

## **BID DOCUMENT**

### **EXPRESSION OF INTEREST (EOI) FOR CONDUCTING INTERNAL AUDIT OF BSNL HARYANA CIRCLE FOR THE FINANCIAL YEAR 2020-21**

**EOI No. CA-I/PB/BSNL/I.A.Appt/2020-21/59 dated  
02.11.2020**



### **BHARAT SANCHAR NIGAM LIMITED(BSNL)**

**Nodal Circle: Punjab  
CAO (CA)**

**Punjab Telecom Circle,  
O/o CGMT, Corporate Accounts Section,  
Room No-208, Plot No-2, Sanchar Sadan  
Sector-34-A, Chandigarh-160022.**

**T. No. (0172) 2620932 Fax No. (0172) 2600288**

**Email:- capbbsnl1@gmail.com**

**Website: [www.bsnl.co.in](http://www.bsnl.co.in)**

**Regd. and Corporate Office: BHARAT SANCHAR BHAWAN,  
H.C. MATHUR LANE, JANPATH  
NEW DELHI-110001**

**Corporate Identity Number (CIN): U 74899 DL2000 GOI 107739**

**INVITATION FOR EXPRESSION OF INTEREST (EOI) FOR  
APPOINTMENT OF INTERNAL AUDITOR FOR HARYANA  
CIRCLE FOR F.Y. 2020-21**

<b>EOI No:</b> CA-1/PB/BSNL/I.A. Appt/2020-21/59 <b>EOI Date:</b> 02/11/2020	<b>Due date &amp; time of submission:</b> 07/11/2020 up to 18:00 Hrs. <b>Due date &amp; time of Offline submission:</b> 09/11/2020 up to 11:00: Hrs
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BSNL invites through short notice Tender/EOI (digitally) in the enclosed format from Chartered / Cost Accountant firms registered with The Institute of Chartered Accountant of India/ The Institute of Cost Accountant of India, for appointment as Internal Auditors for North Zone-A Circle (as per Page- No-26) for conducting Internal Audit for Financial Years 2020-21.

Interested firms which fulfill eligibility conditions may apply by completing the enclosed Annexure - 1 (Technical Bid) and Annexure - 2 (Price Bid) and submitting the same on e-tender portal - <http://etenders.gov.in> on or before 18:00 Hrs of 07/11/2020.

**Terms and Conditions:**

- 1) Bid should be submitted strictly as per the requirements detailed in 'bid submission' clause. Annexure - 1 and Annexure - 2 should be separately submitted on e-tender portal - <http://etenders.gov.in>:-

Note :- In case of e-tendering, the following documents are required to be submitted offline (i.e. offline submissions) to CAO(CA) o/o CGMT, BSNL, Room No-208, Plot No-2, Sanchar Sadan, BSNL, Sector-34-A, Chandigarh-160022 on or before 09.11.2020 up to 11:00 Hrs. of submission of bids in a sealed envelope.

The envelope must be sealed and super-scribed with '*EOI for Appointment of Internal Auditors for Haryana Circle in BSNL for the Financial Year 2020-21*'. The name and address of the applicant Firm must also be mentioned on the envelope.

The envelope shall bear the tender number, name of work and the phrase:

"Do Not Open Before (due date & time of opening of tender).

- i) EMD - Bank Guarantee (original copy)
- ii) Cost of tender document of Rs. 590/-
- iii) Power of Attorney in accordance with clause 16.1 and authorization for executing the power of Attorney.

The responsibility for ensuring that envelop is delivered in time would vest with the bidder. The purchaser shall not be responsible if the envelop is delivered elsewhere or late.

- 2) Cost of Tender Document: As mentioned in Annexure H.
- 3) The tender documents shall be issued free of cost to MSE bidders on production of requisite proof in respect of valid certification from MSME for the tendered item.
- 4) Technical Bids will be opened at 11:30 Hrs. of 09/11/2020.
- 5) Price Bids will be opened in respect of only technically qualified bidders and on a date notified later.
- 6) Bids received after due date and time shall not be accepted in any circumstances and shall be returned unopened. No further correspondence on such responses shall be entertained.

- 7) Respondents, if so desire, may participate in 'Bid Opening' on production of authorization / Identity certificate. Only one person from each firm will be allowed to participate.
- 8) Bid submitted should be free from correction, over-writing etc.
- 9) **All the information/ details required to be filled in Technical and Price bids must be properly filled and no column should be left blank or should not be filled with ambiguous/ incorrect details.**
- 10) Each page of Bid and EOI (**including Annexure**) should be stamped and signed by the authorized signatory of the firm.
- 11) Canvassing in any form shall render the submitted Bid liable for rejection.
- 12) Disregard of any instructions may result in bid being rejected.

**Important Note: For the purpose this EOI 'Firm' means a Firm of Chartered Accountants and/ or Cost Accountants and includes Limited Liability Partnerships.**

*For any query or general correspondence except submission of Bid please contact during office hours or email at [capbbsnl1@gmail.com](mailto:capbbsnl1@gmail.com)*

For Bharat Sanchar Nigam Limited  
CAO(CA)  
Punjab Telecom Circle,  
O/o CGMT, Room No-208, Plot No-2, Sanchar Sadan,  
BSNL, Sector-34-A, Chandigarh-160022.  
Email ID: [capbbsnl1@gmail.com](mailto:capbbsnl1@gmail.com)

Phone No. 0172-2620932 / FAX No. 0172-2620088

For detailed EOI, Terms and Conditions please visit [www.punjab.bsnl.co.in](http://www.punjab.bsnl.co.in)

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<b>Total Pages</b>		<b>52</b>

**Format for submission of Expression of Interest**

**Annexure-1**

**TECHNICAL BID**

**Part – I: General Information**

<b>S. No.</b>	<b>Particulars</b>	<b>Details</b>
1	Name of the Firm and address of the Registered Office of the Firm *	
2	Date of formation (as per the constitution certificate issued by the Institute of Chartered Accountants of India / Cost Accountants of India. Latest certificate issued by the Institute concerned will be considered)	
3	Number of Partners (Enclose copy of constitution certificate issued by the Institute of Chartered Accountants/ Cost Accountants of India. Latest certificate issued by the institute concerned will be considered)	
4	Number of qualified Employees (either CA and/or CMA qualification) along with their names and qualification#	
5	Full Postal Address of Office/ Branches (in enclosed format Annexure E)	
6	Name of the contact person along with landline and mobile numbers	
7	Permanent Account Number (PAN) of the Firm	
8	GST registration number of the Firm	
9.	Email address, phone number and Fax number of the firm of the Head Office	
10	Seal of the Firm	Signature of Authorized Signatory of the Firm

# a) Self declaration by the Firm and

b) Certificate issued by ICAI for CA Firm and fully qualified CA employees and self declaration for fully qualified CMA employees.

\* The term 'Firm' includes LLP.

**Part – II: Specific Information**

<b>S. No.</b>	<b>Particulars</b>	<b>Note</b>	<b>Details</b>
1	Name(s) of BSNL Circle(s) for which applying.	<b>a</b>	
2	Address of Firm's office(s) in Circle for which applying.		
3	Whether Firm or any of its partners is associated with BSNL in any professional capacity. Self- declaration by the firm to be attached.	<b>b</b>	
4	Whether Firm is having Internal Audit/ Statutory Audit experience of ten (10) or more years as on 31.03.2020 (Attach Proof).	-	
5	Internal Audit/ Statutory Audit experience (in years) of Public Sector Undertaking(s) / Telecommunication Company(ies) having turnover of Rs.200 crore or more during last five years, as on 31.03.2020 (Attach Proof).	<b>c</b>	
6	Turnover of the firm for the past three consecutive years. (Attach proof).	<b>d</b>	
7	Whether the CA Firm is in the panel of CAG for the year 2019-20. If yes, enclose the copy of proof of empanelment.		
8	Details of the internal audit carried out in BSNL by the firm for the last two year i.e. 2018-19 & 2019-20 is to be provided. Self-declaration by the firm to be attached.		

- a) Detail of circle(s) is provided in Annexure 'B'. The firm should mention name and number of circle(s) and corresponding Nodal Circle name(s). Firm is required to mention details of its offices located in the circle(s) for which it intends to apply.
- b) The Firm or any of its partners should not be associated with BSNL in any professional capacity. However any firm fulfilling all other eligibility conditions of the EOI and currently engaged with any BSNL Circle as Internal Auditor shall be eligible to bid.
- c) List the name(s) of the Public sector Undertaking(s) / Telecommunication Companies along with year and corresponding turnover. Proof of such assignment and turnover statement of the Public Sector Undertaking / Telecommunication Companies for the year concerned to be attached separately.
- d) Three F.Y. 2016-17, 2017-18 and 2018-19 are to be considered.

Signature of the Authorized Signatory  
of the Firm with seal

**PRICE BID**

<b>Internal Audit for the Circle</b>	<b>Nodal Circle</b>	<b>Indicative Fee of the circle concerned as per EOI Annexure B in INR</b>	<b>All inclusive fees p.a. excluding taxes (in figures)@</b>
Haryana Telecom Circle	Punjab Telecom Circle	3,94,000/-	

Rupees.....  
 ..... (In words).

**@All inclusive fees mean fees including TA/ DA and out of pocket expenses but excluding applicable taxes (GST, etc).**

(Signature of the Authorized Signatory  
of the firm with seal)

**Notes:**

1. If the firm is applying for more than one circle, separate Price Bid should be given (on separate sheets) for each circle.
2. No correction or overwriting is allowed on Price Bid Format.
3. No additional document should be enclosed in Price Bid.
4. If there is difference in amount quoted in figures and in words, the amount in words will be considered.

# **INVITATION OF EXPRESSION OF INTEREST (EOI) FOR CONDUCTING INTERNAL AUDIT FOR THE FINANCIAL YEAR 2020-21**

## **1. INTRODUCTION**

Bharat Sanchar Nigam Limited (BSNL), A Govt. of India Enterprise, invites EOI / Proposal for appointment of Chartered / Cost Accountant Firms (for the purpose of this EOI the term 'Firm' includes 'LLP' also) for conducting Internal Audit in BSNL for the Financial Year 2020-21.

BSNL provides Telecom Services throughout India (except Delhi and Mumbai Metro Districts), through its 25 Territorial Telecom Circles and 2 Metro Districts namely Chennai Phones and Kolkata Phones. Major services provided by BSNL are Landline (Fixed) phones, WLL (fixed and mobile), Leased Circuits, National Long Distance (NLD) including leased circuits; International Long Distance (ILD); Cellular Mobile Telephone Service, V-SAT, Internet (broadband and narrowband); Cable Landing Stations, Tower Hiring etc., as per licenses granted by the Department of Telecommunications, Govt. of India.

Apart from these 25 Territorial Telecom Circles & 2 Metro Districts, there are 15 non-territorial Circles providing training, quality assurance, maintenance and project services to these 27 Circles and one Unit of CO BSNL (i.e. CA, PAO & Banking). These Territorial circles & Metro Districts, non-territorial Circles and CO BSNL Unit have been grouped into 7 (seven) zones for the purpose of Internal Audit.

## **2. MAINTENANCE OF BOOKS OF ACCOUNTS IN BSNL**

BSNL maintains its books of accounts in accordance with the Indian GAAP and switch over to Ind AS as per Companies (Indian Accounting Standards) Rule 2015 on going concern basis under the historical cost convention and mercantile system of accounting. The scheme of accounting in BSNL is as follows:

- 1) Each Circle is divided into number of Business Areas (BAs)/ SSAs which is the Primary Accounting units (PAUs). All the units of BSNL which include the Telecom Circles, Projects Circles, Maintenance Circles, Factories, Stores depot etc. prepare their independent books of accounts.
- 2) The Business Areas (BAs)/ SSAs within the Circle submits their monthly trial balances to the Circle office. Circle office consolidates the trial balances received from all BAs/ SSAs including its own trial balance and prepares the trial balance for the Circle as a whole. Presently, final accounts for the Circle are prepared at year end. However, with the implementation of ERP, financial statements will be generated on monthly basis at Circle level.
- 3) The Corporate office receives monthly Trial Balances and prepares monthly MIS details for various purposes and receives final accounts from all the Circles at the year end and compiles them for BSNL as a whole.

## **3. ACCOUNTING SOFTWARE IN BSNL**

Presently BSNL is maintaining its records on SAP in all Circles therefore final accounts are prepared in SAP.



#### **4. INDIAN ACCOUNTING STANDARDS (Ind AS) IN BSNL**

BSNL prepares its books of accounts in conformity with Ind AS from 1st April 2016.

#### **5. INTERNAL AUDIT IN BSNL**

Firms which shall be selected and entrusted the work of Internal Audit should maintain highest standards of professional competence and ethics. A thorough professional approach towards work, concisely written Audit Report with concrete suggestions, clear and unambiguous approach towards issues of concern and practical solutions to the issues are highly desirable.

#### **6. SCOPE OF WORK**

The Audit should be conducted keeping in the view the 'Scope of Work'. The detailed scope of work is as per **Annexure 'A'**

#### **7. INTERNAL AUDIT CIRCLE(S)**

Zone wise list of Internal Audit Circle(s) is as per **Annexure 'B'**.

#### **8. ELIGIBILITY CONDITIONS (Technical Bid)**

**The firm should possess following eligibility conditions as on 31st March 2020:-**

S.No.	Particulars	Documents to be submitted
<b>i</b>	The Firm should be either Chartered Accountants or Cost Accountants Firm (Partnership/Limited Liability Partnership).	Latest constitution certificate issued by the Institute of Chartered Accountants of India / Cost Accountants of India.
<b>ii</b>	The firm should be in existence for at least last 12 years.	
<b>iii</b>	There should be at least 4 partners and total strength of CA/CMA qualified persons (Partners + Assistants) should not be less than 10.	Latest constitution certificate issued by the Institute of Chartered Accountants/ Cost Accountants of India <b>and declaration of the firm in case of Assistants are Cost Accountants.</b>
<b>iv</b>	The Firm or any of its partners should not be associated with BSNL in any professional capacity. However any firm fulfilling all other eligibility conditions of the EOI and currently engaged with any BSNL Circle as Internal Auditor shall be eligible to bid.	<b>Self- declaration by the firm.</b>
<b>v</b>	The Firm should have Internal Audit/Statutory Audit experience of at least 10 years.	<b>Sufficient documentary proofs</b>
<b>vi</b>	The Firm should have Internal Audit/ Statutory Audit	

	experience of Public Sector Undertaking(s)/ Telecommunication Company(ies) having turnover of Rs.200 Crore or more for at least two years out of the latest 5 years.	
<b>vii</b>	The turnover of the Firm for the past three consecutive years i.e. 2016-17, 2017-18 & 2018-19 should not be less than Rs.50 lakh p.a.	<b>Sufficient documentary proofs like audited P&amp;L A/c, ITR etc.</b>
<b>viii</b>	At least one office of the Firm should be located in the state of Haryana including capital city and preferably one office in Ambala.	<b>Address(es) to be given. (Separate Sheet may be attached)</b>
<b>ix</b>	The firms should be empanelled with CAG office for the year 2019-20.	<b>Copy of self attested empanelled certificate/document is required to be submitted.</b>
<b>x</b>	An Internal Audit firm cannot continue in one circle for more than 3 (three) years. Hence, the firm who remained internal auditor of a Circle in BSNL for three years continuously i.e. 2017-18, 2018-19 & 2019-20 cannot apply for that Circle. A certificate in this regard is to be provided by the firm.	<b>Self- declaration by the firm.</b>
<b>xi</b>	<i>EMD in the form of Bank Guarantee of amount as mentioned against each circle in Annexure B for each circle. Bank Guarantee for EMD as well as PBG shall be obtained from any Scheduled Bank of India and not from any Co-operative Bank. The EMD can also be paid in the form of DD/online payment. (The bank details mentioned in Annexure-F)*.</i>	<b>Bank guarantee is required to be submitted in the format as per Annexure- F</b>

\* The MSME units shall be exempted from submission of Bid Security deposit on production of requisite proof in respect of valid certification from MSME for the tendered item.

Preference will be given to the Firms having professional associations across India (Branches across India)

## **9. SELECTION CRITERIA/EVALUATION**

- i** Firms which will satisfy prescribed eligibility conditions and whose technical bid is accepted shall be selected solely on the basis of fees quoted for the circle concerned. The L-1 Firm will be awarded the work and in case the Firm fails to take up assignment, the work may be offered to L-2 Firm on L-1 rates. Also the Bank Guarantee of defaulting Firm i.e. L1 who refuses to take up the assignment primarily is liable to be **revoked** by Nodal Circle of BSNL.
- ii** In case of tie amongst Firms, the Firms will be evaluated based on the preference conditions detailed under the head 'eligibility conditions'. A tie in this stage also will further lead the evaluation based on the date of registration and the Firm with oldest date of registration will be selected. If there is tie for date of registration also, then the selection of a Firm will be based on the greater number of partners in the Firm.
- iii** However, BSNL reserves the right to consider/ not to consider the Firm with the least quote due to any reason. The decision of the BSNL would be final and binding in this regard.

- iv. If any of the documents, required to be submitted along with the technical bid is found wanting, the offer is liable to be rejected at that stage. However, Nodal Circle of BSNL at its discretion may call for any clarification regarding the bid document within the stipulated time period. In case of non-compliance to such queries, the bid will be summarily rejected without entertaining further correspondence in this regard.

## **10. TERMS AND CONDITIONS**

- i. The Firms appointed as Internal Auditors will not be allowed to sub-contract the work assigned. In case it is subsequently found at any stage of the appointment process/post appointment that outsourcing has been resorted to, the appointment will be liable for cancellation with immediate effect without prejudice to other rights and remedies available to BSNL.
- ii. The appointment of Internal Auditors will be for a period of one year i.e. 2020-21.
- iii. It is desirable that the Firms so appointed possess requisite knowledge of ERP/ SAP. While quality of audit must be maintained by the firm(s), BSNL will not impart any formal training to any of the partner / assistant of the Firms.
- iv. The designated team of the firm (s) will work in strict confidence and will ensure that the information in respect of the operation of the area/unit is dealt in strict confidence and secrecy. A declaration for maintaining confidentiality should be provided by the firm before commencement of work. Format for standard declaration is given in **Annexure 'D'**.
- v. The Firm should depute 'Audit Team(s)' to complete the work within scheduled time as mentioned in clause 12 of this bid document and each Audit Team should comprise sufficient number of incumbents headed by qualified CA/ CMA. Name of the Qualified CA/CMA to be intimated in writing to BSNL. Any change in such CA/CMA should be with prior written intimation and consent of BSNL.
- vi. An Internal Audit firm cannot continue in one circle for more than 3 (three) years. Hence, the firm who remained internal auditor of a Circle in BSNL for three years continuously i.e. 2017-18, 2018-19 & 2019-20 cannot apply for that Circle. A certificate in this regard is to be provided by the firm.
- vii. A Firm can apply for more than one circle; however, maximum 2 circles can be allotted to one firm. The method of award of work shall be as follows:
  - a. After evaluation, BSNL shall prepare a list of bidders arranged in increasing order of the all inclusive fees quoted starting from the lowest (i.e. L1, L 2, L 3 and so on) for each of the circle (s) separately for the purpose of awarding work. L1 shall be considered for awarding of work in respective Circle (s).
  - b. No firm shall be awarded work in more than two circles for which separate financial bids have been invited. In case any bidder becomes L1 in more than 2 (Two) circles, the L1 bidder shall be allotted 2 (Two) circles in which the evaluated L1/L2 ratio is the lowest from amongst the circles in which it is L1. Other circle(s) where such firm is L1 shall be awarded to the corresponding L2 bidder at L1 rates.

- c. In any circle, the offer to L2 bidder shall be at the L1 evaluated rates. L2 may decline the offer without the risk of forfeiture of its bids security.
  - d. If the L2 bidder in any circle refuses to accept the work then the offer shall be made to L3 bidder of that zone and so on at L1 rates.
  - e. The L2, L3 and so on bidders may decline the counter offer without the risk of forfeiting their bid security.
  - f. In the event of L2 and so on bidders refusing to accept Work at L1 rates, BSNL reserve the right to offer the work for more than 2 circles to the L1 bidder. It is mandatory for the L1 bidder to accept such an offer and perform the whole contract as envisaged in this EOI document.
  - g. The bid security of L1 bidder for such circles where L2 and other bidders are offered work at L1 rates shall be returned to L1 bidder only after completion of the award of work in such circles where it was L1 but work is offered at its rates to other bidders.
- viii. The appointed Firm will be debarred from getting, in future, any work in BSNL in the following cases:
- a) If it is found that the Firm has obtained the appointment on the basis of false information, false statements, misrepresentation, unfair means and solicitation.
  - b) If the Firm does not take up the assigned work in terms of appointment.
  - c) If the Firm does not submit the report completed in all respect in terms of appointment.
  - d) If the Firm violates any of the terms and conditions stipulated under this EOI.
- Also the Internal audit work assigned through this EOI may be withdrawn with immediate effect.***
- ix. The quality of the work performed by the Audit Firms will be reviewed quarterly by BSNL Management at C.O. based on the Audit Report submitted.

BSNL Management may, without prejudice to any other remedy available for the breach of any conditions of EOI, by a written notice of 14 days, issued to successful bidder at its registered office, terminate this agreement under any of the following circumstances:

- a. Successful bidder failing to perform any obligation(s) under the EOI;
- b. Successful bidder failing to rectify, within the time prescribed for rectification, any lacuna in performance of obligation as may be pointed out by BSNL;
- c. Performance of the successful bidder is not in conformity with the scope of the work;
- d. Successful bidder going into liquidation or ordered to be wound up by competent authority.

*In such a situation, BSNL shall not be responsible for any damage or loss caused or arisen out of aforesaid action.*

- x. It is the sole responsibility of the Firm to comply with the all labour laws and other applicable Laws in relation to the Firm’s staff engaged in BSNL for internal Audit assignment.
- xi. CMD BSNL is empowered to issue any clarification/modification in EOI.
- xii. ACTION AGAINST BIDDER(S)/ VENDOR(S) IN CASE OF DEFAULT.  
In case of default by Bidder(s)/ Vendor(s) such as
  - a) Does not provide the service in time;
  - b) Or any other default whose complete list is enclosed in Annexure-I.  
BSNL will take action as specified in Annexure-I.

## **11. PLACE OF AUDIT**

The appointed Firm will depute their ‘Audit Team(s)’ at Circle Offices and BAs/ SSAs of circle(s) assigned to them. The audit should be conducted at BSNL premises only and no auditor will be allowed to carry Company’s documents outside the premises of BSNL office.

## **12. TIMELINES FOR CONDUCTING AUDIT AND SUBMITTING AUDIT REPORT:**

(A) For the financial year 2020-21 internal audit will be conducted in following four phases:

<b>Phase</b>	<b>Period Covered</b>	<b>Phase</b>	<b>Period Covered</b>
Phase I	1st April – 30th June	Phase III	1st October – 31st December
Phase II	1 <sup>st</sup> July – 30 <sup>th</sup> September	Phase IV	1 <sup>st</sup> January – 31 <sup>st</sup> March

- a. In each phase at least 25% of BAs/ SSAs should be physically visited and audited by the Audit Firm. Audit of remaining 75% BAs in each phase will be conducted by Audit Firm in the Circle Office only.
- b. (i) The Audit should start immediately for the quarters which are already over and should complete in twenty (20) working days and  
(ii) For the forthcoming quarters the Audit should start within twenty one (21) days of quarter ending and should complete in twenty (20) working days. For example, audit for the Phase III (Oct – Dec-2020 quarter) should start latest by 21<sup>st</sup>Jan 2021 and should complete within 20 working days.
- c. Audit Report should be prepared Circle wise considering the performance of all the BAs/ SSAs of the Circle for each quarter and should be submitted within seven (7) days on completion of audit.
- d. The aforesaid report should be submitted in hardcopy to the Chief General Manager of Circle. Soft copy of Audit Report should also be shared invariably.
- e. The Audit Report should be in conformity with the ‘Scope of Work’ as indicated in Annexure A and Auditor may add more meaningful inputs depending on the findings in the course of Audit.

- f. The Audit Report should be submitted in the format enclosed as **Annexure-J**.
- g. The following general guidelines has been suggested with the format for Audit Report
- Auditor should give their comment on each and every point. If not applicable to circle or unit the auditor should specifically mention the same.
  - While giving comment, auditor shall specify the financial impact on BSNL.
  - An Executive Summary highlighting major points should be attached.
  - Auditor shall mention his recommendations clearly in Executive Summary giving full disclosures.
  - Management replies or comments should be mentioned in the last column.
  - Auditors may attach annexures to any point in case details are required.
  - The auditor should consider the Action taken report by management on previous quarter Report.
  - In case of difference in opinion between the Management (at Circle level) and Internal Auditor on any observations of internal auditors, the same shall be referred to BSNL Corporate Office for their comments and guidance on the matter.

### 13. **FINANCIAL BID**

The Firm is required to quote fee per annum for the circle(s) as a whole for FY 2020-21 as per Performa of Financial Bid. The indicative fee for each circle is given in Annexure B. However, the Firm is free to quote higher or lower fee than the indicative fee. All inclusive fees (including TA/ DA and out of pocket expenses) is to be quoted in the EOI in both figures and words in Annexure 2. No conditions should be attached to the all inclusive fees quoted by the Firm. However, taxes and levies shall be paid extra as per the applicable rates. Financial Bid shall be valid up to 31.03.2021. If there is difference in amount quoted in figures and in words, the amount in words will be considered. If the Firm intends to bid for more than one circle separate sheet should be used for each circle and all the price bids should be kept in single 'Price Bid' envelope only.

### 14. **PAYMENT OF AUDIT FEES**

- i. The Audit Fees will be paid by the **Circle concerned** under intimation to its Nodal Circle.
- ii. **Fees will be paid as under:**

For the year 2020-21 twenty percent (20%) of the total annual fees will be paid on submission of Audit Report of each (I, II, III) Phase. However, on completion of Internal Audit for Phase IV and submission its report, balance 40% fees (25% for phase IV and 5% each of rest three phases) will be paid.
- iii. Bill for Audit Fee should be raised on the Circle concerned.
- iv. The Audit Firm should raise bill with all mandatory details and disclosures on its letterhead and amounts with respect to fees and GST should be clearly mentioned.
- v. TDS will be deducted as applicable.
- vi. No TA/DA/other expenses will be paid/ reimbursed by BSNL to Audit Firms except when they are called for attending any meeting and the distance travelled is more than 50 kilometers. Bill, if any, for reimbursement of TA/DA should be separately submitted.

- vii. The admissible TA/ DA shall be equivalent to the TA/ DA rates applicable for Statutory and Branch Auditors. (**Annexure ‘C’**).
- viii. The performance of Internal Auditor will be measured by the circle on the basis of following parameters:-
  1. The number of BAs visited.
  2. No. of days visited in BA (conduction of VCs with BAs if visits not possible).
  3. No. of audit personnel deployed for Internal Audit in each BA- Qualified and Semi Qualified personnel.
  4. Quality of report-graded by circle IFA as per the scope of work defined in the EOI.
  5. Timelines of report submission and so on.

In case of any deficiency/ non-conducting/ non-submission/ Late submission of the Internal Audit report suitable penalty may be imposed by the circle based on the above mentioned parameters. However, imposed penalty should not be more than 40% of the Audit fees payable.

## 15. **EARNEST MONEY AND SECURITY DEPOSIT**

- i. Firms which are submitting EOI should submit bank guarantee for the amount as mentioned against each circle in **Annexure B** valid up to 31.05.2021 as earnest money for each circle applied for, in the format provided in **Annexure ‘F’**. Nodal Circle will hold and manage all the EMD/SD on behalf of all the allotted circles. The Firms can also submit DD/online payment for circle applied for, in the name of AO(Cash), O/o CGMT, Punjab Circle Office, Chandigarh, BSNL. (The bank details mentioned in Annexure-F). The MSME units shall be exempted from submission of Bid Security deposit on production of requisite proof in respect of valid certification from MSME for the tendered item.
- ii. The successful Firms will have to submit performance bank guarantee for not less than one year period and for not less than 5% of total annual fees payable for the circle concerned for ensuring satisfactory performance. The bank guarantee so submitted shall be renewed at least one month before its expiry so as to cover the whole period of Internal Audit plus three months.
- iii. The bank guarantee received towards earnest money will be returned by Nodal Circle in original within one month of the selection of the firms for Audit.
- iv. The format for performance bank guarantee will be notified to the successful bidders later on.
- v. Without prejudice to its rights of any other remedy, Nodal Circle (BSNL) shall encash the BG in case of any breach in terms and conditions of the contract or in case of failure to carry out internal audit work as per the agreed schedule & parameters, on the part of bidder. If any firm breaches the term and conditions of the contract or in case of failure to carry out internal audit work as per terms and conditions prescribed under EOI, it shall be the responsibility of the concerned circle to intimate its Nodal Circle of such failure on the part of bidder.
- vi. The bidder shall extend the validity of the BG on yearly basis or as directed by Nodal Circle (BSNL), till the entire internal audit work under specified under the EOI is satisfactorily completed.

## 16. **BID SUBMISSION**

- a) EOI should be submitted in Annexure -1 & Annexure 2 format only. No other format will be accepted.
- b) The Bid must be submitted by the bidder through E-Tendering mode only. Manual submission of bid shall not be considered. The bid should strictly be submitted on e-tender portal – <http://etenders.gov.in>

Note :- In case of e-tendering, the following documents are required to be submitted offline (i.e. offline submissions) to CAO(CA) o/o CGMT, Room No-208, Plot No-2, Sanchar Sadan, BSNL, Sector-34-A, Chandigarh-160022, on or before 09.11.2020 up to 11:00 Hrs. of submission of bids in a sealed envelope.

The envelope must be sealed and super-scribed with '*EOI for Appointment of Internal Auditors for various Circles in BSNL for the Financial Year 2020-21*'. The name and address of the applicant Firm must also be mentioned on the envelope. The envelope shall bear the tender number, name of work and the phrase:

"Do Not Open Before (due date & time of opening of tender).

- i) EMD - Bank Guarantee (original copy)
- ii) Cost of tender document of Rs. 590/-
- iii) Power of Attorney in accordance with clause 16.1 and authorization for executing the power of Attorney.

The responsibility for ensuring that envelop is delivered in time would vest with the bidder. The purchaser shall not be responsible if the envelop is delivered elsewhere or late.

**c) Compliance Sheet/ Check list vide Annexure-G-1 & G-2 below.**

Applicant Firm should submit only one EOI even if it intends to bid for more than one Circle. However, Price Bids must be submitted for each Circle applied for.

**Power of Attorney:**

- (a) The Power of Attorney should be submitted and executed on the non-judicial stamp paper of appropriate value as prevailing in the concerned states(s) and the same be attested by a Notary public or registered before Sub-Registrar of the states(s) concerned.
- (b) The Power of Attorney in favour of person signing the bid executed by a person who has been authorized by the board of directors of the bidder in this regard, on behalf of the company/institution/body corporate. Proof of company resolution duly certified by Company Secretary OR Board of Directors is to be submitted for this.
- (c) In case of the bidder being a firm, the said Power of Attorney should be executed by all the partner(s) in favour of the said Attorney.
- (d) Attestation of the specimen signatures of such authorized signatory by the Company's/ firm's bankers shall be furnished. Name, designation, Phone number, mobile number, e-mail address and postal address of the authorized signatory shall be provided.
- (e) Individual signing the tenders or other documents connected with the contract shall indicate the full name below the signature and must specify the capacity and authority under which he signs such documents and shall also submit documentary evidence of his authority in the form of Power of Attorney.
- (f) The Power of Attorney is to be submitted in original, if it has been issued for the



specific tender enquiry. If the power of attorney is issued in general irrespective of tender enquiry then photocopy duly certified by notary public can also be accepted.

- (g) In case the representative of bidder, who uploads the document on e-tender portal using his Digital Signature Certificates (DSC), which is different from the authorized signatory for the bid (Power of Attorney holder) then the representative who uploads the documents on e-tender portal using DSC issued in his name, shall also be one of the Power of Attorney holder by the bidder firm, in addition to the authorized signatory for the bid.

## **17. SELECTION OF THE AUDITOR**

A two-stage procedure shall be adopted in evaluating the proposal. Technical bids will be opened first. Financial bids shall be opened only for those Firms whose Technical bids have been found in order and fulfilling all the eligibility conditions. Financial bid of the Firms whose technical bids do not fulfill eligibility criteria shall be returned unopened after the completion of selection process.

## **18. DISPUTE RESOLUTION / ARBITRATION**

Except as otherwise provided in the agreement/PO, in the event of any disputes, controversy or differences arising out of or relating to this agreement/PO, or the breach, termination or invalidity thereof between the parties, the aggrieved party shall make a request to the concerned CGM for conciliation to settle such differences or disputes. Such attempt to settle the dispute under conciliation of CGM shall be considered to have failed if not resolved within 60 days from the date of reference made to CGM. Then the same will be referred to be settled under the conciliation of Director (Finance), BSNL. The attempt to bring about such resolution shall be considered to have failed if not resolved within 30 days from the date of reference made to Director (Finance). Thereafter the same shall be referred to CMD, BSNL for resolution of such disputes by a sole arbitrator (chosen from three names provided by BSNL), to be mutually decided by the parties, as per the provisions of the Arbitration & Conciliation Act, 1996, any amendment thereof, and any notification issued or rules made there under from time to time.

The venue of the arbitration proceeding shall be New Delhi or Circle HQ (as the case may be).

## **19. JURISDICTION OF COURT**

The Laws of land as promulgated/modified/amended or replaced from time to time shall govern this EOI.

## **20. DISCLAIMER**

BSNL reserves the right to accept or reject any or all responses and to request additional submission or clarification from one or more applicant(s) at any stage or to cancel the process entirely without assigning any reason.

## E-TENDERING INSTRUCTIONS TO BIDDERS

### General

The Special Instructions (for e-Tendering) supplement 'Instruction to Bidders'.

### General

The Special Instructions (for e-Tendering) supplement 'Instruction to Bidders', as given in this Tender Document. Submission of Online Bids is mandatory for this Tender. E-Tendering is a new methodology for conducting Public Procurement in a transparent and secured manner. Suppliers/ Vendors will be the biggest beneficiaries of this new system of procurement. For conducting electronic tendering, BSNL Punjab Circle has decided to use the Portal (<http://www.etenders.gov.in>) through Central Public Procurement Portal, Government of India. Benefits to Suppliers are outlined on the Home-page of the portal.

### Instructions

#### 1. Tender Bidding Methodology

Sealed Bid System – 'Single Stage - TWO Envelope'.

#### 2. Broad outline of activities from Bidders prospective

- i) Procure a Digital Signing Certificate (DSC)
- ii) Register on Central Public Procurement Portal (CPPP)
- iii) Create Users and assign roles on CPPP
- iv) View Notice Inviting Tender (NIT) on CPPP
- v) Download Official Copy of Tender Documents from CPPP
- vi) Bid-Submission on CPPP: Prepare & arrange all document/paper for submission of bid online and offline.
- vii) **Submission of offline documents in sealed envelope to CAO(CA), BSNL, O/o CGMT, Room No-208, Plot No-2, Sanchar Sadan, Sector-34-A, Chandigarh-160022**
- viii) Please take care to scan documents that total size of documents, to be uploaded remains minimum. If required, documents may be scanned at lower resolutions say at 150 dpi. However it shall be sole responsibility of bidder that the uploaded documents remain legible.
- ix) Utmost care may be taken to name the file/documents to be uploaded on CPPP. There should be no special character or space in the name of file. Only underscores are allowed. The illustrative examples are given below:

File name	Allowed or not allowed in CPPP	Reason for allowed /Not allowed
Exp Certificate	not allowed	Space in between words / characters not allowed
Exp Certificate(1)	not allowed	Special characters not allowed
Exp_Certificate	allowed	Under score allowed between words /characters
ExpCertificate	allowed	Upper & lower cases allowed

- x) It is advised that all the documents to be submitted are kept scanned or converted to PDF format in a separate folder on your computer before starting online submission. Price schedule (BOQ) as per Annexure-2 (PDF Format) may be downloaded and rates may be filled appropriately. This file may also be saved in a secret folder on your computer. The names & total size of documents (Preferably below 50 MB) may be checked

For participating in this tender online, the following instructions are to be read carefully. These instructions are supplemented with more detailed guidelines on the relevant screens of the CPPP.

### 3. Digital Certificates

For integrity of data and its authenticity/ non-repudiation of electronic records, and be compliant with IT Act 2000, it is necessary for each user to have a Digital Certificate (DC) also referred to as Digital Signature Certificate (DSC), of Class 2 or above, issued by a Certifying Authority (CA) licensed by Controller of Certifying Authorities (CCA) [refer <http://www.cca.gov.in>].

### 4. Method for submission of bid documents

In this tender the bidder has to participate in e-tender online. Some documents are to be submitted physically offline. For details please see clause 4.1 Section 4 Part C

#### Offline submission

The bidder shall submit the following documents offline to **CAO(CA) BSNL O/o CGMT, Punjab Telecom Circle, Room No. 208, Plot No.-2 Sector-34A, Chandigarh -160022** on or before the date & time of submission of bids specified in NIT, in a Sealed Envelope. The envelope shall bear (tender name), the tender number and the words 'DO NOT OPEN BEFORE' (due date & time).

- i) EMD/DD/Copy of online payment – Bid security (original copy)
- ii) DD/ Banker's cheque/Copy of online payment of Tender fee (original copy)
- iii) Power of Attorney in accordance with clause 16.1.

**Note:** The Bidder has to upload the Scanned copy of all above said documents during Online Bid submission also.

#### Online submission:

1	Scanned copies of EMD/DD/Copy of online payment, Cost of tender document
2	Submission of digitally signed copy of Tender Documents/ Addendum
3	Submission of Technical Bid and (Part-I- General Information & Part-II- Specific Information) as per Annexure-I of Bid Documents.
4	All the documents as mentioned in Point No-8 – Eligibility Conditions (Technical Bids).
5	All the Annexures annexed to Tender Document may also be submitted online.

#### Note:

- (i) It is strictly instructed that documents should be uploaded in order as detailed above.
- (ii) No document should be uploaded twice.
- (iii) If some document is not applicable for the bidder then he has to upload scanned copy of paper mentioning 'the document ...<name>.... called vide clause \_\_\_\_\_ is not applicable on us.
- (iv) If document asked for contains more than one page then all those pages may be uploaded in one PDF file.

## 5. Registration

To use the Central Public Procurement Portal (<https://www.eprocure.gov.in>) Vendor need to register on the portal. The vendor should visit the home-page of the CPPP portal (<https://www.eprocure.gov.in>) and go to the e-procure link then select Bidders Manual Kit.

**Note:** Please contact NIC Helpdesk (as given below), to get your registration accepted/activated

<b>NIC Helpdesk</b>	
Telephone	1800-233-7315, 0120-4200462
E-mail ID	cphp-nic@nic.in [Please mark CC: <a href="mailto:support-nic@ncode.in">support-nic@ncode.in</a> ]
<b>BSNL Contact-1</b>	
BSNL's Contact Person	Sh. Ashok Sharma, Chief Accounts Officer (CA)
Telephone	0172-2669303, 2620932 [between 10:00 hrs to 17:30 hrs on working days]
E-mail ID	capbbsnl1@gmail.com
<b>BSNL Contact-2</b>	
BSNL's Contact Person	Sh. Ravinder Pal, Assistant Director (MM-I)
Telephone	0172-2600789 [between 10:00 hrs to 17:30 hrs on working days]
E-mail ID	<a href="mailto:sdemmpbtchd@gmail.com">sdemmpbtchd@gmail.com</a>

## 6. Price schedule / BOQ

- **Price schedule :-** Utmost care may kindly be taken to upload price schedule. Price schedule should be duly filled, stamped and signed by bidder and as per Annexure-2 (Page-7) in PDF Format.

## 7. Other Instructions

For further instructions, the vendor should visit the home-page of the portal ([www.eprocure.gov.in](http://www.eprocure.gov.in)), and go to the Bidders Manual Kit. The compatible support software (PDF Converter, Java, etc) for online bid submission may be downloaded from CPP Portal. The help information provided through 'CPPP User-Guidance Center' is available in three categories –Users intending to Register / First-Time Users, Logged-in users of Buyer organizations, and Logged-in users of Supplier organizations. Various links are provided under each of the three categories.

**Important Note:** It is strongly recommended that all authorized users of Bidders should thoroughly peruse the information provided under the relevant links, and take appropriate action. This will prevent hiccups, and minimize teething problems during the use of CPPP. The following '**FOUR KEY INSTRUCTIONS for BIDDERS**' must be assiduously adhered to:

- Obtain individual Digital Signing Certificate (DSC or DC) well in advance of your first tender
- submission deadline on CPPP.
- Register your organization on CPPP well in advance of your first tender submission deadline on CPPP.
- Get your organization's concerned executives trained on CPPP using

online training module well in advance of your tender submission deadline on CPPP.

iv) Submit your bids well in advance of tender submission deadline on CPPP (BSNL should not be responsible any problem arising out of internet connectivity issues).

**8. Minimum Requirements at Bidders end:**

- Computer System with good configuration (Min P IV, 1 GB RAM, Windows XP)
- 2 Mbps Broadband connectivity with UPS.
- Microsoft Internet Explorer 6.0 or above
- Digital Certificate(s) for users.

**Note:** Please visit CPPP (<https://www.eprocure.gov.in>) for more details and latest amendment on above.

### **Scope of Work for Internal Auditors of BSNL**

Internal audit is an important tool of management to keep watch and exercise control over activities of the Company. With the specialized knowledge of professional firms of Chartered Accountants and Cost Accountants, BSNL endeavors to significantly improve not only finance & accounting related performance but also exercise management control over non-financial activities with the help of efficient Internal Audit mechanism.

Companies Act 2013, while giving statutory recognition to the Internal Audit and making it mandatory for certain class of companies vide Rule 13 of the Companies (Accounts) Rules 2014, recognizes the importance and usefulness of Internal Audit by providing that the report of the Board of Directors shall contain the details in respect of adequacy of internal financial control with reference to the Financial Statement (Sub-rules 4 & 5 of Rule 8 of Companies (Accounts) Rules 2014.

Accordingly, to strengthen the control over BSNL's financial and other activities management will rely extensively on the reports submitted by Internal Auditors and hence responsibilities of Internal Auditors are vast and it is expected that the Internal Auditors shall apply their expertise in bringing out the deviations and irregularities and support the concerned unit(s) in streamlining its/ their activities. BSNL management also desires to gather valuable suggestions from Internal Auditors to review, modify and enhance professionalism and financial discipline in the Company.

Based upon BSNL's requirements and working following are the broad guidelines for Internal Auditors –

**(I) AS PRIME RESPONSIBILITIES THE INTERNAL AUDITOR**

- (a) Should ensure that no transaction, agreement, act or commitment of the BSNL Unit is *ultra vires* to the laws prevailing and/ or applicable for the period under audit.
- (b) Should ensure that no transaction is booked in the books of accounts against mandatory accounting standards issued by the Institute of Chartered Accountants of India and/ or as notified by Companies (Accounting Standards) Rules, 2015 as amended from time to time.
- (c) Should ensure that no transaction is booked in the books of accounts of the BSNL Unit against Generally Accepted Accounting Principles (GAAP), fundamental accounting assumptions and accounting concepts unless the GAAP is/ are superseded by Company's Accounting policies.
- (d) Should ensure that while recognizing transactions BSNL's accounting policies are adhered to.
- (e) Should ensure that the circulars, guidance and (accounting) instructions issued from time to time by BSNL Corporate Office to comply with the changes in laws, business requirements, smoothening of procedures and ease of accounting are being followed properly and correctly. It is also expected that internal auditor should check and ensure that treatment given to transactions is not ultra vires to the circulars, guidance and instructions so issued by Corporate Office.

**The authority attached to above instructions is as follows:**

1. (a) cannot be superseded,
2. (b) can be superseded by (a)

3. (c) can be superseded by (a) and (b)
4. (d) can be superseded by (a), (b) and (c)
5. (e) can be superseded by (a), (b), (c) and (d)

## **(II) MAJOR FOCUS AREAS**

The Internal Auditor should check and report that whether Unit(s) under audit is satisfactorily discharging their duties with respect to –

### **1. Check and report that whether Unit(s) under audit is satisfactorily discharging their duties with respect to :-**

- Effectiveness of financial management
- Implementation of Projects - time, cost and return on investment.
- Initiatives for enhancement of revenue & its efficiency.
- Simplification of procedures and rationalization of activities.
- Cost-benefit impact of new schemes and tariff plans.
- Reduction of costs and administrative and financial reforms.

### **2. INITIATIVES**

- (1) Suggestions for improvement in accounting, following of rules, dealing with taxation matters, awareness about accounting standards, laws prevailing and amendments being introduced by government.
- (2) Suggestion for better accounting practices and business policies based on auditors' experience with practicality of uniform applicability in a pan India environment.
- (3) Suggestions for betterment of processes, capturing of information and improving MIS.
- (4) Suggestion for improvement in internal control system for financial and non- financial activities.

### **3. Internal Auditors are desired to put special efforts on following issues**

- (1) Payment of late fees/ penalty/ demurrage and fines etc. should be audited in detail and proper approval, steps for avoidance in future etc. should be ensured.
- (2) Settling pending issues with CCA, DoT, taxation and other statutory authorities.
- (3) Timely decommissioning, scrapping, disposal of obsolete, impaired assets/ inventories.
- (4) Resolution of Statutory and C & AG (P&T) audit qualifications. The target in this regard is to bring down qualifications to zero.
- (5) IBTMS – Intra and inter circle remittances should be cleared minimum to the extent of targets conveyed by C.O.
- (6) License fees payable/ paid to DoT should be checked and over/ under payment should be clearly reported.
- (7) Grant/ subsidy received should be strictly accounted for in accordance with the Circular no. CA-304 issued by Corporate Accounts, C.O. read with AS-12 and as amended from time to time.
- (8) Expenses on towers and their performance.
- (9) Bank Guarantees submitted by BSNL Unit(s) should be taken back and cancelled as soon as tenor ends.

- (10) Bank Guarantees received by BSNL Unit(s) should not expire or get renewed to protect BSNL's interest.
- (11) SD/ EMD (deposited as well as received) should also be audited as to safeguard BSNL's interest and there should not be any instance of losing business or exposure to business risk because of lack of procedural efficiency. Long pending SD/EMD balances must be reviewed.
- (12) Each segment income and expenses should be booked properly and inter-segment incomes should be properly identified and booked.
- (13) Internal Auditors should check the compliance of GST rules/instructions/advisory etc. in the circle.
- (14) All the Internal Auditors should be acquainted with of Ind AS provisions.
- (15) The Internal Auditors should test the Risk Control Matrixes relating to Internal Financial Controls circulated to all circles as per instructions contained in F. No. 500-31/2015-16/CA-I/BSNL/356/IFC dated 13.07.2016.
- (16) All the OYT deposits lying under respective G/L to be reviewed and the connections which have completed their life spell of 20 years from the date of its installation, their deposits may be transferred to concerned revenue G/L.
- (17) Internal Auditor should check & report the reconciliation of input credit in SAP with GSTN portal.
- (18) Thoroughly review the process of receipt of services / materials along with Invoices and its process through "MIRO" for timely utilization of ITC (Input Tax Credit).
- (19) Reporting on project accounting like NOFN, LWE, NFS etc. as the billing and collection has been shifted to circles.
- (20) Internal Auditor should ensure creation of liabilities in accounts is must as no prior period expenditure are allowed.
- (21) Internal Auditors should also comments on the progress made on previous reported deficiency.
- (22) Audit of risk monitoring and management system.
- (23) The Internal Audit reports should also highlight significant issues that may have a bearing on the Company's operational and financial performance.
- (24) The scope of Internal Audit should also include performance audit i.e. areas where BSNL lost substantial market/revenue share, audit of each vertical's performance at Circle level.

#### **4. Finance & Accounts**

- (1) Proper and timely maintenance of books of accounts including vouchers and supporting.
- (2) Internal control mechanism for handling of cash and cash transactions. Review the fund requisition its receipt and further utilization so that redundant or excess fund out of budget allotment can be avoided.
- (3) Salary, advances, temporary advances and other employees related transactions.
- (4) Timely preparation of monthly Trial Balances/ Final Accounts and notes thereon.
- (5) Timely and correct deposition of taxes and levies (direct and indirect), filing of returns and settlement of disputes as and when arise, if any.



- (6) Budget allotment and utilization of funds against respective budget heads only.
- (7) Proper and timely booking of revenue, expenditures, liabilities and assets.
- (8) Maintenance of Fixed Assets Register and physical verification of assets. Internal Auditors are desired to thoroughly check that assets related to 'Telegram and Telex' services are either decommissioned or transferred to other services.
- (9) Creation of ARO liability for new asset creation in current financial year on leased hold land.
- (10) Proper record of CWIP, conversion of CWIP into assets and reconciliation. Review and reporting age-wise pendency of CWIP.
- (11) Reconciliation of main/ general ledgers with subsidiaries for stores, debtors, creditors, receivables and payables etc. and eliminating differences between main and subsidiary ledgers.
- (12) Recoverable and payables from/ to DoT / CCA/ MTNL and other departments are properly and timely recorded and efficient efforts are being made to settle the transactions.
- (13) Review and suggestive remarks for minimizing adverse / negative balances under various GLs.
- (14) Review of bank charges debited by bank as per agreement.

#### **5. Physical stores and its verification**

- (1) Real time recording of inward and outward movement of store items.
- (2) Maintenance of proper registers, bin cards, movement records etc. at the stores.
- (3) Stores receipt vouchers (SRVs) and stores issue vouchers (SIVs) are sent to Store Accounts Section and periodic reconciliation is carried out between store records and financial records.
- (4) Periodicity of physical verification and resolution of discrepancies. Auditor is also expected to carry out Physical Verification on test check basis.

#### **6. AUDIT REPORT**

The Audit Report should be concise, to the point and should be professionally written covering all important aspect. Above guidelines are indicative and not exhaustive. Wherever internal auditor notices issues to report he should clearly report in such a way that shall meaningfully be used by BSNL.

Further, internal auditor is expected to have good working knowledge of '**Standards on Internal Audit**' (SIA) issued by ICAI from time to time and should suitably apply such standards while conducting internal audit and concluding his comments.

The **Management/ Executive summary** should be integral part of audit report and auditor is expected to prepare the same for whole circle on quarterly basis and send to Internal Audit Section of Corporate Office.

**Annexure – B**

**Details of BSNL Circles, Zone Wise Nodal Circle(s) and Indicative fees / EMD Amount**

<b>ZONE</b>	<b>Circle Name</b>	<b>Circle HQ Location</b>	<b>Nodal Circle</b>	<b>All Inclusive Indicative I.A. Fees P.A. for 2020-21</b>	<b>EMD Amount (Rs.)</b>
<i>1</i>	<i>2</i>	<i>3</i>	<i>4</i>	<i>5</i>	<i>6</i>
NORTH ZONE A	Haryana Telecom Circle	Ambala	Punjab Telecom	394000	8000
<b>Total all inclusive indicative Internal Audit Fees per Annum</b>				<b>394000</b>	

Note: Internal Audit fees shall be paid as mentioned in the clause 14 of the bid document.

**TA / DA Entitlement**

Mode of Conveyance / Stay	Group			Remark
	Partner	Qualified Assistants (CA, ICWA, CS)	Other Than Qualified Assistants	
Taxi - For distances beyond eight (8) Kms.	Rs.8 /- per Km.	Rs. 8/- per Km.	Rs. 8/- per Km.	Subject to production of receipt
Own Car - For distances beyond eight (8) Kms.	Rs.6/- per Km.	Rs. 6/- per Km.	Rs.6/- per Km.	In case one or more audit staff is going to same destination on same day only Only one Taxi /Own car fare will be admissible.
Travel by Train	Equivalent to JAG	Equivalent to STS	Equivalent to Sr. A. O.	On production of Railway Tickets
Travel by air	Equivalent to JAG in BSNL and if the distance involved is more than 500 Kms. and the journey cannot be performed overnight	Not entitled	Not entitled	On production of Air Tickets
DA (if Stay in Hotel)	Equivalent to JAG Officers in BSNL	Equivalent to STS Officers in BSNL	Equivalent to Sr. A. O. in BSNL	Subject to production of receipt
DA (If own arrangement is made)	Equivalent JAG Officers in BSNL	Equivalent to STS Officers in BSNL	Equivalent to Sr. A. O. in BSNL	

Note: The above rates are effective as on date and any revision in the rates will be notified separately.

**Declaration of Confidentiality**

Subject to conditions contained in this EOI, Firm shall take all necessary steps to safeguard the privacy and confidentiality of any information about BSNL during the audit and shall use its best endeavors to secure that:

- a) No person acting on behalf of Firm divulges or uses any such information except as may be necessary in the course of providing services to BSNL;
- b) No person seeks such information other than that is necessary for the purpose of internal audit works as specified in the EOI; and
- c) The Firm shall bind its employees to terms of confidentiality clause and shall take all action reasonably necessary to secure the confidentiality of such information against theft, loss or unauthorized disclosure.

This clause shall survive the termination or expiry of the assignment as Internal Auditor of BSNL.

**Signature of the Authorized Signatory  
of the Firm with seal**

**Details of the Offices / Branches of the Firm**

**Name of Firm:** .....

S. No.	Name of the Office In charge	Office Address	State	Mobile / Landline No.	Email id

**Signature of the Authorized Signatory  
of the Firm with seal**

*(Use separate sheet if required)*

**Format for Earnest Money (Bank Guarantee) Deposit**

**To**  
CGM/ IFA  
Nodal Circle  
BSNL

Whereas..... (Name of the bidding firm) (Hereinafter called “the Firm”) has submitted its bid for conducting Internal Audit of BSNL vide EOI No. .... dated .....

KNOW ALL MEN by these presents that we .....(Name of the bank) having our registered office at.....(hereinafter called “the Bank”) are bound unto the Bharat Sanchar Nigam Limited (hereinafter called “the BSNL”) for the sum of Rs...../- (Rupees ..... (in words) only) for which payment shall and truly to be made of “the BSNL”, the Bank binds itself, its successors and assigns by these presents:

THE CONDITIONS of the obligation are:

1. If the Firm withdraws its bid during the period of bid validity specified by the BSNL in the Bid form

Or

2. If the Firm, having been notified of the acceptance of its bid by the BSNL during the period of bid validity:
  - (a) Fails or refuses to accept and/ or perform obligations; or
  - (b) Fails or refuses to furnish the Performance Security in form of Bank Guarantee, in accordance with the instructions to the Firm.

We, .....(Name of the bank) undertake to pay to the BSNL up to the above amount upon receipt of its first written demand, without the BSNL having to substantiate its demand, provided that in its demand, the BSNL shall note that the amount claimed by it is due to it owing to the occurrence of any one or both of the two conditions, specifying the occurred condition or conditions.

This guarantee shall remain in force till 31.05.2021 as specified in clauses 15 of the Bid Document and any demand in respect thereof should reach the Bank not later than the specified date/dates.

In case BSNL demands for any money under this bank guarantee, the same shall be paid through banker’s Cheque in favour of “AO (Cash), O/o CGMT, BSNL, Chandigarh” payable at Chandigarh.

The Bank guarantees that the below mentioned officer who have signed it on behalf of the Bank have authority to give this guarantee under its delegated power.

Signature of the Bank Authority.

Name : .....

Signed in Capacity of : .....

Signature of witness : .....

Full address of Branch : .....

Name & Address of witness : .....

Tel No. of Branch : .....

Fax No. of Branch : .....

Bank details of BSNL:

Name of Bank : Punjab National Bank  
Branch : SCF 1-2, Sector -22-D, Chandigarh.  
Collection Account No. : 0095002101104058.  
IFSC : PUNB0009500.

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**Compliance Sheet/ Check List – Online Documents**

<b>S. No.</b>	<b>Particulars</b>	<b><u>Documents required to be attached/furnished by the bidder(s)</u></b>	<b>whether documents attached Y/ N</b>
I	The Firm should be either Chartered Accountants or Cost Accountants Firm (Partnership/Limited Liability Partnership).	A latest constitution certificate issued by the Institute of Chartered Accountants of India / Cost Accountants of India is required to be furnished by the firm.	
Ii	The Firm or any of its partners should not be associated with BSNL in any professional capacity.	A self- declaration certificate is required to be furnished by the firm.	
Iii	The firm should be in existence for at least last 12 years.	A self- declaration certificate is required to be furnished by the firm.	
Iv	There should be at least 4 partners and total strength of qualified persons (Partners + Assistants) should not be less than 10.	Latest Copy of constitution certificate issued by the Institute of Chartered Accountants/ Cost Accountants of India is required to be furnished by the firm.	
V	The Firm should have Internal Audit/Statutory Audit experience of at least 10 years.	<b>Firm is required to furnish the proof.</b>	
Vi	The Firm should have Internal Audit/ Statutory Audit experience of Public Sector Undertaking(s)/ Telecommunication Company(ies) having turnover of Rs. 200 crore or more for at least two years out of the latest 5 years.	<b>Firm is required to furnish the proof.</b>	
Vii	The turnover of the Firm for the past three consecutive years i.e. 2016-17, 2017-18 & 2018-19 should not be less than Rs. 50 lakh p.a.	<b>Firm is required to furnish the proof.</b>	
Viii	At least one office of the Firm should be located in the state of Haryana including capital city and preferably one office in Ambala.	A self- declaration certificate is required to be furnished by the firm.	
ix	<i>Preference will be given to the Firms having professional association across India (Branches across India).</i>	A self- declaration certificate is required to be furnished by the firm.	



x	Formats for submission of EOI i.e. Technical Bid and Price Bid	Annexure- 1 & 2	
xi	Declaration of confidentiality	Annexure- D	
xii	Details of offices/ Branches of the Firm	Annexure-E	
xiii	Stamped and signed copy of Tender Documents/ Addendum	Copy of EOI	
xiv	EMD (Bank Guarantee)/DD/Online payment	Under the format stated in Annexure-F	
xv	Cost of tender document.	DD/Copy of online payment & date towards Cost of tender document.	

**Annexure 'G-2'**

**Compliance Sheet/ Check List – Offline Documents**

<b>S. No.</b>	<b>Particulars</b>	<b><u>Documents required to be attached/furnished by the bidder(s)</u></b>	<b>whether documents attached Y/ N</b>
<b>1</b>	Bid security (original copy)	EMD/DD/Copy of online payment	
<b>2</b>	Tender fee (original copy)	DD/ Banker's cheque/Copy of online payment	
<b>3</b>	Power of Attorney	In accordance with clause 16.1.	

Only the above mentioned three documents should be submitted offline. Any other document submitted offline except above mentioned three documents will not be considered.

The MSME units shall be exempted from submission of Tender Fee and Bid Security deposit, subject to production of requisite proof in respect of valid certification from MSME for the tendered item.

**Cost of tender document for each Zone Wise Nodal Circle**

<b>ZONE</b>	<b>Nodal Circle</b>	<b>Name of Circle</b>	<b>Estimated Cost of Tender ( IA Fees for FY 20-21)</b>	<b>Bid Document price in Rs. Including GST @ 18%</b>
1	2	3	4	5
NORTH ZONE A	Punjab Telecom	Haryana	3,94,000/-	590/-
Total			3,94,000/-	

**ACTION AGAINST BIDDER(S)/ VENDOR(S) IN CASE OF DEFAULT.**

<b>S. No.</b>	<b>Defaults of the bidder / vendor.</b>	<b>Action to be taken</b>
A	B	C
1(a)	Submitting fake / forged	i) Rejection of tender bid of respective Vendor.
	a) Bank Instruments with the bid to meet terms & condition of tender in respect of tender fee and/ or EMD;	ii) Banning of business for 3 years which implies barring further dealing with the vendor for procurement of Goods & Services including participation in future tenders invited by BSNL for 3 years from date of issue of banning order.
	b) Certificate for claiming exemption in respect of tender fee and/ or EMD;	iii) Termination/ Short Closure of PO/WO, if issued. This implies non-acceptance of further supplies / work & services except to make the already received material work/ complete work in hand.
	and detection of default at any stage from receipt of bids till award of APO/ issue of PO/WO.	
	<b>Note 1:-</b> However, in this case the performance guarantee if alright will not be forfeited.	
<b>Note 2:-</b> Payment for already received supplies/ completed work shall be made as per terms & conditions of PO/ WO.		
1(b)	Submitting fake / forged documents towards meeting eligibility criteria such as experience capability, supply proof, registration with Sales Tax, Income Tax departments etc and as supporting documents towards other terms & conditions with the bid to meet terms & condition of tender :	
	<i>(i) If detection of default is prior to award of APO</i>	i) Rejection of Bid & ii) Forfeiture of EMD.
	<i>(ii) If detection of default after issue of APO but before receipt of PG/ SD (DD,BG etc.)</i>	i) Cancellation of APO , ii) Rejection of Bid & iii) Forfeiture of EMD.

S. No.	Defaults of the bidder / vendor.	Action to be taken
A	B	C
1(b) cont d.	(iii) If <i>detection of default after receipt of PG/ SD (DD,BG etc.)</i> .	i) Cancellation of APO ii) Rejection of Bid & iii) Forfeiture of PG/ SD. However on realization of PG/ SD amount, EMD, if not already released shall be returned.
	(iv) If <i>detection of default after issue of PO/ WO</i>	i) Termination/ Short Closure of PO/WO and Cancellation of APO ii) Rejection of Bid & iii) Forfeiture of PG/ SD. However on realization of PG/ SD amount, EMD, if not released shall be returned.
	<b>Note 3:-</b> However, settle bills for the material received in correct quantity and quality if pending items do not affect working or use of supplied items.	
	<b>Note 4:-</b> No further supplies are to be accepted except that required to make the already supplied items work.	
2	<p>If vendor or his representative uses violent/ coercive means viz. Physical / Verbal means to threatens BSNL Executive / employees and/ or obstruct him from functioning in discharge of his duties &amp; responsibilities for the following :</p> <p>a) Obstructing functioning of tender opening executives of BSNL in receipt/ opening of tender bids from prospective Bidders, suppliers/ Contractors.</p> <p>b) Obstructing/ Threatening other prospective bidders i.e. suppliers/ Contractors from entering the tender venue and/ or submitting their tender bid freely.</p>	Banning of business for 3 years which implies Barring further dealing with the vendor for procurement of Goods & Services including participation in future tenders invited by BSNL for 3 years from date of issue of banning order.
3	Non-receipt of acceptance of APO/ AWO and SD/ PG by L-1 bidder within time period specified in APO/ AWO.	Forfeiture of EMD.

<b>S. No.</b>	<b>Defaults of the bidder / vendor.</b>	<b>Action to be taken</b>
A	B	C
4.1	Failure to supply and/ or Commission the equipment and /or execution of the work at all even in extended delivery schedules, if granted against PO/ WO.	i) Termination of PO/ WO. ii) Under take purchase/ work at the risk & cost of defaulting vendor. iii) Recover the excess charges if incurred from the PG/ SD and outstanding bills of the defaulting Vendor.
4.2	Failure to supply and/ or Commission the equipment and /or execution of the Work in full even in extended delivery schedules, if granted against PO/ WO.	i) Short Closure of PO/ WO to the quantity already received by and/ or commissioned in BSNL and/ or in pipeline provided the same is usable and/or the Vendor promises to make it usable. ii) Under take purchase/ work for balance quantity at the risk & cost of defaulting vendor. iii) Recover the excess charges if incurred from the PG/ SD and outstanding bills of the defaulting Vendor.
5	If the vendor is declared bankrupt or insolvent or its financial position has become unsound and in case of a limited company, if it is wound up or it is liquidated.	i) Termination/ Short Closure of the PO/ WO. ii) Settle bills for the quantity received in correct quantity and quality if pending items do not affect working or use of supplied items. iii) No further supplies are to be accepted except that required to make the already supplied items work. iv) In case of turnkey projects, If the material is commissioned and is usable without any degradation of performance, then settle bills for the acceptable equipment/ material (or its part). v) In case of turnkey projects, if the material is inducted in network & it is not possible to return it and/ or material is acceptable with degraded performance, the purchaser may determine the price for degraded equipment (Financial penalty = Price – price determined for degraded equipment) himself and/ or through a committee.

<b>S. No.</b>	<b>Defaults of the bidder / vendor.</b>	<b>Action to be taken</b>
A	B	C
5 con- td.		Undertake recovery of financial penalty from outstanding dues of vendor including PG/ SD.
6	In the event of the vendor, its proprietor, Director(s), partner(s) is / are convicted by a Court of Law following prosecution for offences involving moral turpitude in relation to the business dealings.	<p>i) Termination/ Short Closure of the PO/ WO.</p> <p>ii) Settle bills for the material received in correct quantity and quality if pending items do not affect working or use of supplied items.</p> <p>iii) No further supplies are to be accepted except that required to make the already supplied items work.</p> <p>iv) In case of turnkey projects, If the material is commissioned and is usable without any degradation of performance, then settle bills for the acceptable equipment/ material (or its part).</p> <p>v) In case of turnkey projects, If the material is inducted in network &amp; it is not possible to return it and/ or material is acceptable with degraded performance, the purchaser may determine the price for degraded equipment (Financial penalty = Price – price determined for degraded equipment) himself and/ or through a committee.</p> <p>Undertake recovery of financial penalty from outstanding dues of vendor including PG/ SD.</p>
7	If the vendor does not return/ refuses to return BSNL's dues:	i) Take action to appoint Arbitrator to adjudicate the dispute.
	a) in spite of order of Arbitrator.	<p>i) Termination of contract, if any.</p> <p>ii) Banning of business for 3 years which implies barring further dealing with the vendor for procurement of Goods &amp; Services including participation in future tenders invited by BSNL from date of issue of banning order or till the date by which vendor clears the BSNL's dues, whichever is later.</p>

<b>S. No.</b>	<b>Defaults of the bidder / vendor.</b>	<b>Action to be taken</b>
A	B	C
7 con- td.	b) inspite of Court Orders.	iii) Take legal recourse i.e. filing recovery suite in appropriate court. i) Termination of contract, if any. ii) Banning of business for 3 years which implies barring further dealing with the vendor for procurement of Goods & Services including participation in future tenders invited by BSNL from date of issue of banning order or till the date by which vendor clears the BSNL's dues, whichever is later.
8	If the Central Bureau of Investigation/ Independent External Monitor (IEM) / Income Tax/ Sales Tax/ Excise / Custom Departments recommends such a course	Take Action as per the directions of CBI or concerned department.
9	The following cases may also be considered for Banning of business:  (a) If there is strong justification for believing that the proprietor, manager, MD, Director, partner, employee or representative of the vendor/ supplier has been guilty of malpractices such as bribery, corruption, fraud, substitution of tenders, interpolation, misrepresentation with respect to the contract in question.  (b) If the vendor/ supplier fails to execute a contract or fails to execute it satisfactorily beyond the provisions of Para 4.1 & 4.2.  (c) If the vendor/ supplier fails to submit required documents/ information, where required.  (d) Any other ground which in the opinion of BSNL is just and proper to order for banning of business dealing with a vendor/ supplier.	i) Banning of business for 3 years which implies Barring further dealing with the vendor for procurement of Goods & Services including participation in future tenders invited by BSNL for 3 years from date of issue of banning order.

**Note 5:** The above penalties will be imposed provided it does not clash with the provision of the respective tender.

**Note 6:**-In case of clash between these guidelines & provision of invited tender, the provision in the respective tender shall prevail over these guidelines.

**Note 7:** Banning of Business dealing order shall not have any effect on the existing/ ongoing works/ AMC / CAMC which will continue along with settlement of Bills.



## **INSTRUCTIONS TO BIDDERS**

Bharat Sanchar Nigam Limited (BSNL), A Govt. of India Enterprise, invites EOI / Proposal for appointment of Chartered / Cost Accountant Firms (for the purpose of this EOI the term 'Firm' includes 'LLP' also) for conducting Internal Audit in BSNL for the Financial Years 2020-21.

BSNL provides Telecom Services throughout India (except Delhi and Mumbai Metro Districts), through its 25 Territorial Telecom Circles and 2 Metro Districts namely Chennai Phones and Kolkata Phones. Major services provided by BSNL are Landline (Fixed) phones, WLL (fixed and mobile), Leased Circuits, National Long Distance (NLD) including leased circuits; International Long Distance (ILD); Cellular Mobile Telephone Service, V-SAT, Internet (broadband and narrowband); Cable Landing Stations, Tower Hiring etc., as per licenses granted by the Department of Telecommunications, Govt. of India.

Apart from these 25 Territorial Telecom Circles and 2 Metro Districts, there are 15 non-territorial Circles providing training, quality assurance, maintenance and project services to these 27 Circles and one Unit of CO BSNL (i.e. CA, PAO & Banking). These Territorial circles & Metro Districts, non-territorial Circles and CO BSNL Unit have been grouped into 7 (seven) zones for the purpose of Internal Audit.

### 1. DEFINITIONS

- a. "Agreement" means the terms and conditions agreed between the Chartered / Cost Accountant firms registered with The Institute of Chartered Accountant of India/ The Institute of Cost Accountant of India and Bharat Sanchar Nigam Ltd.
- b. "The Bidder" means the Chartered / Cost Accountant firms registered with The Institute of Chartered Accountant of India/ The Institute of Cost Accountant of India which is invited to participate in the tender and submits its bid.
- c. "The BSNL" means the Bharat Sanchar Nigam Limited (BSNL), New Delhi.
- d. "Chartered / Cost Accountant firms" means the firms registered with The Institute of Chartered Accountant of India/ The Institute of Cost Accountant of India which enters into contract with BSNL to provide Professional Services under the tender.
- e. "Partners" means Chartered Accountant or Cost Accountants having membership certificate and certificate of practice from The Institute of Chartered Accountant of India/ The Institute of Cost Accountant of India.
- f. "The Contract Price" means the price payable to the Chartered / Cost Accountant firms under the agreement for the full and proper performance of its contractual obligations.
- g. "The Circle" means territorial, and other functional (non-territorial) circles of BSNL.
- h. "Nodal Circle" means Circle(s) authorize to float EOI on behalf of allotted circles as mentioned in Annexure-B.
- i. "Zone" means Circle(s) and Nodal Circle(s) as mentioned in Annexure-B.

- j. “The DDO” means Drawing and Disbursing Officer responsible for collecting revenue and releasing payments, disbursing salaries and wages etc. of any of the SSAs/PAUs of BSNL.
- k. “The Circle IFA” means Internal Financial Advisor of a Circle.
- l. “The Business Areas (BAs)/ SSA” means Secondary Switching Area which is also called Telecom District and includes Primary Accounting Units (PAUs) like Civil, Electrical, Maintenance, Project Circle offices/Divisions as the case may be.
- m. Bidders are required to go through all the clauses of the bid document and before submission the Bid in BSNL it should be ensured that all the documents/ Annexures and EMD (Bank Guarantee) as mentioned under the bid document (vide compliance sheet/ check list-Annexure-G) are attached/enclosed properly.
- n. The Bidder is expected to examine all instructions and clauses, forms, terms and BSNL requirements in the Bid Document. Failure to furnish any information required as per the Bid Document or submission of the bids not responsive to the Bid Document in any respect shall be at the bidder’s risk and may result in rejection of the bid.
- o. At any time, prior to the date of submission of Bids, Nodal Circle BSNL may, for any reason, whether at its own initiative or in response to a clarification requested by a prospective bidder, modify bid document by amendments.
- p. The amendments shall be notified in writing or by Fax or e-mail to all prospective bidders at the address/ Fax number/ e-mail ID, intimated at the time of obtaining of the bid document from the Nodal circle and also be posted on the website. These amendments shall be binding on all prospective bidders.
- q. In order to afford prospective bidders a reasonable time to take the amendment into account for preparing their bids, the Nodal circle may, at its discretion, extend the time for the submission of bids suitably.



**BSNL**

# **Bharat Sanchar Nigam Limited**

## **Format of Internal Audit Report**

**INTERNAL AUDIT REPORT OF..... (Name of circle), BSNL for  
the quarter ended.....**

Sl. No	Scope	Auditor's Observation	Financial Impact	Action taken Report by Management
1	1.1	<b><u>AS PRIME RESPONSIBILITIES THE INTERNAL AUDITOR</u></b>		
	1.1.1	Should ensure that no transaction, agreement, act or commitment of the BSNL Unit is <i>ultra vires</i> to the laws prevailing and/ or applicable for the period under audit.		
	1.1.2	Should ensure that no transaction is booked in the books of accounts against mandatory accounting standards issued by the Institute of Chartered Accountants of India and/ or as notified by Companies (Accounting Standards) Rules, 2015 as amended from time to time.		
	1.1.3	Should ensure that no transaction is booked in the books of accounts of the BSNL Unit against Generally Accepted Accounting Principles (GAAP), fundamental accounting assumptions and accounting concepts unless the GAAP is/ are superseded by Company's Accounting policies.		
	1.1.4	Should ensure that while recognizing transactions BSNL's accounting policies are adhered to.		



Sl. No	Scope	Auditor's Observation	Financial Impact	Action taken Report by Management
1.1.5	Should ensure that the circulars, guidance and (accounting) instructions issued from time to time by BSNL Corporate Office to comply with the changes in laws, business requirements, smoothening of procedures and ease of accounting are being followed properly and correctly. It is also expected that internal auditor should check and ensure that treatment given to transactions is not ultra vires to the circulars, guidance and instructions so issued by Corporate Office.			
1.2	<b><u>MAJOR FOCUS AREAS</u></b>			
1	Check and report that whether Unit(s) under audit is satisfactorily discharging their duties with respect to:-			
1.2.1	Effectiveness of financial management			
1.2.2	Implementation of Projects - time, cost and return on investment.			
1.2.3	Initiatives for enhancement of revenue & its efficiency.			
1.2.4	Simplification of procedures and rationalization of activities.			
1.2.5	Cost-benefit impact of new schemes and tariff plans.			
1.2.6	Reduction of costs and administrative and financial reforms			
2	2.1 INITIATIVES			



Sl. No	Scope	Auditor's Observation	Financial Impact	Action taken Report by Management
2.1.1	Suggestions for improvement in accounting, following of rules, dealing with taxation matters, awareness about accounting standards, laws prevailing and amendments being introduced by government.			
2.1.2	Suggestion for better accounting practices and business policies based on auditors' experience with practicality of uniform applicability in a pan India environment.			
2.1.3	Suggestions for betterment of processes, capturing of information and improving MIS.			
2.1.4	Suggestion for improvement in internal control system for financial and non- financial activities.			
2.2	Internal Auditors are desired to put special efforts on following issues;			
2.2.1	Payment of late fees/ penalty/ demurrage and fines etc. should be audited in detail and proper approval, steps for avoidance in future etc. should be ensured			
2.2.2	Settling pending issues with CCA, DoT, taxation and other statutory authorities			
2.2.3	Timely decommissioning, scrapping, disposal of obsolete, impaired ASSETS/ inventories.			
2.2.4	RESOLUTION of Statutory and C & AG (P&T) audit qualifications. The target in this regard is to bring down qualifications to zero.			



Sl. No	Scope	Auditor's Observation	Financial Impact	Action taken Report by Management
2.2.5	IBTMS – Intra and inter circle remittances should be cleared minimum to the extent of targets conveyed by C.O.			
2.2.6	License fees payable/ paid to DoT should be checked and over/ under payment should be clearly reported.			
2.2.7	Grant/ subsidy received should be strictly accounted for in accordance with the Circular no. CA-304 issued by Corporate Accounts, C.O. read with AS-12 and AS amended from time to time.			
2.2.8	Expenses on towers and their performance.			
2.2.9	Bank Guarantees submitted by BSNL Unit(s) should be taken back and cancelled AS soon AS tenor ends.			
2.2.10	Bank Guarantees received by BSNL Unit(s) should not expire or get renewed to protect BSNL's INTEREST.			
2.2.11	SD/ EMD (deposited AS well AS received) should also be audited AS to safeguard BSNL's INTEREST and there should not be any instance of losing business or exposure to business risk because of lack of procedural efficiency. Long pending SD/EMD balances must be reviewed.			



Sl. No	Scope	Auditor's Observation	Financial Impact	Action taken Report by Management
2.2.12	Each segment (business vertical) operations and income & expenses should be booked properly and inter-segment incomes should be properly identified and booked.			
2.2.13	Internal Auditors should check the compliance of GST rules/ instructions/ advisory etc. in the circle.			
2.2.14	All the Internal Auditors should be acquainted with of Ind. AS provisions			
2.2.15	The Internal Auditors should test the Risk Control Matrixes relating to Internal Financial Controls circulated to all circles AS per instructions contained in F. No. 500- 31/2015-16/CA-I/BSNL/356/IFC dated 13.07.2016.			
2.2.16	All the OYT deposits lying under respective G/L to be reviewed and the connections which have completed their life spell of 20 years from the date of its installation, their deposits may be transferred to concerned revenue G/L.			
2.2.17	Internal Auditor should check & report the reconciliation of input credit in SAP with GSTN portal			
2.2.18	Thoroughly review the process of receipt of services / materials along with Invoices and its process through "MIRO" for timely utilization of ITC (Input Tax Credit).			





Sl. No	Scope	Auditor's Observation	Financial Impact	Action taken Report by Management
2.2.19	Reporting on project accounting like NOFN, LWE, NFS etc. as the billing and collection has made to Circle			
2.2.20	Internal Auditor should ensure creation of liabilities in accounts is MUST AS no prior period expenditure are allowed			
2.2.21	Internal Auditors should also comments on the progress made on previous reported deficiency.			
2.2.22	Audit of risk monitoring and management system			
2.2.23	The Internal Audit reports should ALSO highlight significant issues that may have a bearing on the Company's operational and financial performance			
2.2.24	The scope of Internal Audit should ALSO include performance audit i.e. areas where BSNL lost substantial market/revenue share, audit of each vertical's performance at Circle level			
2.3	<b>Finance &amp; Accounts</b>			
2.3.1	Proper and timely maintenance of books of accounts including vouchers and supporting			
2.3.2	Internal control mechanism for handling of cash and cash transactions and Bank Transactions. Review the fund requisition its receipt and further utilization so that redundant or excess fund out of budget allotment can be avoided.			
2.3.3	Salary, advances, temporary advances and other employees related transactions.			



Sl. No	Scope	Auditor's Observation	Financial Impact	Action taken Report by Management
2.3.4	Timely preparation of monthly Trial Balances/ Final Accounts and notes thereon			
2.3.5	Timely and correct deposition of taxes and levies (direct and indirect), filing of returns and settlement of disputes as and when arise, if any			
2.3.6	Budget allotment and utilization of funds against respective budget heads only.			
2.3.7	Proper and timely booking of revenue, expenditures, liabilities and assets			
2.3.8	Maintenance of Fixed Assets Register and physical verification of assets. Internal Auditors are desired to thoroughly check that assets related to 'Telegram and Telex' services are either decommissioned or transferred to other services.			
2.3.9	Creation of ARO liability for new Asset creation in current financial year on leased hold land			
2.3.10	Proper record of CWIP, conversion of CWIP into assets and reconciliation. Review and reporting age-wise pendency of CWIP			
2.3.11	Reconciliation of main/ general ledgers with subsidiaries for stores, debtors, creditors, receivables and payables etc. and eliminating differences between main and subsidiary ledgers			



Sl. No	Scope	Auditor's Observation	Financial Impact	Action taken Report by Management
2.3.12	Recoverable and payables from/ to DoT / CCA/ MTNL and other departments are properly and timely recorded and efficient efforts are being made to settle the transactions.			
2.3.13	Review and suggestive remarks for minimizing adverse / negative balances under various GLs			
2.3.14	Review of bank charges debited by bank as per agreement			
2.4	Physical stores and its verification			
2.4.1	Real time recording of inward and outward movement of store items			
2.4.2	Maintenance of proper registers, bin cards, movement records etc. at the stores.			
2.4.3	Stores receipt vouchers (SRVs) and stores issue vouchers (SIVs) are sent to Store Accounts Section and periodic reconciliation is carried out between store records and financial records			
2.4.4	Periodicity of physical verification and resolution of discrepancies. Auditor is also expected to carry out Physical Verification on test check basis.			

### **General Guidelines for Internal Audit**

1. Auditor should give their comment on each and every point. If not applicable to circle or unit the auditor should specifically mention the same.
2. While giving comment, auditor shall specify the financial impact on BSNL.
3. An Executive Summary highlighting major points should be attached.
4. Auditor shall mention his recommendations clearly in Executive Summary giving full disclosures.
5. Management replies or comments should be mentioned in the last column.
6. Auditors may attach annexures to any point in case details are required.
7. The auditor should consider the Action taken report by management on previous quarter Report.