

**Sub : Monitoring of Energy Bill Collection Activities by Field Offices.**

An incident of misappropriation of amount collected from consumers towards energy bills by one of the collection agencies has been reported recently. It is observed that in the instant case the Agency's representative has been depositing lesser amount in MSEDCL's Bank Account than the amount collected from consumers on daily basis for the past one year period. It is alarming to note that in spite of clearly laid down procedures, check points and various instruction issued from time to time, there is total failure of supervisory officers to monitor the daily collections at collection centres leading to misappropriation.

The above incident has established the failure of monitoring mechanism over the energy bill collection activities at Field offices. It is likely that the same practices might have been followed at other places also.

**Following deviations from the standard procedure are observed.**

1. At many cash collection centers Cashier Module is not in operation for acceptance of Cash / Cheques.
2. At many places though Cashier Module is operated and computer generated Receipt is given to the consumer, output files of Cashier Module are not generated at "Day End". The receipt data is again given for punching to outside Agency for generation of B-60 files leaving vast scope to the punching agency for manipulation.
3. Actual deposit of amount collected from consumers into designated Bank Account is not counter checked with the amount shown in Daily Cash Collection Report [DCCR] on daily basis leading to misappropriation by the Agencies.
4. The Bank reconciliation work is inordinately delayed leaving no scope for timely corrective actions.
5. Reconciliation of bounced cheque is not done properly. Debit B-60 transactions not carried out timely at many places.

With a view to exercise better control over the Energy Bill Collection activities, the instructions issued earlier are again reiterated below.

**A) Periodical visits by Division/Circle/Zonal (F&A) level Supervisory Officers :-** Since the LT energy bill collection activity is initiated at Sub-division level, proper checks as prescribed shall be strictly observed and periodical verification by Division level authorities shall be ensured. To avoid the recurrence of malpractices and monitor the bill collection work, periodical visits of Division/Circle/Zonal (F&A) level Supervisory Officers are prescribed below.

- The Zonal (F&A) head shall visit minimum One Circle per month for monitoring the H.T. Collection and timely repatriation thereof.
- Zonal (F&A) head will visit minimum three sub divisions & three Division Offices every month.
- Circle (F&A) head shall visit minimum Two Sub Division Offices & Two Division Offices every month.

- Division (F&A) head shall visit all the Sub Division Offices in a month & shall ensure surprise visit to collection centers.

In case of failure to adhere to the above periodicity of visits, the respective Controlling Officers shall initiate disciplinary action against the defaulters as stipulated in Service Regulations including the linkage.

The issues to be verified by the Supervisory Officers during their visit to the Sub-division / Division offices and the reporting system is enclosed as **Annexure-I**.

- B) I.T. initiatives to be implemented:** - Appropriate cheques and balances have been incorporated in the I.T. System developed for bill collection process. It shall be ensured that all the collection process shall be totally computerized and the bill collection data shall be processed only through Cash Module and Division Module at Sub-division level. The manual collection method shall be stopped w.e.f. 15/08/2015.

The Division module software has to be implemented strictly by all the Divisions and the energy bill collection data should be processed only through Division Module. The reports prescribed in the Division Module shall invariably be generated and deviations, if any, shall be complied before forwarding the data to I.T. Centre for updation of consumer ledger. The following procedures shall be adopted for bill collection activities:

- Cashier module to be installed at all collection centers.
- Computerized receipts to be given to all consumers when paying electricity bills by way of cash or cheque.
- The representative of Cash collection center shall bring the files generated from the cashier module in pen drive to Sub-division office or send through email to Sub-division office.
- The output files of Cashier Module shall be processed in Division Module at each Sub-division to generate B-60 files which shall be in the prescribed format of I.T. Section.
- The Sub-division office shall maintain the record of all transactions in the enclosed format **[Annexure-II]** to ensure correct cash deposition by agency with the bank. The daily information shall be maintained in good quality register which shall be made available for inspection to all inspecting authorities.
- The inspecting and controlling authorities such as Manager / Sr. Manager (F&A) of Circle office, General Manager (F&A) of Zone office & Superintending Engineer, Chief Engineer shall invariably verify sample entries of any particular day.
- The inspecting authorities shall notify their observations on the record maintained by Sub-division as above.
- The concern persons of Sub-division office shall send output B-60 files from Division Module along with the accessories files to concern IT section through pen drive or on designated email id.
- The entry to that effect shall be taken in the inward register of IT section.
- IT section shall update the consumer records on the basis of cash tally report received through designated person of Sub-division only.

**C) Banking Activities:-** All the Field offices shall ensure use of following technology measures offered by various Banks to monitor the daily deposit of amount collected from consumers in MSEDCL's Bank Account.

- Viewing, Auto sweep, SMS alert facility to be taken for Bank Accounts – Specific responsibilities for viewing the Bank account shall be given at Sub-division & Division level.
- It shall be strictly ensured that no funds are kept in Banks account and daily repatriation as per the prescribed procedure shall be ensured.
- The frequency of deposit of cash / cheques into MSEDCL's Bank account by the Agencies should be strictly followed as per the Agreements Clauses and no deviation whatsoever be allowed to the Agencies.
- It has been observed that the cheques deposited in DCC Bank branches take abnormal time for realization. Hence, it has been decided to discontinue the cheque collection facility by DCC Banks w.e.f. 30/09/2015. In rural areas where there is Dept. collection centre at Sub-division offices, all such cheques being deposited in DCC Banks presently, shall be accepted at Sub-division offices for which a designated non-operative Bank account in Nationalized Bank shall be opened by the Sub-division in nearby areas wherever necessary. Where no Dept. collection centre is in existence at Sub-division office, a designated Credit Co-op. Society / Co-op Bank be authorized to accept cheques. The Society / Bank shall deposit such cheques collected into designated Nationalised Bank account only.

**D) Collection through DCC Bank Branches & Post Offices :** It has been observed that the level of computerization in DCC Banks is very low and the manual collection process is in operation at DCC Bank collection counters. This has resulted in delay in repatriation amount collected at remote locations across Maharashtra. Due to manual process of collection, the Daily Cash Collection Report (DCCR) from DCC Bank branches are received by post/ courier or manually collected by our staff resulting in delay of cash tally by the Sub-division offices. Human errors are also observed while entering the consumer details, resulting in avoidable consumer's complaints. The DCC Banks have been allowed sufficient time period for computerization of the collection process hereinbefore. However, the pace of computerization is not as per our expectation. Hence, as a last chance, the DCC banks shall be asked to ensure 100% computerization by 30<sup>th</sup> September, 2015, after which all the manual collection through DCC Bank branches shall be withdrawn by ensuring alternative collection mode.


It is reported that Kolhapur, Sangli, Pune, Raigad & Amravati DCC Banks are totally computerized and at some places daily collection made at DCC Bank is repatriated to H.O. on very next day [T+1].

In respect of energy bill collection work through Post Offices, abnormal delay in repatriation of the amount collected is observed. It is to be noted here that there is no interest Clause in the Agreement with India Post for delayed repatriation. Further, the commission amount payable by MSEDCL is deducted upfront by India Post from the amount collected and only the balance amount is remitted in MSEDCL's Bank account. Further, there is no Security Deposit Clause in the Agreement. To avoid the delay in remittance of amount collected by India Post and MIS thereof, total computerization shall be insisted from India Post by 30<sup>th</sup> September, 2015, after which all the manual collection through Post Offices shall be withdrawn by ensuring alternative collection mode.

**E) Bank Reconciliation:-** To ensure that all the amount collected from consumers is deposited and repatriated to H.O. by the Field offices, timely Bank reconciliation is necessary. However, the status of Bank reconciliation including DCC Banks & Post Offices is not at all satisfactory. Timely Bank reconciliation would have indicated the misappropriation of amount collected by the Agencies and the loss of money could have been avoided. Clause no. 10.2 of Section-III of Accounts Code Volume-IV specifically states that the Bank reconciliation statement shall be invariably before 15<sup>th</sup> of succeeding month and put up to Unit Incharge through Supervisory Officer [Dy. Manager / Manager (F&A)] duly audited. All the concern shall therefore be informed to ensure upto date Bank reconciliation and any failure in this regard be viewed seriously. The responsibility for misappropriation of money not pointed out due to pending Bank reconciliation shall be fixed on the concern.

The Executive Engineer of the Division offices & the Supdt. Engineer of the Circle offices shall ensure that the above instructions shall be followed scrupulously by the Field offices under their control. The Chief Engineers shall take review of the above issues in their Review Meetings periodically. Further, an officer from Corporate Finance Section, H.O. will visit each Zone to review the implementation of the instructions. The controlling officers shall immediately initiate disciplinary action as per the Service Regulations including filing of criminal cases against the employees for any deviations from the instructions leading to misappropriation of amount collected by the collection Agencies.

Encl : Annexure-I & II.

  
Managing Director  
Mahavitaran

To,  
All The Chief Engineer, MSEDCCL (O&M) Zone  
All The Supdt. Engineer, MSEDCCL (O&M) Circle  
All the Executive Engineer, MSEDCCL (O&M) Division

Copy to :

The Chief General Manager (I.T.), MSEDCCL, H.O., Mumbai

-- He should pass on necessary instructions to Field I.T. Centres for implementation of above directives.

The Chief General Manager (I.A.), MSEDCCL, H.O., Mumbai

-- He should asked the Internal Auditors to review the implementation of above directives and submit the report within a period of Three months.

## Annexure-I

**Issues to be verified by Dy. Manager (F&A)/ Manager (F&A)/ Sr. Manager(F&A)/ Asstt. General Manager (F&A)/ General Manager (F&A) during their visits to Sub- Division / Division offices in respect of Bill Collection Mechanism.**

### **Activities at Sub Division Office Level:-**

- 1) Whether all the collection such as payment against Quotation, Security deposit etc. are computerized / manual collection shall be discontinued immediately.
- 2) Whether computerized receipts are issued to consumers including other collection also.
- 3) Whether proper record of Money Receipts is maintained.
- 4) Whether any collection Agency is not issuing the computerized Money Receipts and only stamping is done on the energy bills.
- 5) Whether the Agency is submitting the receipts data along with DCCR and Pay-in-slip on daily basis to Sub-divisional office.
- 6) Random checking of deposits made by collection agencies vis-à-vis the amount shown in DCCR.
- 7) Whether proper record for dishonored cheques is maintained.
- 8) Whether the action for debiting the consumers ledger [Debit B80] in respect of dishonored cheques is taken timely.
- 9) Whether collaboration of B-60 in respect of all the collection centres under the Sub-division is done in Division module.
- 10) Whether separate Bank account for each Sub-division is opened in Nationalised Bank for deposit of amount collected by the Agencies.
- 11) Whether View facility / Auto sweep facility is availed for the Bank account and daily transactions are observed by the Sub-division.
- 12) Whether the cheques deposited into the Bank are cleared / credited timely by the Bank.
- 13) Whether the amount deposited into the Bank is repatriated to H.O. on daily basis.
- 14) Whether any hidden charges are charged by the Bank.
- 15) Whether the Agreements entered with the Agencies are as per the prescribed proforma and the same are live.
- 16) Whether the Agencies have deposited Security Deposit as per the prescribed criteria.
- 17) Whether the prescribed procedure is followed for cash tally.
- 18) Whether specific responsibility is given to a particular staff Member for cash tally and the same person attending the cash tally work.
- 19) Whether the commission bills of the Agencies are properly certified by the Sub-division.
- 20) Whether the updated / latest versions of software for Cashier Module and Division Module are in use by all the collection Agencies / Sub-division offices.

#### **Activities at Division Office Level:-**

- 1) Whether the Subsidiary cash book is maintained in the prescribed format.
- 2) Whether the Bank reconciliation of all the Banks under the Division is completed timely.
- 3) Whether the Agreements with the Agencies are executed at Division level as per the prescribed procedure.
- 4) Whether all the collection Agencies under the Division have paid the Security Deposit as per the prescribed criteria and follow up for shortfall is done periodically.
- 5) Whether the record of Receipts stationery is maintained properly at Division level.
- 6) Verification of frequency of deposit of collection by collection agencies in Non-operative a/c.
- 7) Whether View facility / Auto sweep facility is availed for the Bank account and daily transactions are observed by the Division.
- 8) Whether all the Banks under the Division are transferring the amount deposited to H.O. on daily basis.
- 9) Whether the amount collected is properly accounted in the Books of Accounts.
- 10) Whether proper action is taken for clearance of outstanding items appearing in Bank reconciliation statement.

The above list of issues is not exhaustive and any other related issue may be verified and commented upon in the report.

#### **REPORTING SYSTEM :-**

- a) Dy. Manager (F&A) of Division should submit his monthly report by 5<sup>th</sup> of every month to Manager (F&A) / Sr.Manager (F&A) of Circle office and copy to Sr.Manager (F&A)/ Asst.General Manager (F&A) / General Manager (F&A) of the Zone.
- b) Manager (F&A) / Sr.Manager (F&A) of the Circle should submit his monthly visit report alongwith his comments on deviations, if any, in the Division report by 10<sup>th</sup> of every month to Sr.Manager (F&A)/ Asst.General Manager (F&A) / General Manager (F&A) of the Zone Office.
- c) Sr.Manager (F&A)/ Asst.General Manager (F&A) / General Manager (F&A) of the Zone shall submit his monthly report alongwith his comments on deviation, if any, pointed out by Division & Circle to Chief General Manager (C.F.), H.O., Mumbai by 15<sup>th</sup> of each month positively on email (gmfa\_cf@rediffmail.com, managerhocm@gmail.com).

The Asst. General Manager (F&A), Corporate Finance at H.O. shall consolidate the observations received from Zonal offices and prepare an exception report for appraisal of Higher Authorities every month.

Annexure-II

**Daily Cash/Cheque Updating Record**

Sr. No.	Name of Agency	Output of cashier module						Daily cash collection record details				Bank counter foil details				View Facility		Sign of UDC/A.A.	Sign of Dy. Mgr. (F&A)
		Cash		Cheque		Cash		Cheque		Cash		Cheque		Cash	Cheque				
		No. of receipts	Amt (Rs.)	No. of receipts	Amt (Rs.)	No. of receipts	Amt (Rs.)	No. of receipts	Amt (Rs.)	No. of receipts	Amt (Rs.)	Amt (Rs.)	Amt (Rs.)	Amt (Rs.)	Amt (Rs.)				
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16				
1																			
2																			
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