



I n s p i r i n g E x c e l l e n c e

Internship Report:

“Vendor Reconciliation of Airtel Bangladesh Limited”

Prepared by:

Md. Zahid Hossain

ID # 11204014

BRAC Business School

BRAC University

“Vendor Reconciliation of Airtel Bangladesh Limited”

Submitted to:

Saif Hossain

Senior Lecturer

BRAC Business School

BRAC University

Date of submission: Monday, June 29th, 2015

Letter of Transmittal:

29th June, 2015

Saif Hossain

Senior Lecturer

BRAC Business School

BRAC University

Subject: Submission of internship report on “Vendor Reconciliation of Airtel Bangladesh Limited”

Dear Sir,

Here is the internship report on “Vendor Reconciliation of Airtel Bangladesh Limited”, which you have assigned me to do as a part of my BBA program requirement. I have tried my best to gather all kinds of relevant information, which could give an overall idea on this topic. I have worked closely with the account payables team of Airtel Bangladesh Limited and have observed their work. In addition, I have also studied several laws, rules and regulations that might have impact over the topic I’ve worked on, such as what is vendor reconciliation, why it is important and to what extent it impacts on any business. I hope that this report will meet the expected standard.

I have enjoyed preparing the report very much. Especially, the knowledge obtained from my BBA program and the seniors of Airtel Bangladesh Limited have helped me a lot and made the hard work easier. I am submitting this internship report for your kind consideration and thanking you for your constant assistance and guidance.

Sincerely yours,

Md. Zahid Hossain

ID# 11204014

Acknowledgement:

First of all, I would like to thank almighty Allah for giving me the strength and aptitude to complete this report. In addition, I would like to thank the **Office of Career Services and Alumni Relations (OCSAR)** which was previously known as Career Service Office (CSO) for forwarding my CV to Airtel Bangladesh Limited for internship. Moreover, I would like to thank **Saif Hossain, Senior Lecturer of BRAC Buniess School, BRAC University** for supervising me throughout this work.

I give special thanks to **Mr. Eusuf Ali, Payables Manager, Airtel Bangladesh Limited.** and **Mr. Saeed Hikam, Finance Executive at Airtel Bangladesh Limited** for their continuous help and support in preparation of this report.

I thank you all for your continued trust in me and look forward to work with you again in the future, if I get the opportunity.

Thanking you,

Md. Zahid Hossain

Table of Content:

Letter of Transmittal	iii
Acknowledgement	iv
Table of Content	v
Graphs and Charts	vi
List of Abbreviations	vii
Executive Summary	ix
1. Introduction	01
1.1 Vendor Reconciliation	01
1.2 Objective	02
1.3 Limitations	02
1.4 Methodology	03
1.4.1 Primary Sources	03
1.4.2 Secondary Sources	03
1.4.3 Data Collection Methods	03
2. Airtel Bangladesh Ltd. at a glance	04
2.1. About Airtel Bangladesh Limited (ABL)	04
2.2. About Bharti Airtel	04
2.3. History	05
2.4. History of Airtel Bangladesh	05
2.5. Operational Network Organogram	06
2.6. Market Share	07
2.7. Vision and Tagline	08
3. Vendor Reconciliation of ABL	09
3.1. Format of Vendor Reconciliation	10
3.2. Process of Vendor Reconciliation	11
3.3. My Findings	12
3.4. Limitations of Vendor Reconciliation in ABL	14
3.5. Limitations of this Report	15
4. Conclusion and Recommendation	16
References	x
Appendix	xi

Graphs and Charts:

Figure 01 – Organogram of Airtel Bangladesh Limited

Figure 02 – Market Share of Mobile Operators in Bangladesh

Figure 03 – Process of Vendor Reconciliation in ABL

List of Abbreviations:

1. OCSAR – Office of Career Services and Alumni Relations
2. CSO – Career Service Office
3. SoA – Statement of Account
4. ERP – Enterprise Resource Planning
5. IP – Internet Protocol
6. WHT – Withheld Tax
7. ABL – Airtel Bangladesh Limited
8. CoC – Code of Conduct
9. DGM – Deputy General Manager
10. BTRC – Bangladesh Telecommunication Regulatory Commission
11. DSL – Digital Subscriber Line (or Loop)
12. IPTV – Internet Protocol Television
13. DTH – Direct to Home
14. BTTB – Bangladesh Telephone & Telegraph Board
15. PBTL – Pacific Bangladesh Telecom Limited
16. CDMA – Code Division Multiple Access
17. GSM – Global System for Mobile
18. GP – GrameenPhone
19. ICT – Information & Communication Technology
20. NTT – Nippon Telegraph & Telephone
21. Sr. VP – Senior Vice President
22. VP – Vice President
23. GM – General Manager
24. YL – Young Leader
25. AP – Accounts Payable
26. JD – Job Description
27. PO – Purchase Order
28. FDD – Financial Data Disseminator
29. TT – Taka Transfer
30. LC – Letter of Credit
31. LCA – Local Country Agreement

32. IT – Information Technology

33. VAT – Value Added Tax

Executive Summary:

Vendor reconciliation is the process where we check the amount shown in our book matches with the amount shown in our creditors' book or not. By this process, we check if there is any discrepancy existing within the organization or not. The fundamental principle of doing vendor reconciliation is to ask for a statement of account (SoA) from the creditor which will include the credit amounts in the book of the vendor also the unbilled amount.

The steps of doing vendor reconciliation are:

1. Collect SoA from Vendor
2. Check them in system (Oracle – the ERP used by Airtel)
3. Match the amounts shown in SoA with Oracle
4. Finish the process by Signing off

Sometimes the vendors are not local vendors. Airtel Bangladesh Limited has number of vendors around the world. Though the local vendors are maximum in number but still there are some international vendors such as IBM India, Ericsson AB, Zhejiang Narada Co. Ltd., Huawei Technologies etc.

For external communication with the vendors are usually done via email and IP phone. For internal communication, the same procedures are followed. Everyone has an email address based on their name in the Airtel domain.

This report is prepared on the basis of practical experience in vendor reconciliation program. I hope that the theoretical knowledge and the practical skill will could be clearly defined through this report, especially in case of vendor reconciliation.

1. Introduction:

Firstly, this report is prepared with an intention to meet partial requirement of my BBA program. Moreover, another intension is to get a better insight of the subject matter which is Vendor reconciliation. To do that, I have worked closely with Airtel Bangladesh Limited, one of the leading telecom operators in Bangladesh. I have observed their work to get the better insight of the topic. The difference between theoretical knowledge and the practical skill could be clearly defined through this report.

1.1 Vendor Reconciliation

“Vendor reconciliation means statement showing difference of Company payable to vendor account balance & vendor outstanding balance. It is reconcile from both account balance of the company and vendor. If there is any advance to vendor it will reduce the balance from company payable amount.”¹

In another definition, we can define vendor reconciliation as

“Vendor reconciliation is definitely accounts related job. It is part of accounts payable activity where one has to reconcile vendor balance in his books of accounts with that of the vendor balance in the books of the vendor. Take a statement of account from the vendor. The statement must have invoice wise detail of each transaction. Compare the statement with the vendor accounts as per your book. Any difference should be separately shown in the reconciliation statement. Sample reconciliation statement: Balance as per Vendor Statement, Less: Payment not reflected in vendor a/c Less: Invoices not booked by organization, Add: Invoices booked by organization but not reflected by vendor. Balance as per our books of accounts.”²

For doing vendor reconciliation, the organization has to ask for the statement from the vendor. Then they match the figures so that they get a clear vision about the

¹ (What is Vendor Reconciliation and how is it done)

² (What is Vendor Reconciliation and how is it done)

current condition of the payables amount of the organization. Based on some factors such as credit notes issued by vendor or any unbilled amount, the payable amount is determined and the books are closed for that reconciliation period.

If I summarize the whole thing then the following facts are found:

- Vendor reconciliation is a necessary process to check the actual amount of payables.
- Vendor reconciliation determines the payable amount for the reconciliation period.
- Discrepancy is examined by doing vendor reconciliation.

1.2 Objective

As it is said earlier that the main objective of this report to meet partial requirement of my BBA program. However, there were some other objectives which are as follows:

- To identify how vendor reconciliation is done in practical life.
- To identify if vendor reconciliation is actually practiced in Bangladesh.
- To explain the background of telecom operators in Bangladesh through observing Airtel Bangladesh Limited (ABL)
- To have a clear idea about the vendor reconciliation process followed by Airtel Bangladesh Limited.
- To know the basics of the process and to know how it is done in practical life.

1.3 Limitations

The report is prepared with an intention to be full and complete. However, there are some limitations that need to be disclosed.

- Lack of sound experience in research background or prior experience.
- The documents of ABL are highly confidential and they maintain their professional code of conduct (CoC) very strictly.
- The area of this topic is huge. Hence, it is quite difficult for one individual to go for exploring all the important areas of this topic. This is one of the biggest limitations of this report.

- Time constraint is the major factor that limited the scope of this report.
- Sufficient records, publications, facts and figures were nowhere found. This narrowed down the scope at a greater context.
- The process itself is complicated. So, it is difficult for one individual (without any experience) to give the full idea on the topic.

1.4 Methodology

This report is prepared based on the practical working experience. To prepare this report some primary as well as secondary form of information was used.

1.4.1 Primary Sources:

- Different personnel
- Direct Line Manager
- Executive

1.4.2 Secondary Sources:

- Formats for different financial statements
- Website information
- ABL database for account payables record

1.4.3 Data Collection Methods:

During the working hours, in depth interviews and conversation were conducted with manager, deputy general manager (DGM), senior executive of account payables department.

2. Airtel Bangladesh Ltd. at a glance:

Airtel Bangladesh is a cellular operator in Bangladesh. It is the last cellular operator entered in Bangladesh till today. Previously it was Warid Telecom. In 2010, Warid Telecom sold 70% of its share to Bharti Airtel for \$300 million and Bharti Airtel took the management control. The rest of the portion was bought by Bharti Airtel in 2013 and before that it was approved by Bangladesh Telecommunication Regulatory Commission (BTRC). After that Airtel Bangladesh is one of the fastest growing mobile operator in Bangladesh which focuses on the young generation.

2.1 About Airtel Bangladesh Limited (ABL)

Airtel Bangladesh Limited is one of the fastest growing mobile services providers in Bangladesh and is a concern of Bharti Airtel Limited, a leading global telecommunications services provider. The company offers a wide array of innovative mobile services, including voice, value added services, data and m-commerce products and is focused on expanding its state-of-the-art mobile network both for coverage and capacity.³

2.2 About Bharti Airtel

Bharti Airtel Limited is a leading global telecommunications company with operations in 20 countries across Asia and Africa. Headquartered in New Delhi, India, the company ranks amongst the top 4 mobile service providers globally in terms of subscribers. In India, the company's product offerings include 2G, 3G and 4G wireless services, mobile commerce, fixed line services, high speed DSL broadband, IPTV, DTH, enterprise services including national & international long distance services to carriers. In the rest of the geographies, it offers 2G, 3G and 4G wireless services and mobile commerce. Bharti Airtel had over 324 million customers across its operations at the end of March 2015.

³ (Airtel Bangladesh)

2.3 History

In 1989, Bangladesh Government allowed private sector participation in Telecom sector as BTTB was unable to give the service to the whole country. Pacific Bangladesh Telecom Limited (PBTL) or now Citycell and Bangladesh Telecom were the first to get license as the mobile operator. Before that, Bangladesh Telephone and Telegraph Board (BTTB) was the only telecommunication service provider in Bangladesh. Along with that Sheba Telecom got license too to operate in 199 upazillas. Citycell was operating under CDMA. In 1996 more four operator license was auctioned and Grameen Phone got one of the licenses. Grameen Phone was the first to introduce GSM technology in Bangladesh. GP began its operation in March 1997. Along with GP, Aktel and Sheba Telecom took two licenses which are now known as Robi Axiata and Banglalink. In 2001, BTRC formed Telecommunication ACT eradicate any type of discrepancy in the Telecom Sector. Moreover in 2002, Information and Communication Technology (ICT) Policy was formed. In 2004 the first state owned cellular operator was introduced and the name given it was Teletalk. Orascom and Egyptian company bought Sheba telecom in 2005 along with that a Japanese Company NTT DoCoMo acquired 30% of Aktel in 2008. Before that Warid Telecom was introduced in 2007. In the late 2009 Grameenphone went public and in early 2010 Bharti Telecom acquired 70% of Warid Telecom and in 2013 Bharti Airtel acquired the whole or Warid Telecomm Along with that Aktel rebranded as Robi Axiata in 2010. In 2012 3G service was introduced by Teletalk. In the session of 2013, 3G auctions held for other operators and finally 64 districts are covered with 3G by Grameenphone, Banglalink and Robi.⁴

2.4 History of Airtel Bangladesh

- **December 2005:** Warid Telecom International a subsidiary of Abu Dhabi group paid US\$ 50 million to obtain a GSM license from the BTRC.
- **August 17, 2006:** Warid announced via a press conference that its network would be activated two months ahead of schedule in October, 2006. However, in October, 2006 Warid Telecom held off the launch of its cell phone services in

⁴ (Telecommunications in Bangladesh)

Bangladesh until April 2007 since its major supplier Nokia walked out on a contract due to a payment dispute.

- **January 2007:** Warid had a soft launch at the end of the month by giving away complimentary subscriptions amongst a chosen group of individuals with the intention to make 'test calls'. Warid adjusted its network's quality based on their comments.

- **May 9, 2007:** Via an advertisement in a daily newspaper, Warid stated that it would be launching in public on May 10, 2007. However, no details regarding call rates or packages were revealed.

- **October 1, 2007:** Warid Telecom expanded its network to five more districts which included: Mymensingh, Jamalpur, Sherpur, Rajbari and Narail.

- **November 10, 2007:** 61 districts under Warid network coverage.

- **June 10, 2008:** Warid Telecom expanded its network to 3 more districts Bandarban, Khagrachhari and Rangamati. By then, all 64 districts of Bangladesh are under Warid network coverage which meant that Warid Telecom had nationwide coverage.

- **January 2010:** Bharti Airtel Limited bought 70% stake of Warid Telecom for US\$300 million.

- **December 20, 2010:** Warid Telecom was rebranded to Airtel.

- **December 21, 2011:** Airtel Bangladesh launched "Airtel Circle of Friends", the first ever Interactive Commercial in Bangladesh.

- **March, 2013:** Warid Telecom sold its rest 30% share to Bharti Airtel's Singapore-based concern Bharti Airtel Holdings Pte Limited.

- **September 8, 2013:** Airtel Bangladesh received 5 MHz 3G spectrum with US\$ 1.25 million.⁵

2.5 Operational Network Organogram

In Airtel Bangladesh the organogram lies in three levels and they call it Bands. These levels show the hierarchy and each Band defines their compensation package and benefits which will be provided to the employees under these Bands.

⁵ (History of Airtel BD)

The Bands are:



Figure 01 – Organogram of Airtel Bangladesh Limited

Along with these Bands, there are two more Bands at Airtel Bangladesh Limited. They are:

Band F: Consists of Senior Executive as well as Executive.

Band S: Consists of Senior Officer, Officer and Young Leaders (YL).

2.6 Market Share

In Bangladesh, Airtel Bangladesh Ltd holds 8.18 million subscribers and holding a position of 4th among the 6 operators. On the other hand GP has 52 million subscribers, Banglalink has around 32 million, Robi has 26.28 million, Teletalk has 4.04 million and finally Citycell which has 1.24 million subscribers.

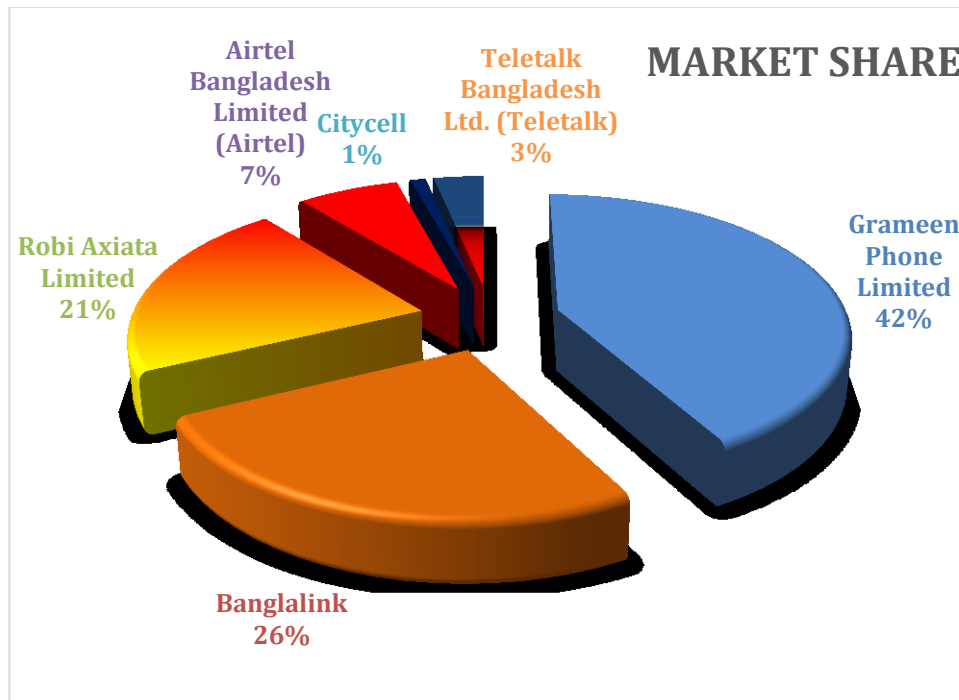


Figure 02 – Market Share of Mobile Operators in Bangladesh

2.7 Vision and Tagline

“Enriching lives means putting the customer at the heart of everything we do. We will meet their needs based on our deep understanding of their ambitions, wherever they are. By having this focus we will enrich our own lives and those of our other key stakeholders. Only then will we be thought of as exciting, innovation, on their side and a truly world class company.”

We can assume from the above vision and tagline that Airtel always focuses on their brand name, logo and color. Airtel Bangladesh always wants to give the first priority to their customer and wants to satisfy their customer. Airtel Bangladesh wants to give the brand “Airtel” another meaning which is ‘*exciting, innovation and world class.*

3. Vendor Reconciliation of ABL:

Vendor reconciliation of ABL is quite structured base. The reasons behind doing this vendor reconciliation are:

“Vendor reconciliation statement is required to check the actual liability of the organization to the external stakeholders”⁶

“Vendor reconciliation is a mandatory for every organization since it gives a clear illustration of the net payables and it also reduces if there are any discrepancies within the organization”⁷

Thus vendor reconciliation occurs regularly in ABL. Vendor reconciliation is a part of accounts payable (AP). The payables manager is Muhammod Eusuf Ali who was my direct line manager. His job descriptions (JD) are the following:

1. Key Vendors’ Payment processing, invoice history maintenance and relevant reporting to the concerned stakeholders.
2. Monitoring and checking of all PO related payments.
3. Monitoring and checking of all non-PO related payments
4. Employee Claim Management – Checking & monitoring the payment of employee claim and attending the queries of Employee, etc.
5. Processing of foreign payment through FDD and TT (except LC & LCA payment)
6. Monitoring and controlling of other urgent and critical payments
7. Preparing Cash Flow Forecast from AP part to be provided to Treasury;
8. Reengineering and development of payment process in compliance with related regulatory requirements.
9. Monitoring, checking and compliance of all payments with the Delegation of Authority.

⁶ (Karmaker, 2015)

⁷ (Ali, 2015)

10. To develop and enhance the capability of Team members to cope up with the one Airtel process.

Under the 9th point of the JD, the payables manager is bound to do periodic vendor reconciliation. I was assigned to lessen his burden in this position and thus I was given the opportunity to work as an intern for vendor reconciliation in the accounts payable department of Airtel Bangladesh Limited.

3.1 Format of Vendor Reconciliation

It is said that only Airtel Bangladesh Limited follows this vendor reconciliation process among all the telecom operators in Bangladesh. For Airtel Bangladesh Limited, the format⁸ of this reconciliation statement is:

Balance as per Vendor SoA	XX
• Items appearing in Vendor SoA but not in Airtel Book	
Less: Invoices not received by Airtel	XX
Less: Invoices accounted but not paid as on above mentioned	XX
Reconciliation period	
Add: Credit Notes issued by vendor but not accounted by Airtel	XX
Less: Unbilled	XX
• Items appearing in Airtel Book but not in vendor SoA	
Less: Payment made by Airtel but not accounted by vendor	XX
Less: WHT deducted but not accounted by vendor	XX
Add: Credit Notes adjusted by Airtel but not accounted by vendor	XX
Less: Credit Notes booked by Airtel but not shown by vendor	XX
Add: Invoices booked by Airtel but not shown by vendor	XX
Add: Others	<u>XX</u>
Balance as per Airtel book	XX

After getting through the format, I was provided with some previous reconciliation to check and understand the process fully. My findings after working in the vendor reconciliation team is described and analyzed below.

⁸ (Airtel Bangladesh Limited)

The steps of doing vendor reconciliation are:

1. Collect SoA from Vendor
2. Check them in system (Oracle – the ERP used by Airtel)
3. Match the amounts shown in SoA with Oracle
4. Finish the process by signing off the vendor reconciliation statement.

3.2 Process of Vendor Reconciliation

First of all I had to collect SoA from the vendors over the email. There are numbers of vendors in Airtel Bangladesh Limited. They have categorized all the vendors in five (5) different categories. These categories are termed as category A, B, C, D and E. In category A, only the vendors related to network and IT are there. In total, there are 7 Category A vendors. For category B, there are 13 vendors and among them, most of the vendors are marketing, advertising partners and the site sharing (network tower, infrastructure) and interconnection partners such as Robi Axiata, Banglalink Orascom, GrameenPhone, Asiatic Mindshare etc. For category C, there were 56 vendors and most of them are fuel and power suppliers. Category D is consists of 167 vendors and for category E, there are 340 vendors. Now, every category has fixed reconciliation period with and targeted percentage. For category A vendors, the reconciliation process was to be done in every month and the target was 100% which means all the 7 vendors reconciliation should be done in every month. For category B, this percentage was 85% which means, at least 11 vendors reconciliation should be done quarterly. One point should be mentioned that Airtel Bangladesh Limited follows four quarters (Q1 – April, May, June), (Q2 – July, August, September), (Q3 – October, November, December), and (Q4 – January, February, March). I worked for the target of Q4. Category C vendor reconciliations were made half yearly and the target was 30% which means at least 17 reconciliations should be done from this category. Category D & E were reconciled annually, in every June month.

For Q4, I could collect every SoA of category A, for category B; there were only 8 SoA available. I had to work on category C, D and E too since there was still some open items in the dashboard. I had to collect 40 SoA from category C vendors (target was 30% but we made it 71%), for category D vendors, I collected 141 SoA

which was actually 84% of the total vendors and the target was 45%. For category E, the target was 45% and I collected 175 SoA which was 51% of the total vendors.

After collecting the SoA, these were sent to India for preparing reconciliation. As the headquarter of Airtel Bangladesh Limited is situated in Gurgaon, India, all the reconciliation statements were produced there and later on was sent to Bangladesh. There was a 'Global ACE Team Partner' who worked for Airtel and prepared the reconciliation statements from there. I had to get aligned with them and was in touch with a person called Ashid Khan who was a member of the Global ACE Team partner of Airtel. I sent all the SoA after collection to him and he took a while to prepare the reconciliation statements. After preparation, he used to send me the statements and then I had to follow up the statements if there are any mistakes. After finding the mistakes and correction, I had to contact with the vendor and send the reconciliation statement to the respective person. After getting everything done, I had to collect a signed off vendor reconciliation statement from that vendor.

After following the above steps, the item was closed in the dashboard. This dashboard was also checked periodically by the authority in India and by my line manager regularly.

3.3 My Findings

While working in the vendor reconciliation team, I found out that it is necessary for every organization to prepare vendor reconciliation statements since it gives a proper idea about the actual outstanding of the organization and also gives an overview about the payable amount of the organization. It also draws an illustration if there is any discrepancy going on in the organization while payment procedure and moreover, it also shows if the organization is making any intentional delay while making payment to the vendor.

I found several mistakes in the reconciliation statements. These mistakes were two types; one of them was the mistakes from the Global ACE team side and the other one was from the policy of the organization.

From Global ACE Team side, I found that they were not too much careful while preparing the vendor reconciliation statements. For example, they usually showed 'Invoice not found in system' status in several vouchers in the SoA of the vendor. But this happened because of the mismatch in the voucher or invoice number. For instance, if an invoice of Concito PR was created on 27th February, 2015 Invoice no. 2714, Voucher number AIR/2015/02/16 and the PO number was 59. It was recorded in the system of ABL as Invoice no. CNPR/2714, Voucher number AIR/CNPR/2015/02/16 and the PO number as 59. They usually put 'invoice not found in system' in this voucher as they could not search it in the system using the invoice or voucher number used by the vendor. I had to find these vouchers in the system by filtering the dates of the invoice or the amount shown in the invoice. I found this situation in every cases so it can easily be said that they were not conscious while preparing the vendor reconciliation statement. I found this in almost around 300 cases where we closed down 369 reconciliations for Q4. This was unexpected from a Global ACE Partner Team.

The second type was the mismatch in between the company policy and the concept of the vendor. Airtel Bangladesh Limited pays the tax and VAT on behalf of the vendors and after paying the tax, they give the vendor a certificate for that tax amount. Thus the vendor does not need to pay tax later on and does not need to go through the hassles of tax payment. For this purpose, ABL keeps a certain amount as tax which is termed as WHT. A certain amount of the invoice is kept in the organization as the withheld tax to be paid to the government. Here, the mismatch occurs because the vendors usually do not calculate the WHT amount and they show in the SoA that this certain amount was not paid to them. Then it gets clarified to them that this amount was deducted from the invoice as tax amount. Thirdly, there is the mismatch for the unbilled amount. For PO items, usually there is no unbilled amount since ABL creates invoice right after putting a purchase order but for non PO items, there are always some unbilled amount from the vendor. The vendor usually provides the service or the goods to ABL and later on they prepare and send an invoice to ABL. Within this period, the reconciliation occurs and they put that amount as unbilled amount in the SoA for which the mismatch occurs. These are the main reasons for mismatching in the amount in the book of the vendor and the amount recorded in the book of Airtel Bangladesh Limited.

3.4 Limitations of Vendor Reconciliation in ABL

The major limitation of vendor reconciliation in Airtel Bangladesh Limited is that they have to send the SoA to Global ACE Partner Team for which they have to wait for a long time. For example, when we ask for the SoA from an organization, they usually take several days to prepare the statement and later on they send the SoA over the email. After getting the SoA, ABL sends the SoA to a member of the Global ACE Partner Team for preparing the reconciliation statement. The ACE team takes around 4 to 5 days to prepare the reconciliation statement and then they send the statement back to ABL. When the reconciliation is received by ABL, it is reviewed if there are any mistakes and if found then they send it back to the ACE team for correction. Thus it takes a couple of more days. After getting the full proof reconciliation statement, ABL sends the reconciliation statement to the vendor for signing off. After sending the statement for signing off, they follow up the vendor several times and finally the reconciliation statement gets signed off. This process is so long that it usually takes around 3 weeks to close reconciliation for one vendor. If an illustration is drawn, the whole picture will be clear.

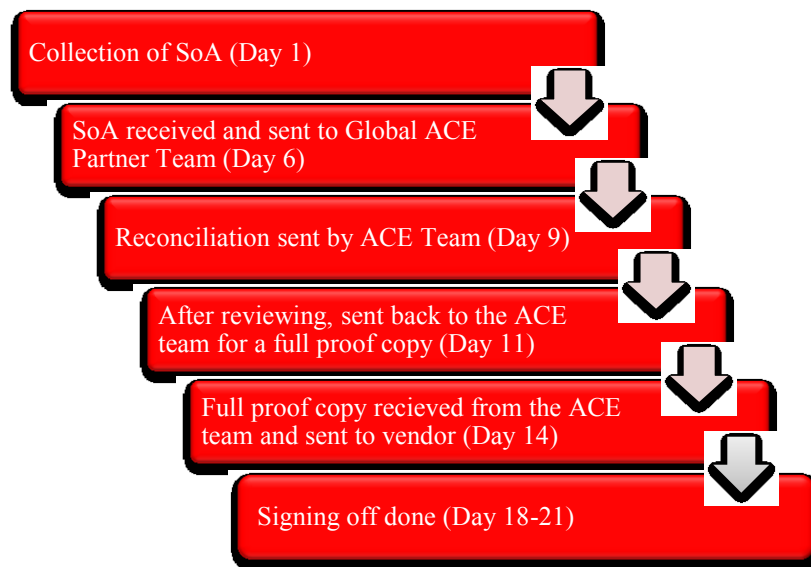


Figure 03 – Process of Vendor Reconciliation in ABL.

Thus, it is easily seen that it takes a long time to complete the reconciliation for one vendor.

Secondly, another limitation of vendor reconciliation in ABL is that their vendors are not well trained about the reconciliation process. Vendor reconciliation is not much popular in our country and most of the organizations do not follow this process. Since ABL follows vendor reconciliation process, they should train their vendor first about the reconciliation so that they can work flawlessly and swiftly. Trained vendors can quickly prepare the SoA since they will be ready and if they are aware of the reconciliation period, it will be easier for them to be prepared with the statement of accounts.

3.5 Limitations of this Report

This report is prepared with an intention to be full and complete. However, there are still some limitations of this report. Firstly, it is already mentioned that vendor reconciliation is not much popular in our country and thus my knowledge on this topic was not enough to cover the whole reconciliation process.

Secondly, for maintaining the CoC, some information was not disclosed about the vendor and it was a bit challenging to gather confidential information to prepare this report. For example, this report is made based on the information of quarter 4 and the records for the rest 3 quarters were not disclosed.

Thirdly, this report was done for one quarter of the fiscal year of Airtel Bangladesh Limited. The rest 3 quarters are not considered in this report. Total vendor reconciliation cannot be determined on the basis of one quarter only.

Fourthly, vendor reconciliation is a complicated process and without sound knowledge on it, it is quite difficult for a person without knowledge to give a complete idea about the vendor reconciliation process of Airtel Bangladesh Limited.

4. Conclusion and Recommendation:

Vendor reconciliation is a very important process for an organization to know about the actual amount of the external liabilities of the organization. Most of the organizations in our country do not follow this process due to lack of knowledge on this process. Moreover, the vendors are also not aware of this process and they take this process lightly. For this reason, the vendor reconciliation is not getting the proper significance to the extent that it was supposed to get.

Airtel Bangladesh Limited should train their vendor regarding the vendor reconciliation process so that this process can become beneficial for both the organization and the vendors. If they can implement the vendor reconciliation process fully, then the purpose of this process will be fulfilled for Airtel Bangladesh Limited.

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Appendix:

1. Sample SoA



To,
Airtel Bangladesh Ltd.
House No. 34, Road No. 19/A,
Banani, Dhaka – 1213

Attention: Manager, Finance (Accounts Payable)

Sir,

This is to certify that, there is no other amount receivable from Airtel Bangladesh Ltd. (on account of Supplies/ Services/any other amounts) as on 30-Apr-15 except for the details as given below:

Sl. No.	PO No.	Invoice No.	Invoice Date	Date of Submission of Inv	Invoice Amt (Currency in.....)	Remark
1	GSM/PUR 5485	GAV/15/171	11.05.2015	11.05.2015	1599999.95	Payment Due
Unbilled Amount (If any):						
	GSM/PUR 5485	N/A	N/A	N/A	1647999.94	Bill/ Invoice Will be Submitted Soon
	GSM/PUR 5529	N/A	N/A	N/A	395999.99	Bill/ Invoice Will be Submitted Soon
	GSM/PUR/5726	N/A	N/A	N/A	258,499.99	Bill/ Invoice Will be Submitted Soon
		Total Amount				

We also confirm that there are no unbilled amounts towards goods delivered/services provided to Airtel Bangladesh Ltd till the period ended on 30-Apr-15 by us.

Regards,

Authorized Signature:
Name of the Signatory: Bahalul Hassan (Shohagh)
(Please attached sheet if required)

160, Tejgaon Industrial Area, Tejgaon, Dhaka-1215, Bangladesh.
Cell - 01674 831 932, 01717 200 754, Email ga@goldenagebd.com, Web : www.goldenagebd.com

2. Sample Vendor Reconciliation

Vendor Reconciliation Statement									
Airtel Bangladesh Limited									
DIGICON TECHNOLOGIES LTD									
Vendor Name									
Reconciliation Period									
Vendor Ledger Code									
Category									
Annexure									
T. Amount (BDT)									
REF:									
0-30 days									
30-60 days									
61-90 days									
91-180 days									
181-365 days									
More than 1 yr									
Particulars									
Balance As per Vendor SOA									
Items appearing in Vendor SOA but not in Airtel Books									
Less:-	I								
Invoices not received by Airtel									
(Up to period of reconciliation prepared date)									
Less:-	II								
Invoices Accounted but not Paid as on above mentioned reconciliation period									
(Entered in system but not validated or validated but paid after reco period)									
Add:-	III								
Credit Notes issued by Vendor but not accounted by Airtel									
(Up to period of reconciliation prepared date)									
Less:-	IV	12,126,467							
Unbilled									
Items appearing in Airtel Books but not in Vendor SOA									
Less:-	V	10,351,275							
Payment made by Airtel but not accounted by Vendor									
Less:-	VI	464,594							
WHT Deducted but not accounted by Vendor									
Add:-	VII								
Credit Notes Adjusted by Airtel but not accounted by Vendor									
Less:-	VIII								
Credit Notes booked by Airtel but not shown by Vendor									
Add:-	IX								
Invoices booked by Airtel but not shown by vendor									
Add:-	X								
Others (System Error)									
Balance As per Airtel									
[757,821]									
Check for Balances									
APTB Balance									
[757,821]									
Prepared/Checked/Approved Date:- 22-Apr-15									
Prepared By									
Azhid Khan									
Checked By									
Manish Nathani									
Approved By									
Arshid Bindal									
Vendor									

Annexure-I
Invoice Not received by Airtel

DIGICON TECHNOLOGIES LTD

31-Mar

Status As on date

S.No	Invoice Nos	Invoice Date	PO NO	Invoice Amount	Aging	Aging Bucket
1						
2						
Total					0	

Annexure-II
Invoices Accounted but not Paid as on abovementioned reconciliation period

S.No	Invoice Nos	Invoice Date	PO NO	Invoice Amount	Aging	Aging Bucket	Paid Date
1							
2							
Total					0		

Annexure-III
Credit Notes issued by Vendor but not accounted by Airtel

S.No	Invoice Nos	Invoice Date	PO NO	Invoice Amount	Aging	Aging Bucket
1						
2						
Total					0	

Annexure-IV
Unbilled

S.No	Invoice Nos	Invoice Date	PO NO	Invoice Amount	Aging	Aging Bucket
1	Airtel/IB/2015/03	13-Apr-15	GSM/PUR/5343	10,946,567.00	-12	0-30 days
2	Airtel/TSA-DSA/2015/01	12-Apr-15	NA	1,179,900	-11	0-30 days
3						
Total				12126467		

Note

S.No.	Particular	Description
1	NOT IN SYSTEM	Invoice not found in system with given invoice number
2	GL DATE	Invoice Received by SCM and Booked in System but not validated till date
3	VALIDATED	Invoice Received by SCM and validated but not proceed for payment
4	PAID	Invoice paid as on date but not paid till the period of SOA
5	NEVER VALIDATED	Booking date of Invoice

Annexure- V

DIGICON TECHNOLOGIES LTD

Payments not Accounted by Vendors

31-Mar

S.No	Invoice Nos	Invoice Date	PO NO	Paid Amount	Aging	Aging Bucket	Payment Date	Payment Doc. No.
1	Airtel/IB/2015/02	11-Mar-15	GSM/PUR/5343	10,324,313.86	21	0-30 days	17-Apr-15	161203452
2	Airtel/IB/2015/01	29-Mar-15	GSM/PUR/5633	26,961.00	21	0-30 days	05-Jan-15	

Total	10,351,274.86
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WHT Deducted but not accounted by Vendor

S.No	Invoice Nos	Invoice Date	PO NO	TDS Amount	Aging	Aging Bucket
1	Airtel/IB/2015/02	11-Mar-15	GSM/PUR/5343	464,594.12	21	0-30 days
2						

Total	464594.12
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Annexure- VII**Credit Notes Adjusted by Airtel but not accounted by Vendor**

S.No	Invoice Nos	Invoice Date	PO NO	Amount	Aging	Aging Bucket
1						
2						

Total	0
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Annexure- VIII**Credit Notes booked by Airtel but not shown by Vendor**

S.No	Invoice Nos	Invoice Date	PO NO	Amount	Aging	Aging Bucket
1						
2						

Total	0
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Annexure- IX**Invoices booked by Airtel but not shown by vendor**

S.No	Invoice Nos	Invoice Date	PO NO	Amount	Aging	Aging Bucket
1						
2						

Total	0
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Annexure- X**Others (System error)**

S.No	Invoice Nos	Invoice Date	PO NO	Amount	Aging	Aging Bucket
1	AIRTEL/IB/2014/04/6 413/1252715	2-Jun-14		-757821.33	303	181-365 days
2						

Total	-757821.33
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3. Job Description of Muhammod Eusuf Ali



Name: Muhammod Eusuf Ali		Main Purpose of Job
Job Title	Sr. Executive	To Assist the Payable Head for running the operations Smoothly. Supervising, checking and processing of all payments including Key Vendors history maintenance and reporting, etc.
Direct Report to	Sr. Manager, Accounts Payables	
Indirect Report to	General Manager	
Department/Division:	Financial Reporting, Accounts Payable/Finance	
Main Responsibilities		Dimensions / KPI
<ol style="list-style-type: none"> 1. Key Vendors' Payment processing, invoice history maintenance and relevant reporting to the concerned stakeholders. 2. Monitoring and checking of all PO related payments. 3. Monitoring and checking of all non-PO related payments 4. Employee Claim Management – Checking & monitoring the payment of employee claim and attending the queries of Employee, etc. 5. Processing of foreign payment through FDD and TT (except LC & LCA payment) 6. Monitoring and controlling of other urgent and critical payments 7. Preparing Cash Flow Forecast from AP part to be provided to Treasury; 8. Reengineering and development of payment process in compliance with related regulatory requirements. 9. Monitoring, checking and compliance of all payments with the Delegation of Authority. 10. To develop and enhance the capability of Team members to cope up with the one Airtel process. 		<p>Compliance with Agreement and relevant PO</p> <p>As per PO terms</p> <p>As per TAT as set by the management.</p> <p>As per TAT as set by the management.</p> <p>As and when required to pay.</p> <p>Weekly send to treasury</p> <p>Making payments in compliance with legal, regulatory and our internal control system.</p>

4. Dashboard Status

Vendor Reconciliation Dashboard of Bangladesh for the FY 2014-2015											
Category for FY 14-15	Frequency of Performing Reco	Targets for Q4	Total Vendors	Total SOA Received	Reconciliation Completed	SOA COLLECTION %	Reconciliation Completed of SOA %	Pending SOA	Pending Reco	Quality Issue	Reconciliation Sign off Received
Strategic Partner	Monthly	100%	5	5	5	100%	100%	-	-	-	-
Category A Jan'15	Monthly	100%	2	2	2	100%	100%	-	-	-	-
Category B- Q4	Quarterly	85%	13	8	6	62%	46%	5	2	-	-
Category C (Second Half)	Half Yearly	30%	56	40	40	71%	71%	16	-	-	-
Category D	Annually	45%	167	141	141	84%	84%	26	-	-	-
Category E	Annually	45%	340	175	175	51%	51%	165	-	-	-
Total			583	371	369	64%	63%	212	2	-	-