

No. 25/10/2006-R&R (Vol.II)

Government of India

Ministry of Power

R&R Cell

Shram Shakti Bhawan, Rafi Marg
New Delhi. Dated December 3, 2012

The Secretary,
Central Electricity Regulatory Commission
Chanderlok Building,
Janpath, New Delhi

Subject: -Release of Grant-in-aid (General) to Central Electricity Regulatory
Commission (CERC)- regarding.

Sir,

I am directed to refer to DO letter No. 01/FIn.Divn/2004-05/CERC dated 30.11.2011 Chairperson (CERC), addressed to Secretary (Power), regarding following two issues:

- a) Categorizing release to CERC from CERC Fund as grants-in-aid vide letter dated 28.10.2011; and
- b) Requiring CERC to subject its accounts to audit by the internal audit team of the Ministry vide letter dated 3.11.2011.

2. The above two issues have been examined in detail, in consultation with Department of Economic Affairs and Controller General of Accounts. Comments of DEA have been received vide ID Notes dated 25.6.2012 and 20.9.2012. CGA's comments have also been received vide UO dated 21.8.2012. Copies of comments received from DEA and CGA are enclosed for further action.

Yours faithfully,

Encl : as above


(Pranay Kumar)
Director
Tel. 2371 5250

Copy to : Controller of Accounts, Ministry of Power, Sewa Bhavan, R.K.Puram,
New Delhi - w.r.t. U.O.No. 422/IAW/Audit Plan/2012-13/345 dated
29.11.2012

Ministry of Finance
Government of India
Department of Economic Affairs
Budget Division

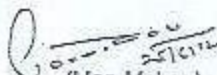
Annexure - II

Subject: *Central Electricity Regulatory Fund - Reg.*

The proposal of Ministry of Power for consideration of appropriate classification of Head of Accounts for booking the expenditure for releasing funds to Central Electricity Regulatory Commission instead of 'Grants-in-aid' has been examined.

2. As per the existing accounting system, any budgetary allocations to autonomous organizations, societies, regulatory authorities are released in the form of Grants-in-aid. Ministry of Power has to comply in accordance with accounting procedures in vogue and in the light of funding pattern envisaged in Electricity Act 2003.

This has the approval of Joint Secretary (Budget).


(Man Mohan)
Section Officer (States)

Ministry of Power, Sh. Rakesh Jain, JS & FA), Shastri Bhawan, New Delhi

DEA I.D. No. 2(11) B (S)/2011, dated 25th June, 2012

Ministry of Finance
Government of India
Department of Economic Affairs
Budget Division


Annexure-I

Subject: *Internal Audit of Central Electricity Regulatory Fund – Reg.*

The request of Ministry of Power to relook the issue of internal audit CERC by Internal Audit of Principal Accounts Office (PAO) of their Ministry has been examined.

2. The accounting procedure for operation of CERC Fund provides for audit/internal audit by the C&AG/Pr. Accounts Office of MoP. CERC cannot claim exemption from internal audit by MoP. Ministry of Power is, therefore, requested to convey the views of Ministry of Finance (Budget Division) and Office of CAG as proposed by MoP in the draft letter to CERC.

3. This issues with the approval of JS (Budget).


(Rajeev Nayan Sharmia)
Deputy Director (Budget)

Ministry of Power, (Sh. Rakesh Jain, JS & FA), Shram Shakti Bhavan, New Delhi

Ministry of Finance, DEA I.D. No. 2(16) B (S)/2012, dated 20th September, 2012

Annexure - 1

Controller General of Accounts
(TA Section)

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(Refer notes at pre-pages)
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Subject: Internal Audit of the accounts of Central Electricity Regulatory Commission (CERC)-reg.

The issue relates to internal audit of the accounts of CERC by Ministry of Power has been examined. The views of TA Section are given below:-

- (i) CERC receives grants-in-aid from Govt. of India and the accounts of CERC will be subject to audit in terms of Rule 211 of GFR, 2005.
- (ii) The accounting procedure for operation of 'Central Electricity Regulatory Commission Fund' has been approved by this Office in consultation with the office of C&AG. The accounts of CERC will also be subject to internal Audit by the Internal Audit Wing of the O/o Controller of Accounts, Ministry of Power as per para 5 of the approved accounting procedure for operationalization of Central Electricity Regulatory Commission (CERC) Fund. This requirement of Internal Audit is invariably prevalent in all the Funds lying in the Public Account of India.
- (iii) The Internal Audit has an important role to play in ascertaining the factual financial position of the requirement of funds for CERC.
- (iv) As per the para 12.2.1 of the Civil Accounts Manual, the accounts of all grantee Institutions or Organizations shall be open to inspection by the sanctioning authority and audit, both by the Comptroller and Auditor General of India under the provision of CAG (DPC) Act 1971 and internal audit by the Principal Accounts Office of the Ministry or Department.

2. The above mentioned points may be considered for its inclusion in their reply to the Ministry.

3. This issues with the approval of Addl. CGA(CA).


(H.K. Srivastava)
Dy. CGA(TA)

H. CGA(IAD) / O/o CGA.

U.O. No. 3(3)/2012/TA/533

dat 21/8/2012