

Management Audit of 6 Utility Companies

Terms of Reference

1.0 Proposal Description

The consultant shall be required to carry out separate assessments on the Management of Central Utilities Limited, Northern Utilities Limited, South Central Utilities Limited, Southern Utilities Limited, Upper North Utilities Limited and Upper South Utilities Limited and make recommendations for further development. The consultant will be required to present separate reports on individual Utility Company to the Ministry of Finance and Treasury (MoFT) based on their assessments and subsequent findings and make recommendations.

2.0 Objectives

The objective of this assignment is to assess the efficiency and effectiveness of the management of utility companies.

3.0 Areas to be covered

The assessment should be carried out for both the business processes and corporate processes. The audit exercise should at least cover the following areas at minimum.

1. The work environment
Assess the work environment and make recommendations on attaining an environment that is free from harassment and discrimination and provide an environment that supports honesty, integrity, respect, trust and responsibility. Review the status of compliance with environmental, health and safety laws and norms.
2. Policy Compliance
Review the corporate and business policies of the company and comment on the formulation of policies and its relevance to the goals and objectives of the company. Assess the effectiveness of the company's policies and the benefits derived by the company, customers and employees, coordination in the implementation of the policies, compliance with policies and regulations of the relevant authorities.
3. Ethical Business environment
Review the development and application of transparency and ethical standards in doing business.
4. Company Operations
Review the effectiveness of the organization, line of communications, controls and monitoring procedures. Assess the level of customer service and satisfaction.
5. Procurement Process
Review the procurement process of the company, and assess if the process is in line with the policies and regulation as well as generally acceptable guidelines.
6. HR & Succession planning
Review major corporate policies and objectives with respect to the company's HR and management, skills shortage, guidelines, procedures, and practices adopted for compensation, perks and training. Assess the effectiveness of human resource allocation amongst the different department of the company

7. Alignment to goals and objectives
Review development process and alignment of business processes to the business plan, goals and objectives.
8. Financial Management
Review both the short and long term management plans and allocation of financial resources to the core activities of the company and verify whether the appropriate measures are taken against the risk factors. Also assess the operational and capital cost in relation to the company's activities, and review the control measures in place for such costs.
9. Strategic Planning & Organizational Leadership
Review and appraise strategic goals and strategies. Review flow of information and impact on the business process and strategies. Assess the aptitude and proficiency of leadership at senior levels for change management and business reengineering required to achieve corporate business and strategic objectives.
10. Performance Evaluation
Assess financial and non-financial performance of the company.

The above major areas are not considered exhaustive, and the consultant should determine what other aspects that needs to be included.

4.0 Reporting Requirement

At the end of the exercise the consultant should submit a draft report for comments from MoFT. Once MoFT provides its comments the consultant should submit two copies of the final report within an agreed period of time.

5.0 Proposal Contents

The submitted proposal should address the following areas:

- ❖ Profile of consultants
- ❖ Previous relevant experience
- ❖ Cost estimate and payment schedule
- ❖ Schedule / timeline of completion
- ❖ Documents / assistance required
- ❖ Project duration and timing convenience

6.0 Further Queries

All further queries will be answered in the information session to be held at the Ministry of Finance and Treasury on **1000 hours of 01 November 2011**.

7.0 Proposal Submission

The proposals should be submitted to Ministry of Finance and Treasury before **1600:hrs on 15th November 2011 (Tuesday)**.