

# AIRPORT AUTHORITY OF INDIA

## INTERNAL AUDIT DEPARTMENT

**NOTICE INVITING EXPRESSION OF INTEREST (EOI) FOR EMPANELMENT OF CHARTERED ACCOUNTANT (CA) / COST MANAGEMENT ACCOUNTANT (CMA) FIRMS FOR CONDUCTING INTERNAL AUDIT FOR A PERIOD OF 3 YEARS FROM 2016-17 TO 2018-19 AT VARIOUS AIRPORTS / REGIONS OF AIRPORTS AUTHORITY OF INDIA (BID INVITATION NUMBER 1000020759).**

### EXPRESSING OF INTEREST (EOI)

AAI invites expression of Interest for empanelment from interested CA/CMA firms for conducting Internal Audit of **VARIOUS AIRPORTS/REGIONS of Airports Authority of India** for the Financial Year 2016-17, 2017-18, & 2018-19. The Format of Application along with Annexures on (i) Guidelines to bidders/ self-help files/FAQ & system setting, (ii) Scope of work, (iii) Terms of Reference including Information & Guidelines , (iv) Eligibility Criteria including documents to be uploaded at E-tender portal (v) List of Airports, and (vi) Undertaking / Declaration all available at our E-tender portal with URL address <https://etender.aai.aero/irj/portal>. This EOI is called through the electronic process and can be downloaded from the e-tender portal of AAI with URL address <https://etender.aai.aero/irj/portal>. A copy of the Technical Bid is also available on AAI website [www.aai.aero](http://www.aai.aero) Please note that the submission of the EOI is only through the E-tender portal <https://etender.aai.aero/irj/portal>. This may be gone through and the firms interested to participate are requested to ensure that they are eligible in terms of the NIT and also ensure that all the documents required are scanned and uploaded as per the requirement. Any updates to the EOI Documents shall be hosted on our website. Interested firms are requested to ensure that all updates are considered while submitting the EOI.

The interested practicing CA /CMA firms fulfilling the minimum eligible criteria and conditions may submit their application (Annexure-II) for empanelment together with tender fee of Rs.5,000/- and requisite documents mentioned in Annexure IV within 21 days from the date of publication of EOI on website .

(GENERAL MANAGER-FINANCE (IA)  
AIRPORT AUTHORITY OF INDIA  
NEW OFFICE COMPLEX  
SAP, NEW DELHI-110003



**AIRPORTS AUTHORITY OF INDIA**  
**Expression of Interest**

**For**

**EMPANELMENT OF CHARTERED ACCOUNTANT (CA) / COST  
MANAGEMENT ACCOUNTANT (CMA) FIRMS FOR CONDUCTING  
INTERNAL AUDIT FOR A PERIOD OF 3 YEARS FROM FINANCIAL  
YEAR 2016-17 TO 2018-19 AT VARIOUS AIRPORTS/ REGIONS OF  
AIRPORTS AUTHORITY OF INDIA**

**EXPRESSION OF INTEREST**  
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**GUIDELINES TO BIDDERS/ SELF-HELP FILES/FAQ & SYESTEM SETTING****(Help Desk Services)**

- a. In order to facilitate the Vendors / Bidders as well as internal users from AAI, Help Desk services are available for the e-tender portal <https://etender.aai.aero/irj/portal>. The Help desk services shall be available on all working days (except Sunday) between 0800-1900 hours and shall assist users on technical issues related to the use of the e-tender portal.
- b. For any technical assistance with regard to the functioning of the portal the bidders as well as AAI users may contact according to the escalation matrix as mentioned below :

SL No	Support Persons	Escalation Matrix	E-Mail Address	Contact Numbers	Timings*
1.	Help Desk Team	Instant Support	e-sap1@aai.aero	011-24632950, Ext-3512 (six lines)	0800-2000 Hrs. (MON - SAT)
2.	Mr. Sanjeev Kumar Jr.Exe.(IT)	After 4 Hours of Issue	etendersupport@aai.aero	011-24632950, Ext-3505	0930-1730 Hrs. (MON-FRI)
3.	Mrs. S. Nita Sr. Mgr.(IT)	After 12 Hours	snita@aai.aero	011-24632950, Ext-3523	0930-1730 Hrs. (MON-FRI)
4.	Mr. Y. K. Kaushik Jt. General Manager(IT)	After 24 Hours	ykkaushik@aai.aero	011-24651507	0930-1730 Hrs. (MON-FRI)
5.	General Manager(IT)	After 03 Days	gmitchq@aai.aero	011-24657900	0930-1730 Hrs. (MON-FRI)

- c. The above mentioned help desk numbers are intended only for queries related to the issues on e-tendering portal and help needed on the operation of the portal. For queries related to the tenders published on the portal, bidders are advised to contact concerned Bid Manager from AAI.

All the CA/CMA firms are requested to register in AAI e-tender portal by using digital signature of Class III that includes (a) signing and (b) encryption within .

In case of any assistance please contact above mentioned person/personnel and contact BID MANAGER Mr. S. Pandey, AGM (Fin), Mr. R.K. VIJ, AGM (Fin.) & Smt. Veena Jawa, AGM (Fin.) Phone No. 011-24645344 and email id : [sppandey@aai.aero](mailto:sppandey@aai.aero) for Western Region; [rkvij@aai.aero](mailto:rkvij@aai.aero) for Southern Region, [veenajawa@aai.aero](mailto:veenajawa@aai.aero) for Northern Region & [sppandey@aai.aero](mailto:sppandey@aai.aero) & [rkvij@aai.aero](mailto:rkvij@aai.aero) for Eastern and North East Region.

- D. In case of any difficulty, please contact above mentioned person/personnel.

## Format Application Form

**EXPRESSION OF INTREST(EOI) FOR EMPANELMENT OF CHARTERED ACCOUNTANT (CA) / COST MANAGEMENT ACCOUNTANT (CMA) FIRMS FOR CONDUCTING INTERNAL AUDIT FOR A PERIOD OF 3 YEARS FROM 2016-17 TO 2018-19 AT VARIOUS AIRPORTS / REGIONS OF AIRPORTS AUTHORITY OF INDIA.**

S.no.	Particulars	Details								
1.	Name of the firm/Organization									
2.	Address of the Head office/ Registered Office									
3.	Telephone No.									
4.	E-mail address									
5.	PAN of the firm									
6.	TAN of the firm									
7.	Service Tax Registration No.									
8.	ICAI/CMA Registered No./Code									
9.	Date of Constitution of the firm									
10.	Details of Partners of the firm as on December 2016.	<b>Details to be Provided in Annexure II part A</b>								
11.	Whether the CA firm is in the panel of CAG	<b>YES/NO</b>								
12.	If yes enclose the copy on the proof of empanelment									
13.	Details of Experience	<b>Details to be Provided in Annexure II Part B</b>								
14.	Whether debarred / blacklisted by CAG/ICAI/any Govt. Agency for conducting the audit	<b>YES/NO</b>								
15.	Processing Fee /Tender Fee Deposit Details)	<b>Non Refundable Rs.5,000/-</b>								
16.	No. of branches	Details to be provided in "Annex-II Part D"								
17.	<b>Bank details:</b> a) Bank Name, Address and Telephone No. b) Branch Name, Address & Code c) Bank Account Number with style of account, saving/current d) IFSC Code No. of the Bank e) A cancelled cheque of the said Bank									
18.	Whether digital Signature of Class III for signing and encryption within, has been obtained.	<b>Yes/No</b>								
19.	Annual Turnover of the firm (Last 3 year)	<table border="1"> <thead> <tr> <th>Financial Year</th> <th>Turnover</th> </tr> </thead> <tbody> <tr> <td>2013-2014</td> <td></td> </tr> <tr> <td>2014-2015</td> <td></td> </tr> <tr> <td>2015-2016</td> <td></td> </tr> </tbody> </table>	Financial Year	Turnover	2013-2014		2014-2015		2015-2016	
Financial Year	Turnover									
2013-2014										
2014-2015										
2015-2016										

It is confirmed that all the requirements as per annexure IV & VI to the EOI documents have been complied with.

We confirm that we have not taken any deviation from the specific terms and conditions of EOI documents. A copy of the complete EOI document duly signed and sealed on all pages as a token of acceptance of all terms and conditions is attached.

Signature of partner with name and

seal of the Audit Firm

**Annexure-II (Part A)**

**Details of Full Time Partners of the firm as on date of Application**

<b>Sl. No</b>	<b>Name of the Partners</b>	<b>Length of Association with Firm in years</b>	<b>ACA/ACMA Year and Number</b>	<b>FCA/FCMA Year and Number</b>	<b>DISA Year</b>	<b>Relevant experience</b>	<b>Whether Station at Head Office or Branch Office</b>

**Place:**

**Date:**

(Signature of Authorized Person with Seal of the Firm)

**Annexure-II (Part B)**

**Details of Experience at PSU/Nationalized Bank during the last 2 years (commencing from FY, 2014-15 & 2015-16)**

<b>Sl. NO.</b>	<b>Name of the PSU/Unit</b>	<b>Nature of Assignment</b>	<b>Year of Audit</b>	<b>Type of Audit Whether (Internal/Statutory)</b>	<b>Proof of letter of work or Assignment awarded by the Auditee-PSU/Bank</b>

**NOTE: Bidder should submit copies of respective contracts, along with documentary evidence in respect of satisfactory execution of each of those contracts indicating respective contract number and type of services**



**Annexure-II (Part C)**

**Details of Semi-Qualified staff (including Article, Clerks etc.)**

S.No.	Name of Staff	Length of Association with the Firm (in years)	Education Qualification	Area of Key Expertise	Relevant Experience	Remarks
<b>Semi Qualified Staff</b>						
1						
2						
3						
<b>Article Clerks</b>						
1						
2						
3						
<b>Others</b>						
1						
2						
3						

## Annexure-II (Part D)

### Details of Head Office and Branch Offices

#### I. Head Office

Address	Date of Establishment	Contact Number/Fax	Email	Complete Postal Address

#### II. Branch Office

Address: \_\_\_\_\_

SI. NO.	Name of the Firm	Name of Partner	Complete Address	Phone/Fax No./Mobile/E-mail address

## SCOPE OF WORK

### 1. INTRODUCTION:

The **Airports Authority of India (AAI)** (Hindi: भारतीय वमानपत्तन प्रा धकरण; *Bhāratīya Vimānpatan Prādhikaraṅ*) under the Ministry of Civil Aviation is responsible for creating, upgrading, maintaining and managing civil aviation infrastructure in India. It provides [Air traffic management](#) (ATM) services over Indian [airspace](#) and adjoining oceanic areas. It also manages a total of 125<sup>[1]</sup> Airports, including 18<sup>[2]</sup> International Airports, 7 [Customs Airports](#), 78 Domestic Airports and 26 [Civil enclaves](#) at Military Airfields. AAI also has ground installations at all airports and 25 other locations to ensure safety of aircraft operations. AAI covers all major air-routes over Indian landmass via 29 [Radar](#) installations at 11 locations along with 700 [VOR/DVOR](#) installations co-located with [Distance Measuring Equipment](#) (DME). 52 runways are provided with [Instrument landing system](#) (ILS) installations with Night Landing Facilities at most of these airports and Automatic Message Switching System at 15 Airports.

### 2. OBJECTIVE:

AAI desires to appoint internal auditors at various Airports/Regions of Airports Authority of India, with an independent, objective assurance and consulting activity designed to add value and improve organization's operations & accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improving the effectiveness of risk management, control, and governance processes.

### 3. SCOPE OF WORK

**The scope of Internal Audit has been considerably expanded over those of the previous years. Also certain aspects related to the scope are covered in the Terms and Conditions and Reporting Requirements in the desired Format. Audit firms are advised to carefully study these documents.**

DISCIPLINE	Areas to be vouched (Illustrative Only)
<b>1. Finance &amp; Accounts</b>	<ol style="list-style-type: none"> <li>1. Vouching of payments.</li> <li>2. Scrutiny of Traffic Revenue bills –               <ol style="list-style-type: none"> <li>(a) Verify rates</li> <li>(b) Timely raising of bills.</li> </ol> </li> <li>3. Reconciliation of Fixed Assets Registers vis-à-vis physical verification.</li> <li>4. Review of Liabilities/contingent liability.</li> <li>5. Timely deposit of all TDS, WCT, etc to the appropriate authorities.</li> <li>6. Revenue expenditure of the project such as Pay &amp; allowances etc. are capitalized and charged to CWIP/cost of the work.</li> <li>7. TDS Certificates for amount deducted by clients on payments have been received.</li> <li>8. Status of sundry debtors –               <ol style="list-style-type: none"> <li>(a) Detailed analysis of old outstanding dues particularly in r/o Private Airlines, Foreign Airlines &amp; Non-scheduled Airlines etc. which need persuasive action at the local level should be carried out.</li> </ol> </li> </ol>

	<ul style="list-style-type: none"> <li>(b) Checking whether interest on delay / default have been levied as per AAI Policy or not.</li> <li>(c) The cases which are felt as fit for write off action may also be brought out in the audit report.</li> <li>(d) Dues more than SD.</li> <li>(e) Confirmation of Balances.</li> </ul> <ul style="list-style-type: none"> <li>9. Credit Facility as per approval of Competent Authority.</li> <li>10. FDR in absolute favour of AAI.</li> <li>11. Unlinked Credits</li> <li>12. Non recovery of S.Tax</li> <li>13. Excess funds with the Unit.</li> </ul>
<b>2. Cash/Bank Book</b>	<ul style="list-style-type: none"> <li>1. Maintenance of Cash Book and Cash verification including position of soiled notes</li> <li>2. Reconciliation of bank statement.</li> <li>3. Position of remittances to and fro RHQ/CHQ.</li> <li>4. Insurance coverage of cash chest/cash in transit.</li> <li>5. Tax to be paid through E-payment.</li> <li>6. Unauthorised debits on Bank Book.</li> <li>7. Cheques Dishonoured / Stale Cheques.</li> <li>8. Confirmation fo BG.</li> <li>9. Renewal of BG.</li> <li>10. Delay in deposit of cash.</li> <li>11. Usage of EDI Bank Machine</li> <li>12. Payments only through RTGs to the extent possible.</li> </ul>
<b>3. Personnel &amp; Administration</b>	<ul style="list-style-type: none"> <li>1. Scrutiny of advances and compliance with reference to the relevant guidelines/rules.</li> <li>2. Maintenance of leave records and service books of employees including leave encashment.</li> <li>3. Compliance of documents/mortgage agreements for advances.</li> <li>4. Scrutiny of Pay fixation of employees.</li> <li>5. Recovery of licence fee towards Electricity/Housing colony as per the rules.</li> <li>6. Adjustment of TA/DA advance etc, in time</li> <li>7. Recovery of advances as per sanction.</li> <li>8. Updation in SAP System.</li> <li>9. Delay in staff payments/claims</li> </ul>
<b>4. Engineering.</b>	<ul style="list-style-type: none"> <li>1. Scrutiny of Tenders from NIT to award of work.</li> <li>2. Scrutiny of bills of the contractor in terms of the conditions of contract.</li> <li>3. Grant of extension of time for the contract to be correlated with the hindrance register at site.</li> <li>4. Principle approval for extra and deviated items in the contract from the appropriate authority.</li> <li>5. Statutory compliances like EPF, ESI etc. are complied with by the contractor before release of payment.</li> <li>6. Completion Certificate/All approval for deviations in the contract are duly approval before release if final payment.</li> <li>7. Review of CWIP and completed works are put to use.</li> </ul>

	<ol style="list-style-type: none"> <li>8. Details of work held up/delayed due to non availability of site/drawings/ requisite approvals after the award of work.</li> <li>9. Splitting of contracts.</li> <li>10. Test checks and other formalities.</li> <li>11. Time Overrun and Cost Overrun in the execution of works</li> <li>12. Utilisation of Budget.</li> </ol>
<b>5. Stores (Aerodrome &amp; ACS Operation)</b>	<ol style="list-style-type: none"> <li>1. Scrutiny of procurement proposals,</li> <li>2. Maintenance of Stores ledgers,</li> <li>3. Lost &amp; Found register vis-à-vis physical availability of the items,</li> <li>4. Status of Survey Reports of old obsolete/non moving stores,</li> <li>5. Disposal action taken on the items surveyed.</li> <li>6. Performance, utilization and maintenance of equipments, telephone and related payments.</li> <li>7. Maintenance of asset registers and equipments log books.</li> <li>8. Review of non-moving &amp; accumulated Stores &amp; Equipment.</li> </ol>
<b>6. Commercial</b>	<ol style="list-style-type: none"> <li>1. Fixation of MRLF in terms of Commercial Manual before tendering.</li> <li>2. Scrutiny of Tenders from NIT to award of work.</li> <li>3. Scrutiny of the bills raised with reference to agreement.</li> <li>4. Vouching of actual area in possession of the licencees through system of space audit.</li> <li>5. To ensure that Electricity bills are inclusive of service charges at the current rates, rate charged is not less than the rate paid.</li> <li>6. Periodical review of debtors and confirmation of the balances outstanding from the clients.</li> <li>7. Any Revenue contract run as Exp. Contract</li> <li>8. Control mechanism in existence when contracts run departmentally.</li> <li>9. Whether bills raised as per space audit.</li> <li>10. Non billing/ lack of Agreements</li> <li>11. SD available vs. O/s dues statement</li> <li>12. Adhoc extensions granted</li> </ol>
<b>7. Land Management</b>	<ol style="list-style-type: none"> <li>1. Area of land under possession and their title deed.</li> <li>2. Area of land under encroachment and action taken for eviction.</li> <li>3. Area of land under lease.</li> <li>4. Whether the rates charged as per AAI orders?</li> <li>5. Currency of Agreements.</li> </ol>
<b>8. Motor Transport &amp; Fire Department</b>	<ol style="list-style-type: none"> <li>1. Procurement/transfer of new vehicles and its accounting.</li> <li>2. Maintenance of Log Books, History sheet, consumption of diesel and petrol for each vehicle.</li> <li>3. Status of pending survey reports of vehicles &amp; equipments.</li> </ol>
<b>9. Audit Reports</b>	<ol style="list-style-type: none"> <li>1. Review of previous Internal Audit, Govt. Audit Reports (Phase Audit) and corrective action /compliance of assurance given to audit.</li> <li>2. Review of Compliance of Vigilance Report and Space Audit</li> </ol>

<b>10. Legal Cases</b>	<ol style="list-style-type: none"> <li>1. Pending Legal cases and their present status.</li> <li>2. Efforts taken to close old cases.</li> <li>3. Pending cases under PPE Act and their present position.</li> <li>4. Payments to lawyers are as per approved rates.</li> </ol>
<b>11. Statutory Compliance of Taxation Rules &amp; Regulations</b>	<ol style="list-style-type: none"> <li>1. Compliance with all statutory rules &amp; regulations with particular emphasis on Service Tax/TDS/VAT(WCT)/EPF/ESI etc. and timely submission of Returns thereof.</li> <li>2. Payment for input services is supported by Registration number etc. of the party.</li> <li>3. Claims are raised on the parties at prescribed rates.</li> <li>4. Input credit for service tax is correctly availed.</li> </ol>
<b>12. General</b>	<ol style="list-style-type: none"> <li>1. Compliance of guidelines on the Implementation of Official Language (Hindi).</li> <li>2. Statutory compliance in respect of contract labour under the provision of EPF and Miscellaneous Provision Act, 1952 in respect of contracts.</li> <li>3. Compliance of the various manual provisions on the subject.</li> <li>4. Details of equipments/assets lying idle or not commissioned after receipt, resulting in expiry of warranty.</li> <li>5. Insurance coverage of assets.</li> <li>6. Lost and found items and action taken – Committee formation for Yellow Metal, deposit of Currency with Finance, safe custody disposal.</li> </ol>
<b>13. Imprest</b>	<ol style="list-style-type: none"> <li>1. Imprest is granted only when justified.</li> <li>2. Purchase of items for which regular contract can be entered into.</li> <li>3. vouching of payments under imprest</li> <li>4. Delay in adjustment of special imprest.</li> <li>5. Amount of imprest is more than the nutilized and infrequent recoupments</li> <li>6. Updated imprest cash account.</li> </ol>
<b>14. Assets</b>	<ol style="list-style-type: none"> <li>1. Whether nomenclature of assets adequately indicated in the Fixed Assets Register.</li> <li>2. Any delays in the commissioning of assets.</li> <li>3. Any major impairment of asset.</li> <li>4. Any unutilized / idle assets in the business.</li> <li>5. Classification of Assets (Revenue vs. Capital as well as intra asset classification).</li> <li>6. Maintenance of Log Books etc.</li> <li>7. Any old balance in CWIP.</li> </ol>
<b>15. Internal Control System</b>	<ol style="list-style-type: none"> <li>1. Segregation of duties.</li> <li>2. Authorisation of Transactions.</li> <li>3. Adequate Documentation.</li> <li>4. Control in IT System.</li> <li>5. Adequacy of Supervision.</li> <li>6. Physical safeguards</li> <li>7. Adequacy of control for prevention and detection of fraud.</li> </ol>
<b>16. Stacking/dumping of material by occupying AAI's space at the</b>	<ol style="list-style-type: none"> <li>1. The item found in the space surrendered/ left out at the airport by any agencies without proper handing over to AAI.</li> </ol>

<b>Airport by outside parties (Airlines &amp; Concessionaries)</b>	<ol style="list-style-type: none"><li>2. Space occupied along with item for which the eviction proceedings are initiated to be initiated by the Airport Incharge as Estate Officer.</li><li>3. The unserviceable/ serviceable material belonging to outside agencies kept at the Airport in Open occupying the space unauthorizely which leads to congestion at the airport.</li></ol>
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**NOTICE INVITING EXPRESSION OF INTEREST**

**REPORTING REQUIREMENTS**

The following steps should be followed before finalization of the report and the partner of the firm should meet and discuss the audit observations with the Airport Director/ Airport In-charge.

- I. The preliminary audit observations shall first be discussed with Airport Director along with the Finance in charge of the Airport Unit. In case of Airport without finance, the observations shall be discussed with the station in-charge, section/department In-charge.
- II. Pursuant to the above, the preliminary Audit observations of the respective Audit unit shall be prepared.
- III. The preliminary of Audit Report covering all the Units within the scope shall be compiled/ prepared, including additional information if any, that may be provided/obtained during such discussions and rectifications carried out on the instance of audit. The report should also contains specific suggestions for improvements, if any.
- IV. Based on the outcome of the discussions, the Audit Report thus compiled shall be structured as outlined hereunder:

**Internal Audit Reports should be divided into Four separate parts, namely:**

**Part-I Compliance and Report:**

This part shall cover the comments of the Auditors on the adequacy of the compliance and action taken for rectification of errors/ discrepancies pointed out by previous auditor. It shall also contain the confirmation regarding implementation of policies, systems, controls etc. to avoid the recurrence of such irregularities in future. It may be ensured that the compliance report on audit observations pointed out in reports relating to earlier audits is made and corrective actions taken on those points are furnished in the Audit Report. In other words it may be ensured while conducting the audit, compliance report of the audit observations pointed out in the earlier report of preceding period, is furnished along with the corrective action taken.

**Part-II Important Observations / Findings:**

This part shall contains all such significant discrepancies observed during the current Audit and the observations in which, the auditors feels immediate attention of management specifying the financial implications, if any. In this part Auditors shall also bring the important areas requiring improvement and their recommendation, if any. Also to indicate the improvements made by the company based on the audit observations. Further to report any deviations/observations from policies, systems and procedures of AAI.



**PART-III Report on Testing of Effectiveness of Internal Controls including Audit Report**

**Format:**

An element of risk based auditing shall be made a part of the scope of Internal Audit for this purpose. A separate format of Internal Audit Reporting for effectiveness of certain chosen controls shall be included in the guidelines for Internal audit functions placed at Annexure VII. The Auditors would be required to include their findings and recommendation on risk element as per the format at Annexure-VII in the Part-II of the Internal Audit Report

**PART-IV Detailed Report :**

In this part, the Auditors shall furnish the detailed results of the Audit and the Auditors confirmation whether company's system/ guideline/ propriety has been adhered to on the areas viz. Works including O&M contracts, procurements, operation, establishment records in Finance & HR, and commercial, assets establishment expenses, other expenses, depreciation, Commercial billing & its realization/reconciliation, maintenance of fixed assets register, current assets, capital work in progress, expenditure during constructions, mandatory spares, stores, inter unit accounts, review of accounts, and provision of liabilities.

The Internal Auditor's report shall be in the same sequence as given in the scope of audit at Annexure-III Part-3 at and in case any item is not applicable to the audit unit, the same should be mentioned as nil. Besides Internal Audit Report should include the followings:-

- i. An Executive Summary Report indicating the important observations for each phase and for each areas.
- ii. A statement indicating the audit personnel deployed (designation) including the visits of partners and the period of audit for each department. The partner is expected to carry out the audit by himself so that the entire scope is covered in a systematic manner and to facilitate the reporting as per the requirements.

**ELIGIBILITY CRITERIA INCLUDING DOCUMENTS TO BE UPLOADED  
AT E- TENDER PORTAL**

Applicants must read carefully the eligibility criteria provided herein. Proposals of only those applicants who satisfy all the eligibility conditions will be considered for empanelment.

1. The Chartered Accountant/CMA Firms should have been established for more than 10 years as on 31.12.2016. (The Firm should enclose the photocopy of latest constitution certificate issued by the Institute of Chartered Accountants/ Institute of cost Account of India).
2. The firm should have a minimum of 3 qualified partners out of which minimum 1 partner should be an FCA/FCMA (Details of the partners along with the proof of membership, professional qualification and the date from their association with the firm should be enclosed).
3. The annual turnover of the interested CA/CMA firm shall not be less than Rs.50 lakhs in each of the last three financial years, i.e. 2013-14, 2014-15 & 2015-16. (Self attested copies of Annual Accounts are required to be submitted).
4. The CA firms should be empanelled with CAG office for the year 2015-16. (Copy of self attested empanelled certificate/document is required to be submitted).
5. In case of CMA firms it should possess certificate of practice from the Institute of Cost & Accountants of India.
6. The firm should have experience of conducting Internal Audit / Statutory Audit in other Central Govt. PSUs/Nationalised Banks in each of the last 2 financial years prior to the date of making application (copy of the work order along with certificate regarding satisfactory completion of the work from the concerned agency to be enclosed).
7. **One firm can apply for the empanelment of one Region Only. The application of the firm shall be summarily rejected, if the firm apply for more than one region.**

## **LIST OF DOCUMENTS TO BE SUBMITTED ALONGWITH APPLICATION / EOI**

Interested audit firms are advised to go through contents of the EOI documents carefully and submit through uploading the scanned copies of the following documents in proper sequence along with the EOIs provided at Annexure II(duly filled in in all respects) as described hereinafter:

1. Work order of Central GOVT.PSU/NATIONALISED Bank of last 2 (Two) years.
2. In case of CA Firms, C&AG empanelment certificate copy issued during last two years.
3. In case CMA firms certificate of incorporation of Institute (ICAI).
4. Certificate of constitution(Partnership deed/registration/incorporation certificate)
5. Document evidence in support of annual turnover more than Rs.50 lacs.
6. Documentary evidence in support of experience.
7. Documentary evidence of satisfactory execution of contract
8. Certificate of registration of service tax

## Annexure-V

### LIST OF AIRPORTS/REGIONS INCLUDING FINANCIAL IMPLICATIONS AND REQUIRED WORKING DAYS

	STATIONS	CATEGORY A+ (21 days)	CATEGORY A (14 days)	CATEGORY B (07 days)	CATEGORY C (04 days)
<b>1</b>	<b>NORTHERN REGIONAL OFFICE</b>	✓			
<b>1.1</b>	AGRA				✓
<b>1.2</b>	AJMER				✓
<b>1.3</b>	ALIGARH (COM STATION)				✓
<b>1.4</b>	CATC ALLAHABAD				✓
<b>1.5</b>	CIVIL AIRPORT TERMINAL ALLAHABAD				✓
<b>1.6</b>	AMRITSAR		✓		
<b>1.7</b>	BIKANER				✓
<b>1.8</b>	CHANDIGARH (ANS)				✓
<b>1.9</b>	DEHRADUN				✓
<b>1.10</b>	FARUKHABAD				✓
<b>1.11</b>	GAGGAL				✓
<b>1.12</b>	GORAKHPUR				✓
<b>1.13</b>	GWALIOR				✓
<b>1.14</b>	JAIPUR		✓		
<b>1.15</b>	JAISALMER				✓
<b>1.16</b>	JAMMU			✓	
<b>1.17</b>	JODHPUR				✓
<b>1.18</b>	KANPUR				✓
<b>1.19</b>	KHAJURAHO				✓
<b>1.20</b>	KOTA				✓
<b>1.21</b>	KULU				✓
<b>1.22</b>	LEH			✓	
<b>1.23</b>	LUCKNOW		✓		
<b>1.24</b>	LUDHIANA				✓

1.25	PATHANKOT				✓
1.26	PARTAPGARH				✓
1.27	PANTNAGAR				✓
1.28	SAFDARJUNG			✓	
1.29	SHIMLA				✓
1.30	SIKANDARABAD				✓
0.31	SRINAGAR			✓	
1.32	UDAIPUR			✓	
1.33	VARANASI			✓	
1.34	BHATINDA				✓
1.35	JAISALMER				✓
1.36	RAU, RC&DU, FIU, CRSD & E&M WORKSHOP			✓	
2	<b>WESTERN REGIONAL OFFICE</b>	✓			
2.1	AHMEDABAD		✓		
2.2	AURANGABAD			✓	
2.3	BALGAUM				✓
2.4	BARODA			✓	
2.5	BHAVNAGAR				✓
2.6	BHOPAL			✓	
2.7	BHUJ				✓
2.8	DIU				✓
2.9	GOA		✓		
2.10	INDORE			✓	
2.11	JABALPUR				✓
2.12	JAMNAGAR				✓
2.13	JUHU		✓		
2.14	KANDLA				✓
2.15	KESHOD				✓
2.16	NAGPUR (ANS)				✓
2.17	PORBANDAR				✓

2.18	PUNE (CE)		✓		
2.19	RAIPUR			✓	
2.20	RAJKOT				✓
2.21	SONAGARH				✓
2.22	SURAT				✓
2.23	AKOLA				✓
2.24	GONDIA AIRPORT				✓
2.25	JALGAON				✓
2.26	KOLHAPUR				✓
2.27	NANDED				✓
	SOHLAPUR				✓
3	<b>SOUTHERN REGIONAL OFFICE</b>	✓			
3.1	AGATTI				✓
3.2	BANGALORE			✓	
3.3	CHENNAI	✓			
3.4	COCHIN			✓	
3.5	COIMABATORE			✓	
3.6	CALICUT		✓		
3.7	CUDDAPAH				✓
3.8	GULBARGA				✓
3.9	HUBLI				✓
3.10	HYDERABAD				✓
3.11	KANCHEEPURAM				✓
3.12	KHAMMAM				✓
3.13	MANGALORE			✓	
3.14	MADURAI			✓	
3.15	PANDICHERRY				✓
3.16	RAJAMUNDRY				✓
3.17	SALEM				✓
3.18	TIRUCHIRAPALLI		✓		

3.19	TIRUPATHI				✓
3.20	TRIVANDRUM		✓		
3.21	TUTICORIN				✓
3.22	VELLORE				✓
3.23	VIJAYAWADA				✓
3.24	VIKARABAD				✓
3.25	VISHAKAPATNAM			✓	
3.26	BELLARY				✓
3.27	MYSORE				✓
3.28	OOTY				✓
3.29	WARANGAL				✓
3.30	DONAKONDA				✓
4	<b>NORTH EASTERN REGIONAL OFFICE</b>	✓			
4.1	AGARTALA			✓	
4.2	DIBRUGARH				✓
4.3	DIMAPUR				✓
4.4	GUWAHATI		✓		
4.5	IMPHAL			✓	
4.6	JORAHAT				✓
4.7	LILABARI				✓
4.8	SILCHAR				✓
4.9	TEZU				✓
4.10	TEZPUR				✓
4.11	BARAPANI				✓
4.12	LENGPUI				✓
5	<b>EASTERN REGION</b>	✓			
5.1	BALURGHAT				✓
5.2	BEHALA				✓
5.3	BHUBANESHWAR		✓		
5.4	BAGDOGRA		✓		
5.5	COOCHBEHAR				✓

5.6	GAYA				✓
5.7	JAMSHEDPUR				✓
5.8	JHARSUGUDA				✓
5.9	KATIHAR				✓
5.10	KOLKATA	✓			
5.11	PATNA			✓	
5.12	PAKYONG				✓
5.13	PORTBLAIR			✓	
5.14	RANCHI			✓	
5.15	BERHAMPUR				✓
5.16	DURGAPUR				✓
5.17	MALDA				✓
5.18	RAIPUR			✓	

Note: The tick (✓) stands for Name of Regions / Airports for consideration.



## **GENERAL INFORMATION & GUIDELINES**

1. Format of application alongwith annexures must be completely filled in by the participant bidders. Incomplete applications will be rejected out rightly.
2. All the participants are required to deposit Rs.5,000/- (Rupees Five Thousand Only) as Tender/Processing Fee which is non-refundable.
3. Tender fee of Rs.5,000/- (non-refundable) will be required to be paid by way of online payment through HDFC/ Indusind gateway provided at the portal itself.
4. The empanelment shall be valid for a period of 03(Three) years from the date of issue of letter of empanelment. The panel may be extended further for one year at the discretion of Airport Authority of India.
5. The financial Bid will be called from the empanelled firms as and when the requirement of audit of airports in the next 3 years arises. The firm quoting the lowest professional fee (all inclusive) will be selected for internal audit of concerned station for a period of one year.
6. Any updates to the EOI Documents shall be hosted on our website, interested firms are requested to ensure that all updates are considered while submitting the EOI
7. The applicants should enclose/upload along with the application documentary evidence (self-attested) in support of their credentials. In the absence of documentary evidence the firm will be disqualified.
8. List of various airports & regions and estimate professional fee plus required working days for audit for each airport (categorywise) is provided at **Annexure V.**
9. Depending upon the number of applications AAI reserves the right to shortlist only the required number of firms as it deems fit. Merely satisfying the eligibility criteria will not entitle a firm to be shortlisted for empanelment.
10. The scope of work covered under internal audit at Airports/Units & Audit Reporting Requirement is enclosed at **Annexure III & Annexure-III (Part-A).**
11. Firm's claim of having worked for Concurrent audit, cost audit, CPF/PF/Gratuity, stock audit & physical verification etc. does not constitute full fledged audit for considering in support of experience towards Internal Audit & or Statutory Audit.
12. Expression of interest is invited to shortlist the firm for empanelment which will be followed by inviting financial bid from the empanelled firm depending upon the requirement of AAI for carrying out internal audit work in its Airport/Unit. Merely an empanelment of the firm by AAI through expression of interest will not carry

out any assurance of allotment of Internal Audit assignments to an empaneled firm from AAI.

13. The decision of AAI in all matters regarding number of firms to be shortlisted, their eligibility, the documents to be produced, short listing will be final and binding on the firms. No correspondence or personal enquiries shall be entertained by the AAI in this regard.
14. AAI reserves the right to accept or reject any application without assigning any reasons thereof.
15. The performance of the Consultants/firms will be monitored by AAI from time to time in terms of area covered & quality reporting in respect of work assigned. In case it is not found upto the satisfaction of the competent authority, the empanelment of the Consultants/firms can be dispensed with immediately after show cause notice of one month.
16. If progress/performance of the audit firm is not found satisfactory, Airports Authority of India's management reserves the right to terminate the appointment of the Firm.
17. The Audit firm will be debarred from getting, in future, Internal Audit assignments in Airports Authority of India and its subsidiaries in following cases:-
  - i) If the firm obtains the appointment on the basis of false information/false statement at the time of submission of application/documents for the EOI
  - ii) The Audit Firm is found to have sub-contracted the work.
  - iii) If the firm does not take up audit in terms of appointment letter.
  - iv) If the firm does not submit the audit report complete in all respects in terms of appointment and within the specified date.
  - v) Conditions as per provisions of Company's Act, 2013
18. Since EOI is on e-portal, the participating firms are requested to register themselves in advance in AAI e-tender portal for digital signature of Class III that include (a) signing and (b) encryption.
19. All EOIs will be evaluated on the basis of the documents furnished alongwith applications only. No further documents will be called for during the scrutiny of the EOIs. Any additional document received, after last date and time of receiving the EOIs as stipulated in the Notice Inviting EOIs will not be entertained.
20. Since, all the applications will be evaluated strictly on the basis of Selection Criteria as per Annexure-F, please avoid attaching unsolicited information/documents to processing applications expeditiously.
21. All submitted documents should be signed by the authorised Partner with his name and under the seal of the firm.

22. Any application received after the stipulated date and time, due to any reason whatsoever, will be rejected out-rightly.
23. The Expression of Interest along with detailed profile, covering all the aforesaid eligibility criteria, past experiences is to be submitted online by clicking on the link <https://etender.aai.aero/irj/portal> latest by **17.00 hours** on **Friday, the 17<sup>th</sup> day of February, 2017**.
24. This EOI does not create any contractual obligation on the part of AAI.
25. Auditors should deploy suitable teams for undertaking the audit, after a thorough perusal of the requirements of the appointment letter, terms and conditions contained therein and the Detailed Guidelines for Internal Audit, ensuring that the size of the audit terms is commensurate with the size of the auditors unit and the volume of work involved. The Head of finance of the Unit will coordinate with the Audit Team for smooth functioning of the audit.
- It should be ensured that the audit team is headed at all times by a Chartered/ Cost Accountant (who may be a Partner). A minimum number of man-days are needed to be devoted at site by the firm during audit inspection. This will be specified in award letter.
26. The Auditors should give report as per the requirement of **ANNEXURE –III (PART A)**
27. The Internal auditors will ensure that the information obtained in respect of the operations of the unit is maintained in strict confidence and secrecy. A certificate towards maintaining confidentiality is to be provided by the Internal Auditors at the time of acceptance of Audit assignment.
28. No TA/DA will be borne by Airports Authority of India in respect of partners and assistants of the firms conducting the audit whether outside or local. Further, the lodging and boarding will also be not borne by AAI.

**Format of Audit Report**

**Cover Page**

Internal Audit Report

of (\_\_\_\_\_ Airport)

for the Pertiod \_\_\_\_\_ to \_\_\_\_\_

Conducted by:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

From \_\_\_\_\_ to \_\_\_\_\_

Date of Issue: \_\_\_\_\_

# **Audit Report**

## **1. Introduction:**

- (a) Name of the Auditors : \_\_\_\_\_
- (b) Name of the Unit audited : \_\_\_\_\_
- (c) Period covered under the audit : \_\_\_\_\_
- (d) Brief description about the Unit : \_\_\_\_\_
- (e) Time period allotted (CAs) : \_\_\_\_\_
- (f) Time taken : \_\_\_\_\_

## **2. Objective & Scope:**

The objectives of the audit are:

### **A. Risks:**

- (a) To identify the key risk areas
- (b) To identify Severity & seriousness of these risks
- (c) Suggest Mechanism for mitigation of these risks

### **B. Manuals / Procedures:**

- (a) To identify deviations to procedure/rules
- (b) To identify gaps in Manuals standards/best practices etc.

### **C. Controls:**

- (a) To Evaluate the adequacy of controls
- (b) To Evaluate the effectiveness of controls
- (c) Recommend new controls wherever required.

## **Scope of Audit:**

- (i) The scope of the audit is given in Annexure-I of the report. The scope is indicative not exhaustive.
- (ii) The additional areas / issues covered to be indicated in the report.

### **3. Methodology Adopted :**

Should explain the methodology adopted in conducting the internal audit i.e., Personal Discussion, Observations, sampling, sampling size used including the number of records verified and the type of records etc., the checklists used if any.

### **4. Audit Observations :** Each Audit observation to contain the following particulars:-

- (1) **Objective :**  
To which audit objective this observations/areas relates to may be specified.
- (2) **Observation :**  
What is the existing condition.  
What is the deviation.  
Deviation from what procedure / rule etc.
- (3) **Effect / Consequences:**  
What is the impact of the observation on the internal control system and significance of the deviation
- (4) **Corrective Action and Recommendation :**  
What is the corrective action required. Any suggestion / recommendation for avoiding the recurrence of the situation.

### **5. Recommendations :**

Any other recommendations by the Auditor not covered in the (Para 4) in the above for strengthening and improvement in the effectiveness of internal control and procedures.

### **6. Conclusion :**

Whether the internal controls over financial reporting are adequate and effective:

- (i) For ensuring orderly and efficient conduct of the operations.
- (ii) Adherence to Company's policies.
- (iii) Safeguarding its assets
- (iv) Prevention and detection of frauds & errors.
- (v) Accuracy and completeness of accounting records
- (vi) Fulfilment of legal obligations.

## **ANNEXURE – VII-A**

Details of items checked and found to be in order.

**Undertaking / Declaration**

1. All the information provided by me/ us herein above is correct.
2. I/We have no objection if enquiries are made about the work listed by me/us in accompanying sheets/ annexure.
3. I/We have read all the terms and condition of bid and the instructions and these are acceptable to me/us.

Signature: \_\_\_\_\_

Name and Designation of the Authorized Signatory: \_\_\_\_\_

Stamp of the Firm: \_\_\_\_\_

Date: \_\_\_\_\_

Place: \_\_\_\_\_