AIRPORTS AUTHORITY OF INDIA

INTERNAL AUDIT DEPARTMENT

RAJIV GANDHI BHAWAN

**E -TENDER FOR ENGAGEMENT OF CA/ CMA FIRMS FOR CONDUCTING
INTERNAL AUDIT OF IT DEPARTMENT**

TENDER ID: 2020_AAI_43863_1

NOTICE INVITING ONLINE TENDER

1.1   Notice Inviting tenders are invited by Airports Authority of India for Engagement of CA/ CMA FIRMS under two-bid system from the empaneled CA/CMA firms of Northern Region for conducting Internal Audit of IT Department, CHQ, Rajiv Gandhi Bhawan for the period from 1.4.2018 to 31.03.2019.

1.2   The tender document is made available and open for downloading free of cost from 20.02.2020 1800 hrs. to 27.02.2020 1500 hrs. at AAI's official website CPP Portal https://etenders.gov.in/eprocure/app.

1.3   The tender document consists of two volumes –Volume-I Technical Bid and Volume-II – Price Bid. Technical Bid (Envelop- I) shall contain Unconditional acceptance letter as per Annexure-VI which is required to be duly signed and stamped by the Authorized Signatory of the Firm and shall submit under the Technical bid folder in the form of scanned copy. The financial bid (Envelop-II) is called through the Electronic process and can be downloaded from the CPP portal https://etenders.gov.in/eprocure/app . The Financial bids also available on AAI website www.aai.aero .

1.4   The last date of online submission of offers will be 27.02.2020 1500 **hrs.** and the same shall be opened on 28.02.2020 1530 hrs. Unless otherwise notified. In the event of changes in the schedules, **the same** will be notified the only through CPP Portal https://etenders.gov.in/eprocure/app.

The unconditional acceptance letter in envelop - I (Technical) is a prerequisite for call of financial bids (envelop-II). In case of any deficiency required to be corrected by the firms they can make it before the opening of financial bids (Envelop-II) otherwise financial bids will not be opened to that firm (s).

(Rajesh Jindal)
AGM FINANCE (I A) **/** BID MANAGER
AIRPORTS AUTHORITY OF INDIA
NEW OFFICE COMPLEX
SAP, NEW DELHI 110003
PH. NO. 24629346, 011 24632950

General Information and Guidelines

1. AAI reserves to itself the right to reject the conditional Tenders/Bids without assigning any reason thereto. Further AAI reserves to itself the right to reject any or all the tenders/Bids without assigning any reason thereof and to call for any other detail or information from any of the tender(s).

2. CAICMA firms shall be awarded the Internal Audit work after approval the competent Authority.

3. Firm may submit their bill/Invoice after the approval and acceptance of the Report.

4. The above bid amount is inclusive of professional fees, TA/DA, local conveyance, lodging & boarding etc. except GST/Applicable taxes. No other payment shall be made except quoted amount. The payment shall be released after acceptance and approval of the report by the Competent Authority.

5. Bidder should quote the rates In Downloaded BOQ-sheet from the CPP Portal.

6. Other terms & conditions as mentioned In the EOI dated 18/01/2017. Technical bid shall remain same.

(Rajesh Jindal)
AGM FINANCE (I A) / BID MANAGER
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INTERNAL AUDIT DEPARTMENT

RAJIV GANDHI BHAWAN

E -Tender for ENGAGEMENT OF CA/ CMA FIRMS FOR CONDUCTING AUDIT OF IT DEPARTMENT

GENERAL INFORMATION

ORGANISATION

Airports Authority of India (AAI) has been constituted as a statutory authority under the Airports Authority of India Act 1994**.** It manages a total of 129 Airports all over India covering all the states & Union Territories, including 23 International Airports, 7 Customs Airports, 77 Domestic Airports and 20 Civil enclaves at Military Airfields.

Services

AAI provides services of:-
- Control and management of Indian air space extending beyond the territorial limits of the country accepted by ICAO.
- Communication, Navigational and Surveillance aids
- Expansion and strengthening of operational areas
- Design, development, operation and maintenance of passenger terminals
- Development and management of cargo terminals at airports
- Passenger Facilities and Information systems in the passenger terminal

Sources of Revenue/Income

AAI's revenue is broadly categorized as Traffic and Non-Traffic revenue.

I. **Traffic revenues** are generated from :-
- RNFC fees collected for providing CNS & ATC services to aircraft over the Indian air space.
- Landing/Parking fees for providing landing and parking facilities to aircraft at Airports
- Passenger Service fees collected for providing passenger facilities in the terminal building

II. **Non-Traffic Revenues** are generated from :-

- Concessions – Rents paid by shops, restaurants etc. inside and outside the Terminal Building
- Parking and Airport Access
- Car Rental Operations
- Lease of Land
- Advertising – Advertisements placed on airport walls
- Handling of cargo etc.

III. Apart from the above AAI also earns revenues from leasing out of Mumbai and Delhi Airports to private operators.

BILLING AND REALISATION PROCESS OF REVENUE

- **Billing of Revenue**
  While the bills for the above services provided for domestic flights are raised by the concerned Airports, the bills for the services provided to international flights are raised by IATA centrally.

- **Realization of Revenue**
  Realisation of the bills so raised for domestic flights are received through e receipts by the concerned airports as well as at Corporate Head Quarter, New Delhi. The realization in respect of foreign airlines are made by IATA. The payment is made to AAI after deducting the TDS by the Airlines and Concessionaries.

- **SAP MODULE**
  Accounting of the above billing and realization are made in SAP module at the airports and CHQ for the respective billing and realization made by them.

Major Areas of Expenditure

1. Construction of Airports, Terminal Bulidings, Runways, Taxi Track etc.
2. Procurement of Plant & Machinery, Equipment, Furniture, Vehicles, Spares, Software, Computers etc.
3. Works Contract including AMC & Capital Expenditure
4. Security Services provided by Government Agencies like CISF, State police etc.
5. Hiring of Manpower
6. Hiring of Vehicles
7. Legal Services
8. Transportation of Goods by Road/Air
9. Money Exchange
10. Professional Services
10. Telecommunications Services
11. Expenditure on CSR activities
12. Import of Foreign Services
13. Services provided by Government Agencies like Meteorological Department.

Please visit AAI website at www.aai.aero for more information about AAI.

2. <u>OBJECTIVE</u> :

Internal Audit Department, now (Operational office, Safdarjung Airport), Airports Authority of India desires to engage internal Auditors for Conducting Audit of IT Department, CHQ, Hanger Building , Safdarjung Airport New Delhi for the period of 01.04.2018 to 31.03.2019 with an independent objective assurance and consulting activity designed to add value and improve organization's functionality & accomplish objectives by bringing a systematic, disciplined approach to evaluate and improving the effectiveness of risk management, control, statutory compliances, and governance processes.

3. <u>SCOPE OF WORK</u>

The scope of Audit of IT Department at CHQ has been considerably expanded to cover all the aspects, process, procedure adopted as per the AAI norms, manuals and Statutory compliances etc. Certain aspects related to the scope of work are

1. Scrutiny of all expenditure proposals relating to all procurement by IT Directorate considering DOP and whether procedure followed as laid down in procurement manual.
2. Verification of all tenders relating to Annual Maintenance Contracts and supply of manpower.
3. Scrutiny of all proposals relating to trunkey project relating to Hardware, Software and both Hardware & Software considering DOP procurement manual.
4. Scrutiny of proposals relating to Deposit works carried out on behalf of MoCA & DGCA.
5. Scrutiny of proposals relating to installation of CCTV at various airport considering DOP.
6. Scrutiny of proposals relating to purchase through Quotations/Spot purchases considering DOP and procurement manual.
7. Verification of entries made in SAP i.e GR/IR, capitalization of capital procurement.

SOP for conducting Internal Audit of IT Department, at IT Directorate, Hanger Building, Safdarjung Airport, N. Delhi-110003 by the Empaneled CA/CMA firms of Northern Region.

SOP ON ENTRY

1. The senior partner of CA Firms appointed for the purpose of conducting Internal Audit of **IT Department, at CHQ, AAI, Rajiv Gandhi Bhawan** along with his team members will approach to **the Chief Information Officer (CIO)** as per the Scope of Work and Schedule indicated in the award letter with a copy of Award letter, Scope of work and the Audit Plan of the firm.

2. The **CIO will** hold a meeting with the Internal Auditor and his team to give him orientation of the entire work set up and the functionalities of the Airport.

3. The **CIO,** after discussing with the Auditor, will intimate and coordinate with all the Sectional Officials/Heads to keep the records as requisitioned by the Auditors and ready for their inspection/verification/Auditing as per the schedule submitted by the CA/CMA firm.

4. The **CIO** will immediately detail out a Nodal Officer fromthe Section/Department to co-ordinate with all other Officers/Officials to facilitate the Internal Auditor to carry out the assigned work of internal audit by them smoothly.

5. A system should be evolved to record the number of visits made by the Sr. Auditor and his team to the Section for carrying out Audit inspection/ Job.

6. As required in the reporting system, designed for Internal Auditors, the compliance status of all Internal Audit Reports and Government Audit Reports / Para needs to be made available to the Auditors immediately.

7. All the related documents, files, approvals, reports,work orders, agreements, correspondence with the statutory bodies/Authorities, vouchers / invoices / bills etc. should be made available to Auditors. Airport Director may please be ensured for full cooperation and timely submission of requisite documents to the Auditors during the course of Audit.

8. Regarding viewing the SAP (ERP) System by the Internal Auditor, it has been decided that the Coordinator /Nodal Officer from the concern Section will open the SAP system by using his ID to enable the Auditor to verify the details.

9. Reports as per requirement can also be downloaded by the concerned officer from SAP system for handing over to the Auditor for their verification.

10. During the course of Audit, the Airport Director should also interact with Auditors time to time and to review the progress of meeting the requirement of records of the section.

SOP on EXIT

1. The following steps should be followed before finalization of the report and the partner of the firm should meet the **CIO, and** discuss the Audit observations.

i) The preliminary Audit observations shall first be discussed with the **CIO, IT Directorate, Hanger Building, Safdarjung Airport, New Delhi-110003.**

ii) Pursuant to the above, the preliminary Audit observations of the respective Audit Department/unit/Section shall be prepared.

iii) The preliminary of Audit Report covering all the Department/Units /Sections within the scope of work shall be compiled / prepared, including additional information if any, provided / obtained during Audit / discussion and rectifications carried out on the instance of Audit. The report should also contain specific suggestions for improvements.

iv) Based on the outcome of the discussions, the Audit report thus compiled shall be structured as per the Scope of Work outlined.

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 (Govt./Internal Audit) are made and corrective action taken on those points are to be 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 reports (GOVT. /Internal Audit) of preceding period, may also be 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, approvals, work orders and procedures of AAI may also be considered in the report.

PART-III Report on Testing of Effectiveness of Internal Controls:

An element of risk based Auditing shall be made a part of the scope of Internal Audit for this purpose and a separate format of Internal Audit Reporting for effectiveness of certain chosen controls shall also 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 in part-III of their 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 under AAI norms/ policy, procurements, operation, establishment records, agreements, procedure adopted, files, billing ,deductions, extra items, deviation, payments, reconciliation, register/records, proper booking in the respective head of account, capital work in progress, legal cases, statutory compliance, correspondence with the statutory bodies ,EOT & its approvals ,utilization of Budget as per allocation and provision of liabilities.

The Internal Auditor's report should be in the same sequence as given in the scope of work for Audit **Annexure-I** and in case, any item is not applicable to the Audit unit, the same should be mentioned as nil.

3.   An Executive Summary Report indicating the important observations for each area as brought out in the scope of Internal Audit / Checklist should be prepared.

4.   A statement indicating the Audit personnel with designation including the visits of partners and the period of Audit for each Section/Unit should be communicated/ indicated. The partner is expected to carry out the Audit by himself so that the entire scope may be covered in a systematic manner and to facilitate the reporting as per the requirements.

5.   Before finalization of report, Internal Audit Department, CHQ. May also be informed with the draft report to enable the adequacy and quality of report. If required to review may discuss on the various aspects' covered in the draft Audit report.

6.   The final report should be prepared and submitted as mentioned in the award letter.

Name of the Audit Work-conducting Internal Audit of IT Department at CHQ, Airports Authority of India, Rajiv Gandhi Bhawan, New Delhi for the period from 01.04.2018 to 31.03.2019.

S.NO.	Name of the Audit Work & Office	ESTIMATED COST (Rs.)
1.	Conducting Internal Audit of IT Department of CHQ, Airports Authority of India, Rajiv Gandhi Bhawan, New Delhi for the period from 01.04.2018 to 31.03.2019 (2018-2019).	224000/- + (GST/Applicable taxes)

(Rajesh Jindal)
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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 or the e-tender portal **ttps://etenders.gov.in/eprocure/app.** The Help desk services shall be available on all working days (except Sunday and Holiday) 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 rochel @aai.aero	011-24632950, Ext-3512 (Six Lines)	0800-2000 Hrs. (MON - SAT)
2.	Mr. Sanjeev Kumar Mgr. (IT}	After 4 Hours of Issue	etendersuggort@aai.aero or sanjeevkumar@aai.aero	011-24632950, Ext-3505,3523	0930-1800 Hrs. (MON-FRI)
3.	Mrs. S. Nita AGM(IT)	After12 Hours	snita@aai.aero	011-24632950, Ext-3523	0930-1800 Hrs. (MON-FRI)
4.	General Manager (IT)	After03 Days	gmitchq@aai.aero	011-24657900	0930-1800 Hrs. (MON-FRI)

c. The above mentioned help desk numbers are intended only for queries related to the issues on a-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 CAICMA firms are requested to submit their Financial Bid through 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 erson/personnel along with the undersigned bid manager

(Rajesh Jindal)
AGM- FINANCE (I A) / BID MANAGER
AIRPORTS AUTHORITY OF INDIA
NEW OFFICE COMPLEX SAP,
NEW DELHI-110003
PH. NO. 01124629346, 011-24632950
E-mail: rkjindal@aai.aero

TO BE SUBMITTED IN E-TECHNICALBID ACCEPTANCE LETTER
(Scanned copy for Technical bids)

(Refer Clause for technical bid of NIT)

To,
THE GENERAL MANAGER FIN IA,
AIRPORT AUTHORITY OF INDIA
NEW OFFICE COMPLEX
SAP, NEW DELHI-110003
PH. NO. 01124629346

Sir,

ACCEPTANCE OF AAI's E-TENDER CONDITIONS

1. The e-tender documents for the NOTICE INVITING FINANCIAL BIDS FROM EMPANELLED CAICMA FIRMS of the Northern Region for conducting Internal Audit of IT Department at CHQ, Airports Authority of India, Rajiv Gandhi Bhawan, New Delhi for the period from 01.04.2018 to 31.03.2019 (2018-2019), have been downloaded by me.1/we hereby certify that I/we have inspected and read the entire terms and conditions of the e-tender documents made available to me/us. Which shall form part of the contract agreement and I I we shall abide by the conditions I Clauses contained therein.

2. I/We hereby unconditionally accept the e-tender conditions of AAI's e-tender documents in its entirety for the above services.

3. The contents of Clause 1of General information & guidelines of the Notice Inviting E- Tender of the E-Tender Documents has been noted wherein it is clarified that AAI reserves the right to reject the conditional e-tenders without assigning any reason thereto.

4. I/We declare that I/We have not paid and will not pay any bribe to any officer of AAI for awarding this contract at any stage during its execution or at the time of payment of bills and further if any officer of AAI asks for bribe/gratification, I/We will immediately report it to the appropriate authority in AAI.

Yours faithfully,

Date: _____
(Signature of the e-tenderer)
with rubber stamp