

Presentation on Audit Related Provisions

06th August 2025

Areas of Concern – Policy Related

- **Uniform Compliance Requirements**: Audit compliance must be uniform across all DPOs. It is discriminatory if only large MSOs are mandated to conduct audits while smaller operators are not penalized or exempted from such requirements.
- **Non-renewal Advisory Enforcement**: Advisory was issued by TRAI to all broadcasters to not renew contracts with MSOs that fail to conduct audits. The status of its implementation is unclear and requires policy-level clarity.
- **Publishing List of DPO's**: TRAI should publish a complete list of all licensed DPO's with their audit compliance status.
 - This can be referred by broadcasters while renewing/entering into agreements
- **Audit Time Period Criteria**: The time granted to complete audits should factor in not only subscriber base but also the number of head-ends operated by the MSO, as this affects audit effort.

Areas of Concern – Policy Related

- **Exemption for BECIL:** BECIL, being a government agency, should be exempted from the three-year limitation applicable to private empaneled auditors.
- **Absence of Auditor Fee Guidelines:** There are currently no guidelines issued on auditor fee structures, which can lead to inconsistency and non-transparency in engagements.
- **Leeway in TEC Data Submissions:** MSOs using legacy CAS/STB systems should be granted flexibility in data submissions to TEC, considering technical limitations of older systems.
- **Trademark Requirement for TEC Certification:** The mandate requiring trademark registration for TEC certification should be reconsidered as it creates unnecessary regulatory barriers.

Issues Faced During / After Conduct of Audit

- **Legacy CAS and STB Limitations:** Legacy systems are inherently non-upgradable, which leads to compliance gaps that are outside the control of MSOs.
 - Replacement costs are very high and unviable in a reducing market
- **Ground Sampling Timelines:** Broadcasters receive audit notices 30 days in advance. Broadcasters who wish to send ground samples should be mandated to ensure all samples are collected within the 30 day period.
- **Reconciliation of Inactive Boxes:** Reconciliation efforts are being applied even to inactive STBs, which adds no real value when active box data is already validated.
- **Timeline for Broadcaster Response:** No fixed timeframe currently exists for broadcasters to respond to audit reports, leading to indefinite delays and demands for broadcaster-caused audit.

Points to be Checked During Audit of Any Platform

- **CAS vs. SMS Mismatch (0.50% Threshold)**: Differences between CAS and SMS data that slightly exceed the 0.50% threshold should not automatically trigger compliance objections. A reasoned analysis must accompany any query.
- **Chinese CAS Compliance Verification**: It must be verified whether Chinese CAS vendors truly comply with Indian regulatory norms, or if the systems allow manipulation of report formats to present a compliant appearance without actual data integrity.