

Corporate Office
(Internal Audit Cell)
Room No. 128, Bharat Sanchar Bhawan,
Janpath, New Delhi - 110001
Phone- 011 -23037637



भारत संचार निगम लिमिटेड
(भारत सरकार का उपक्रम)
BHARAT SANCHAR NIGAM LIMITED
(A Govt. of India Enterprise)

File no. BSNLCO-IA/1/2025-IA

Dated 18.02.2026

02.03.2026

To

All Heads of Circles/Metro Telecom Distt.
Bharat Sanchar Nigam Limited

Subject: Systemic Improvement and Strengthening of Internal Controls in the Circles/BAs in respect of Temporary Advances

Kindly refer to the subject cited above. In this regard, it is intimated that as per the instructions of the Vigilance Wing BSNLCO, the Internal Audit (IA) Team of BSNLCO conducted an audit of one of the BSNL Circles to check the compliances in temporary advance process. The major observations arising out of the said audit are as under:

- i. Delay in submission of ACE-2 accounts and non-levy of penal interest.
- ii. Procurement of non-essential items and booking of expenditure mainly under General Expenditure.
- iii. Absence of "Pass and Pay" orders on bills and non-certification regarding the quality and purpose of the work on the bills.
- iv. Violation of delegated financial powers while passing bills.
- v. Manual adjustment of temporary advances through Journal Vouchers (JV).
- vi. Inappropriate Journal Vouchers relating to employee/vendor transactions.

2. The Internal Audit Team of the Corporate Office has made the following recommendations.

- i. No Fresh temporary advances to be sanctioned if more than 1 advance is pending for approval.
- ii. Temporary advances shall be sanctioned at GM/BA Head level only and that too in absolutely essential cases.
- iii. Outstanding temporary advances shall invariably be adjusted within one month, failing which the amount shall be recovered along with penal interest from the concerned holder.
- iv. As a cost rationalisation measure, approving authorities shall examine each demand for temporary advance with due diligence.
- v. The procedure for payment of temporary advances shall strictly conform to the applicable rules and regulations.
- vi. All officers shall ensure that bills are passed strictly within their delegated financial powers.

3. On perusal of the IA report, CVO, BSNL has advised that:

- a) the details of temporary advances taken by BSNL officers across all Circles for the financial years 2024-25 and the current financial year are required to be obtained and analysed/examined by circles.
- b) Circles should ensure that Temporary advance given to BSNL officers is being monitored regularly through SAP in order to avoid any unfruitful expenses and misuse of Temporary advances.

4. Further, the Vigilance Wing, BSNLCO, has suggested that "A mechanism may be incorporated in SAP/ERP for settlement of temporary advance ACE-2 accounts, that the claim officer must have the privilege to enter the field that "the physical copies of the concerned ACE-2 account have been received /not received", then only the claim officer can able to process for settlement of the said ACE-2 account in SAP/ERP.

Accordingly, ERP-FICO, Corporate Office, has developed a functionality in SAP/ERP to capture confirmation regarding receipt/non-receipt of physical copies of the concerned ACE-2 accounts by the claim officer. The same is presently under testing. All concerned finance officers are required to adopt this functionality as soon as it is made available and ensure compliance in this regard.

It is requested to ensure strict compliance with the above instructions and submit compliance report to the IA Section of BSNL CO w.r.t. point no 3 and 4 related to Vigilance wing BSNL CO within one month from the date of issue of this letter.

(Sunil Kumar)
PGM (IA)

Copy to:

1. PGM (CA& ERP-FICO) BSNL CO
2. Sr. GM (CBB) BSNL CO
3. IFAs of BSNL Circles/Metro Telecom Distt.