

Study and Gap Analysis of Expenditure Bill Processing at BESCOM

Storyline...

Bangalore Electricity Supply Company (BESCOM) is one of the largest state-run power distribution and supply companies in India. BESCOM is a division of Karnataka Power Transmission Corporation Limited and is responsible for power distribution in eight districts of Karnataka.

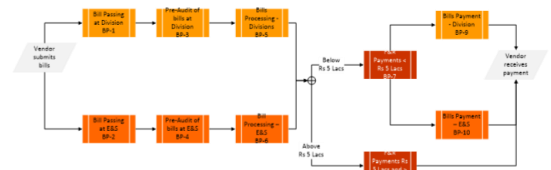
MaGC (formerly NCRCL) was engaged to study and conduct a gap analysis of expenditure bill processing at BESCOM.

Once upon a time...

Processing of expenditure bills in BESCOM was fraught with a number of problems and needed urgent reform. There was duplication of work and undue delays in the bill processing cycle. The bill processing was also exposed to the risk of mistakes of omission and commission. The BESCOM Management identified the Expenditure Bill Processing cycle as a key area of improvement. The study was expected to identify process bottlenecks, redundant and non-value adding activities and inadequate internal controls.

Moving on...

The MaGC team started with understanding the BESCOM organization structure with regard to expenditure bill processing. This involved understanding procedures at each level of hierarchy. Structured interviews were conducted with key stakeholders and BESCOM personnel at various offices. This was followed by an analysis of financials, and review of documentation such as Works Instructions Manual (Accounts), Accounts Manual, and Internal Audit Manual. During field visits, the study team also inspected sample documents/registers and observed the flow of critical activities.



Process flow charts covering key processes were prepared using MaGC's time tested tool for process mapping, [LAMP™](#). This was followed by a gap analysis and discussions on strategies to overcome the gaps. Process weaknesses were analysed across key dimensions namely Policy, Process, People and Technology applying MaGC's [3PT® framework](#). Similarly, recommendations to address the gaps were categorized under Policy, Process, People and Technology.

The draft report was validated by a MaGC panel of experts with wide experience. The report was presented and discussed with the BESCOM officials. Comments and feedback received were incorporated against the respective points and the final report was presented to the BESCOM Management.

Finally...

The process study and gap analysis helped BESCOM Management identify redundant activities as well as inadequate/non-existing internal controls in BESCOM's expenditure bill processing function. The recommendations given in the study report helped remedy the lacunae identified. The recommendations were useful in tweaking the Bill Tracking Software which was under implementation in BESCOM at that time. Policy level recommendations helped the BESCOM Management in initiating systemic changes for long term benefit.