

C.G.M. (C.A.) 3416
MSF/CL/Dt. 15.3.18.

No. DIR (FIN.)/MSEDCL/306

Date: 15/03/2018

CIRCULAR

Sub.: Discontinuation of pre-audit of regular / monthly nature of employee claims by F&A staff.

Ref.: Board Resolution No. 1192 dated: 02.02.2018.

HRMS module has gone live from FY 2014-15 and salary bills and other employee claims are processed in HRMS. In case of regular claims, the salary, leave, various advances, etc., are computed in HRMS system as per the logic / process flow given. There are various checks and controls inbuilt in HRMS, which assures the accuracy in computation. The claims processed are approved by the authority as per authorization matrix assigned in the system. Under such circumstances, auditing of regular / monthly nature of employee claims becomes superfluous and redundant.

In view of the above and to simplify the process, Board of Directors of the Company vide B.R. No. 1192 dated 02.02.2018 has approved to discontinue the practice of pre-audit of regular / monthly nature of employee claims but to conduct 5 % random / test check by F&A staff. Accordingly, the revised procedure for audit & payment of employee claim is described as under:

(A) (i) The pre-audit of regular / monthly nature of employee claims as per Annexure "A" attached herewith, shall not be carried out by F&A staff. The list of regular / monthly nature of employee claims mentioned in Annexure "A" is an illustrative list and any regular / monthly nature of employee claim added or deleted in future will form part of this list.

(ii) The above-mentioned regular / monthly nature of employee claims will be processed by HR Section in HRMS Module on Maker and Checker principle, i.e., while one creates a transaction, the other checks, confirms and authorizes the same.

It would be the sole responsibility of HR Section to feed the correct data and approve the claims.

(iii) Due to elimination of audit of above-mentioned regular / monthly nature of employee claims, the existing process flow of "HR → Audit → Cashier" will change to "HR → Cashier". In other words, these employee claims will directly go to Cashier from HR Section for payment through system. Simultaneously, it will be posted in SAP-FICO module through interface.

(iv) In above cases, post-payment 5 % random / test check will be conducted by F&A staff. It is expected that, 5 % random / test check will cover error-prone areas, for e.g., first salary of newly joined employee, etc. The random / test checking should be carried out carefully. It should cover a representative number of transactions on the basis of best judgement depending on the individual cases & circumstances. The errors noticed during 5 % random / test check will be communicated by F&A Section to HR Section promptly.

(v) Employee shall submit self attested claims, wherever required. If during 5 % random / test check or otherwise, the claim is found false, severe action will be taken against the concerned employee, as per service regulation.

(vi) Before implementing above, the master data, including leave records up to 31.03.2018, of all employees in HRMS shall be audited by F&A staff with service book.

(vii) F&A Section will communicate the details of employee suspense as on 31.03.2018 to HR Section and thereafter HR Section will maintain the record of employee suspense in HRMS duly tallied with SAP balance.

(B) (i) 100 % Pre-audit of following employee claims will be continued:

Sr. No.	Particulars	Remarks
1.	Payment of Terminal Benefits at the time of Retirement, viz, Leave Encashment and Gratuity.	100 % Pre-Audit.
2.	Retired Employees' All Claims, viz, DA Difference, Gratuity Difference, Leave Encashment Difference, GO Difference, Pay Fixation (5 Years) Difference, CPF Board Share Difference, After Retirement Home Town Transfer TA Bill, etc.	
3.	Gratuity Proposals, CPF 90% / 10% / 100 % Proposals, Employee Resignation Proposals, Audit of Leave Account, Final Leave Encashment Proposal, Increment Proposal (Calculation Sheet), Higher Grade Benefit Proposals (GO 74), Pay Fixation Proposals in respect of Promotion Cases, Pay-fixation (5 years) Proposals of all Employees, Proposal for Medical Bill Amount Not Covered Under MD India Insurance (GO 20).	


(ii) For 100 % pre-audit of above-mentioned employee claims at Sr. No. 1 & 2 [of table at (B)(i) above], the existing process flow of "HR → Audit → Cashier" will continue. In other words, these employee claims will be submitted to HR Section. From HR Section to Audit & then to Cashier for payment through system. Simultaneously, it will be posted in SAP-FICO module through interface. The employee claims at the time of retirement and after the date of retirement, will be tagged separately in the system.

(C) Due to above changes, revision in G.O.-II (Delegation of Power), w.e.f. 01.04.2018 onwards is attached herewith as per Annexure "B".

The above method shall be implemented w.e.f. 01.04.2018.

All the concerned are requested to take the careful note and ensure effective implementation of above directives.

Enclo.: Annexure "A" & "B".


Director (Finance)

Copy f.w.cs.to:

- (1) Joint Managing Director, MSEDCL, Aurangabad Region.
- (2) Director (Operations) / Director (Project) / Director (Commercial), MSEDCL, Corporate Office, Mumbai.
- (3) Regional Director, MSEDCL, Konkan / Pune / Nagpur.

Copy to:

- (1) Executive Director (HR), MSEDCL, Corporate Office, Mumbai.
He is requested to ensure the proper implementation of revised procedure.
- (2) Executive Director (IT & CS), MSEDCL, Corporate Office, Mumbai.
He is requested to ensure that, necessary changes are incorporated in HRMS.
- (3) OSD to CMD, MSEDCL, Corporate Office, Mumbai.
- (4) The CGM (CA) / CGM (CF) / CGM (IA) / CGM (HR), MSEDCL, Corporate Office, Mumbai.
- (5) All Chief Engineers, MSEDCL, O&M Zone.
- (6) Chief Engineer, MSEDCL, Nashik TRD Centre, Nashik.
- (7) Chief Engineer (Civil), MSEDCL, Corporate Office, Mumbai.
- (8) All Superintendent Engineers, MSEDCL, O&M Circle / Civil Circle.
- (9) All Executive Engineer, MSEDCL, O&M Division / Civil Division.

Annexure "A"

Illustrative List of Regular / Monthly Nature of Employee Claims for Which to Discontinue Pre-audit.

Sr. No.	Particulars	Remarks
1.	Employees' Salary (Regular & Supplementary).	Random (5 % test check by F&A staff).
2.	Travelling Allowance Bills.	
3.	LTC Bills.	
4.	Overtime Bills.	
5.	Telephone / Mobile Bills.	
6.	Supplementary Bill of Daily Wage Employees.	
7.	Transfer Grant Payment.	
8.	Festival Advance.	
9.	Employees' Own Car Used for Company's Work Bills.	
10.	Quarter Vacation Retention.	
11.	Statutory Payment Bills (LIC, PT, IT).	
12.	Credit Society Payment Bills.	
13.	Leave Encashment (Block Year) Bills.	
14.	Stitching Charges Bills.	
15.	Raincoat Bills.	
16.	Uniform Bills.	
17.	Drivers' Award Bills (for No Accident).	
18.	Scholarship Bills.	
19.	Medical Bill Amount Not Covered Under MD India Insurance (GO 20).	

Annexure-"B"

Sl. No.	Existing Delegation of Powers (Circular No. 149 issued vide Letter No. AD/MSEDCL/CAS/A/1/240/09032 dated 30.03.2013)				Revised Delegation of Powers			
	Nature of Powers	Authority	Limit	Remarks	Nature of Powers	Authority	Limit	Remarks
	Employee Bills:							
[1] (iii)	(a) All claims of Pay Group III & IV, excluding Salary, Leave Encashment and Terminal Benefits.	Asstt. Accountant / Asstt. Auditor / Dy. Manager (F&A).	Full Power.		(a) All Regular/Monthly Nature of Employee Claims (See Note Below) of Pay Group III & IV, Excluding Terminal Benefits & Retired Employee Claims.	UDC (HR) / Head Clerk (HR) / Dy. Manager (HR).	Full Power.	5 % Random / Test Check Will Be Carried Out By F&A Audit Section.
	(b) All claims of Pay Group I & II, excluding Salary, Leave Encashment and Terminal Benefits.	Dy. Manager (F&A) / Manager (F&A).	Full Power.		(b) All Regular/Monthly Nature of Employee Claims (See Note Below) of Pay Group I & II, Excluding Terminal Benefits & Retired Employee Claims.	Dy. Manager (HR) / Manager (HR).	Full Power.	
	(c) Salary, Leave Encashment and Terminal Benefits.	Division-Dy. Manager (F&A) Other than Division-Manager (F&A).	Full Power.		(c) Terminal Benefits & Retired Employee Claims.	Division-Dy. Manager (F&A) Other than Division-Manager (F&A) / Sr. Manager (F&A).	Full Power.	100 % Pre-Audit

Notes:

(1) Regular/Monthly Nature of Employees' Claims, viz. Employees' Salary (Regular & Supplementary), Travelling Allowance Bills, LTC Bills, Overtime Bills, Telephone / Mobile Bills, Supplementary Bill of Daily Wage Employees, Transfer Grant Payment, Festival Advance, Employees' Own Car used for Company's Work Bills, Quarter Vacation Retention, Statutory Payment Bills (UC, PT, IT), Credit Society Payment Bills, Leave Encashment (Block Year) Bills, Stitching Charges Bills, Raincoat Bills, Uniform Bills, Drivers' Award Bills (For No Accident), Scholarship Bills, Medical Bill Amount Not Covered Under MD India Insurance (GO 20). This list of regular / monthly nature of employee claims is an illustrative list and any regular / monthly nature of employee claim added or deleted in future will form part of this list.

(2) The above changes in Delegation of Power will be made effective from 01.04.2018 onwards
