



Salleri Chialsa Electricity Company Limited (SCECO)

Solududhkunda Municipality-05, Salleri

Solukhumbu, Koshi Province

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Terms of Reference

for

Review and Amendment of SCECO Fiscal Management Policy

September, 2023

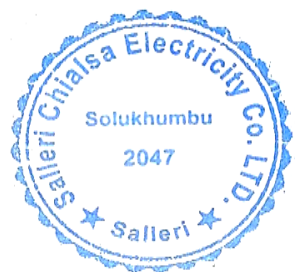
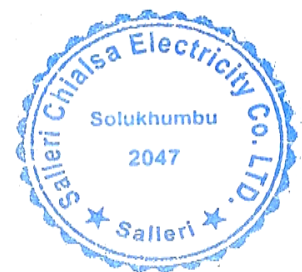


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1. Introduction

Salleri Chialsa Electricity Company Limited (SCECO) is a grid connected electric utility company which generates and supplies electricity service to about 2600 households in Solududhkunda Municipality Ward No. 2 to Ward No. 7 at Solukhumbu district (one of the remote and hilly/mountain district) of Nepal which is about 300 km away from capital city Kathmandu. SCECO is continuously providing reliable electricity services to people for more than 30 years and it was registered in February 1991 as a public shareholder's company. ■

During establishment of the company, SDC- Swiss Development Co-operation (now Swiss Agency for Development and Co-operation) and Nepal Electricity Authority owned equal amount of preference share and each holding 33% of ordinary share. The remaining 34% of ordinary shares are issued to local consumers. Now, with the decision of the SDC to transfer its owned shares of SCECO to Solududhkunda Municipality, the Solududhkunda Municipality and Nepal Electricity Authority owns equal amount of preference share and each holding 33% of ordinary share. The remaining 34% of ordinary shares are owned by the local consumers.

Technically SCECO has a mini hydro power plant of classical run off river scheme, designed for 633 kW gross capacities with three units of turbine-alternator sets. The electricity is supplied through 11kV transmission lines and distributed through 400/230V underground cables. The total length of three 11 kV feeders till now is about 45 KM. The distribution line comprises 46 numbers of transformers, 49 Main Distribution Box (MDB) and 288 numbers Sub Distribution Box (SDB).

SCECO currently has fiscal management policy which was prepared in 1994 with latest amendments in 2013 A.D. In the recent years, there have been several changes in financial, accounting and administrative rules, regulations and related act of the country Nepal. So, it is very necessary to review and amend the existing Fiscal Management Policy of SCECO to clarify the roles, authority and responsibilities for essential financial and administrative management activities and decisions.

2. Objectives and Scope

The main objective of proposed consultancy service is to review, re-write and amend the existing SCECO Fiscal Management Regulation in line with the prevailing law, existing regulations of similar organizations and best practices in Nepal to improve and increase the efficiency and effectiveness of overall financial and administrative system of SCECO



3. Scope of Services

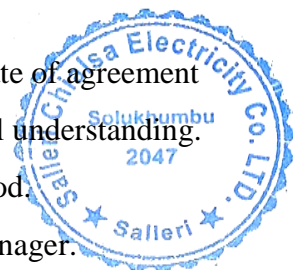
- Carry out a review and study of existing Fiscal Management Regulation of SCECO and relate it with existing acts, rules and regulations and identify gaps and capacity weaknesses compared to best practices for a public sector organization.
- Review organization structure for gaining knowledge on available human resources for developing controls
- Develop standardized and customized Fiscal Management Regulation for SCECO with appropriate procedures/guidelines for all the areas of financial and administrative operations
- Define and customize accounting policies as per Nepal Financial Reporting Standard (NFRS). Mention procurement, expenditure and authorization process. Define Budget and Reporting requirements
- Prepare a complete Fiscal Management Regulation useful for the management that consolidates the various pieces of accounting principles, acts, rules, procedures and regulations that enriches the quality and consistency of the work performed by accounting people of different units/departments.
- Train the concerned authority regarding the implementation of the regulations.
- Any relevant issues may be included with mutual discussion of the client and the consultant

4. Communication and Reporting

- The Consultant will carry out minimum two presentations to the SCECO BOD
- The consultant will submit draft reports at preset periodic intervals.
- Presentation to the SCECO Board of Directors (BOD) and Financial/Audit committee of SCECO and incorporation of comments.
- Submission of final draft report and issuing final report (in English) after input from the SCECO board.

5. Duration of Consulting Services

- The duration of consultant for the service is 45 working days from the date of agreement
- The services period can be extended of maximum of 15 days with mutual understanding.
- Consultant will provide all above reports in final version within this period.
- The consultant will work in close coordination with SCECO General Manager.



6. Services and Facilities to be provided by the Client

The client will provide all the support to the consultant in carrying out the tasks:

- Access to all the existing financial and administrative policy of SCECO related to the scope of service.

7. Consultant's Qualification and Experience

- At least Chartered Accountant with 5 years of experience
- He/She should have experience in developing Financial and Administrative Regulations or Accounting System Manual of Fiscal Management Policy and knowledge about NFRS, Public Procurement regulation and accounting procedures
- Firm registration certificate obtained from Institute of Chartered Accountants of Nepal (ICAN) with up to date renewal
- Latest Tax Clearance, VAT registration Certificate required
- Previous consulting experience with similar assignments in the Electricity Utility Company will be added advantage

8. Payment Terms

The consultant will generate invoice upon approval of periodic output report (mutually agreed milestones) and payment will be made within one month of submission of invoice by the consultant.

9. General Terms and Conditions

- The consultant should have an extensive experience of similar assignments.
- The proposal with financial quotation should be submitted through email to sceco@ntc.net.np.
- An agreement shall be drawn between SCECO and the Consultant, before the commencement of the consultancy service.
- All work by the consultant should be carried out collaboratively with the General Manager of SCECO.
- All information gathered should be treated as confidential, and handed over to SCECO.

