

Response to TRAI Consultation Paper on “Review of The Quality of Service (Code of Practice for Metering & Billing Accuracy) Regulations, 2006

Question 1: What are your views on imposing financial disincentives for delay in submitting audit reports of the metering and billing system and what should be the quantum of such financial disincentives? Please give your comments with justification.

Response:

There should be no financial disincentive for the delay in submitting the audit reports as the whole audit process is a collaborative effort which involves lots of functions/ verticals within the company as well as an external agency i.e. the auditor and the delay in submission happens largely because of coordination process amongst these parties. Quite often it is beyond the control of the auditee. The audit not only involves extensive coordination between various functions within the organisation at the central level but also at the circle level, this also involves travelling to circles and runs over a considerable period of time (several months). Therefore at times, operators are not able to meet the deadlines. This is totally inadvertent and hence the operators should not be penalized for the same.

Question 2: What are your views on imposing financial disincentives for delay in submission of Action Taken Reports on audit observations of the metering and billing system and for providing false information or incomplete information and what should be the quantum of such financial disincentives? Please give your comments with justification.

Response:

As brought out in our reply to Question 1, there should be no financial disincentive for the delay in submission of Action taken report as it is generally because of the delay happened while carrying out the entire audit work.

Regarding submission of false or incomplete information, the Authority should seek explanation from the concerned operator and if not satisfied with the response may address the issue to the CEO of the company. At the same time, if the given information is affecting the consumers in any way, then the Authority may also direct the service provider to pass on suitable compensation to the affected base.

Question 3: What are your views on the proposal for audit of the CDRs for at least twice a year- three months CDR pertaining to first half year and three months CDR pertaining to second half year? Please give your comments with justification.

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Question 4: What are your views on the proposal for simultaneous reporting of instances of overcharging to TRAI by the auditor, monthly progress report on the action taken by service providers on such audit observations and financial disincentives on delayed refund of such overcharged amounts? Please give your comments with justification.

Response:

It is not clear as to why there is a need for this extra work & creating new checks and balances. However, it should always be in proportion to the business being handled. The yearly audit is a large assignment which in itself consumes lot of time and therefore we believe current process of yearly audit & sharing of progress report should continue.

Also as per the current process, in case of any reported discrepancy, the same is being corrected immediately and refunds are processed for the entire period.

For specific cases, where TRAI believes that there is a need for any wider inspection; that can be carried out under special audits as and when required, but the same should be intimated to the auditor under intimation to the operator to avoid any confusion or disagreement between the auditor and the service provider.

Regarding the financial disincentives for delay in refund, our opinion is that it should not be applied as the volume of work at the end of the every audit will be different for each case and thus not predictable, hence fixing timelines for the same may not be possible.

Question 5: Do you support mandating service providers to undertake a thorough analysis of each audit observations and the requirement to furnish a detailed comment on each audit observation, as proposed above, including financial disincentives for submitting audit reports without adequate comments? Please give your comments with justification.

Response:

We believe that operators are already undertaking thorough analysis and also provide comments on each audit observation under intimation to TRAI. Even then if the Authority feels that something has been overlooked, TRAI may bring the same to the notice of the operators, so that the operators can take corrective action in the current report and take learnings for the future as well. From our end, we pay due attention to provide adequate comments as per our understanding. So in our opinion there should not be any financial disincentive for the same.

Question 6: Do you support nomination of auditor by TRAI and appointment of the nominated auditor by the service provider? Please give your comments with justification.

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Question 7: What are your views on the proposal for fixing of remuneration of auditor by TRAI and what should be the quantum and methodology for computation of audit fees, in case the same is to be fixed by TRAI? Please give your comments with justification.

Response:

The current process of appointing an auditor from the TRAI empanelled list is serving well. There should be no change to the entire process. Remuneration of the auditor is one of the primary factors on which its appointment is decided.

Changing the process will not address the issues cited by TRAI in the consultation paper i.e. lack of opportunity for all auditors to undertake audit work and gain experience in this new venture. Making these changes will not improve the quality of audit. Instead, the following approach should be adopted:

- All the empanelled auditors should undergo workshops conducted by TRAI before start of audit every year.
- Whenever TRAI observes that the quality of the audit is poor then the concerned auditor should be warned and debarred from the panel on the subsequent default.

Question 8: What are your views on the proposals relating to tariff plans to be covered for audit? Please give your comments with justification.

Response:

The existing practice for consideration of tariff plans during the current year is serving the purpose well and should not be changed.