMD/ Director (GEN-Ele&SCM)/Director (Gen-Civil)/Director (Transmission & System Operation/Director (Planning, & Safety) /Director (DIS&HRM) 2. The PA to Director (Finance)/ 3 FCA O/o the Company Secretary 4. Financial Advisor 5. Library/Stock File

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