



Request for Proposal (RFP) For Information System Audit

RFP No.: TDR/KFC/IA&IW/01/2018-19 dated 14.12.18

Last date for submission of proposals: 29.12.18 up to 5:00 PM

This RFP document will be available for downloading at <https://www.kfc.org/tenders>

Internal Audit & Inspection Wing (IA & IW)
Kerala Financial Corporation
Vellayambalam, Trivandrum - 695 033, Kerala.
Ph: 0471-2737531, Email: jaiwdept@kfc.org, Web: <https://www.kfc.org>

PROPOSAL DETAILS:

Proposals are invited for the 'Information System Audit of Core Financial Solutions (CFS) software of KFC from reputed Audit firms.

1	RFP No	TDR/KFC/IA&IW/01/2018-19 The RFP document will be available on KFC's website https://www.kfc.org/tenders
2	Date of commencement of Bidding Process (Posting of Advertisement of RFP on Corporation's website)	14.12.18
3	Date for receipt of written queries for clarification from bidders	17.12.18 to 21.12.18; 4 PM
4	Last Date and Time for Proposal Submission	29.12.18, up to 5 PM
5	Date and Time of sealed Bid Opening	01.01.19, 11.00 AM Representatives of Bidder may be present during opening of Bid. However Bids shall be opened even in the absence of any or all of the bidders.
6	Place of opening of bids	Head Office, Kerala Financial Corporation, Vellayambalam, Thiruvananthapuram
7	Time period for completion of works	2 Months from the date of acceptance of Work Order.
8	Penalty for not completing the work on time	1% of Work Order amount for every week subject to a maximum of 5%.

The Chairman & Managing Director of the Corporation reserves the right to accept or reject all or any RFP at his sole discretion without assigning any reason.

Sd/-
Chairman & Managing Director

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SECTION I - TERMS & CONDITIONS

In addition to the conditions mentioned in the RFP notice and attached schedule the following points will also form part of the RFP documents.

1. The prices quoted should be in INR.
2. The audit firm should clearly state the constitution of the organisation and Necessary supporting documents should be attached.
3. The RFP will be rejected if the proposal is found inconsistent or inappropriate, without providing the Audit firm another opportunity.
4. The audit firm which has quoted lowest amount (L1) shall be awarded the work.
5. The successful Audit firm will have to execute an agreement as called upon by the Corporation.
6. The Auditor submitting his RFP would be deemed to have considered and accepted all the terms and conditions.
7. In the case of placement of Work Order, the Audit firm (the Audit firm whose RFP is accepted) shall have to accept the Work order within 7 days from the date of receipt of work order. If the Audit firm notices any mistake in the contents of the order, he must bring the same to the notice of the Corporation and seek clarifications.
8. All disputes arising out of this RFP, the legal jurisdiction will be at Thiruvananthapuram, Kerala, India.
9. If the report is not submitted on the due date, the CMD, KFC will have the right to impose penalty of 1% of Work Order amount for every week subject to a maximum of 5%. KFC reserve the right to cancel the order in case the delay is more than 2 weeks.
10. Audit report has to be submitted to the Corporation in the name of CMD, KFC.
11. The Audit firm should deploy competent staff for the proposed work, and shall perform their duties with due diligence.
12. KFC will have no liability regarding any matter concerned to the employees of Audit firm regarding salaries, welfare measures etc. Audit firm has no right to claim on KFC in any respect of employment/compensation etc. Employees shall

be frisked / checked by the security personnel at KFC while entering and leaving the premises.

13. For any clarification, the Audit firm should submit the specific query by email (only), quoting Ref. No. of the RFP Document and the Audit firm's identity, to the email address, iaiwdept@kfc.org. No verbal interaction will be entertained.

SECTION II: PRE-QUALIFICATION CRITERIA

Criteria	Proof of documents to be submitted
The bidder should be a Partnership firm/ Private Limited Company having its Registered Office in India	Attach copy of supporting documents.
The bidder organization should have been in existence for at least 3 years as on the date of Proposal submission.	
Bidder should have GST & PAN registration.	
Applicant should have at least 2 year experience in the field of similar IS audits in Government organization/ Financial institutions /PSUs /Banks/ NBFCs and conducted at least 2 such audits during this period	Attach copies of work orders.
The bidder should not have currently have been blacklisted by any Govt. Department /PSU/ PSE / RBI / IBA or nationalized Banks.	Self-declaration to that effect should be submitted along with the technical Bid.
The bidder organization should have at least one qualified CISA (Certified Information System Auditor) or CISP/CISM/CRISC/CISP/DISA Professional (Certified Information System Security Professional). Bidder should ensure that the qualified professional is actively involved in the conduct of the Audit throughout the period of the contract. Preference will be given to firms having CISA qualified professional	Attach Self-certified declaration along with the details of professional.

SECTION III: TERMS AND CONDITIONS OF CONTRACT

1. Amendment of bidding document

At any time prior to the deadline for submission of proposals, KFC may modify the Proposal document, for any reason, by its own initiative or in response to the clarification request by a prospective Audit firm. Such amendments/ modifications are uploaded in Corporation's website and the same shall be binding on all prospective audit firms.

KFC at its discretion may extend the deadline for the submission of proposals if the Proposal document undergoes changes during the bidding period. This will give prospective auditor enough time for consideration of the amendments while preparing their proposals.

2. Period of validity of proposals

Bids shall be valid for minimum 90 days from the date of submission. Proposal which is valid for a shorter period shall be rejected. Auditor has to extend the validity if required by the Corporation.

3. Submission of proposals

Bids should not contain any terms and conditions, printed or otherwise. The multiple bid/joint bid/unconditional bid will be summarily rejected.

4. Deadline for submission of proposals

Bids must be submitted in a sealed envelope to the address specified in the RFP document before the due date and time.

5. Proposal opening and evaluation of proposals

The proposals will be short listed in presence of the Audit firm or its authorized representatives who choose to attend the proposal opening, at the time and date mentioned in the RFP document. The Audit firm's authorised representative who attends the proposal opening shall sign an attendance register as a proof of having attended the proposal opening.

The work will be awarded to Audit firm with lowest quoted fee including all taxes (L1). The Audit firm's name, proposal prices, discounts and such other details considered as appropriate by KFC, will be announced at the time of the opening of proposals.

6. Award of contract

Preliminary scrutiny of the proposal will be made to determine whether they are complete and the documents have been properly signed. Proposals not conforming to such preliminary requirements will be prima facie rejected.

The auditor should quote their rates in prescribed Performa which is mentioned in the RFP document. Commercial proposals other than the format provided shall be rejected by KFC. In case of discrepancy between words and figures, the rates quoted in words shall be treated as final.

If more than one Auditor happens to quote the same lowest price, KFC reserves the right to select the Audit firm.

7. Prices inclusive of Taxes and duties

The price quoted shall be considered firm and no price escalation will be permitted and it should be inclusive of applicable taxes & duties. No concessional tax form (C/D) will be given by KFC.

8. Payments:

100% after submitting the audit report.

9. Right to amend scope of work

For any unforeseen reasons, if KFC is required to change the Scope of work, this change shall be acceptable to the Audit firm without any change in the quoted price.

KFC reserves the right to accept or reject the proposals or cancel the RFP without assigning any reasons whatsoever.

10. Adherence to safety procedures, rules, regulation and restriction

The audit firm shall comply with the provision of all laws including labour laws, rules, regulations and notifications issued from time to time.

The audit firm shall also adhere to all security requirement/regulations of KFC during the execution of the work. The work shall be carried out by the audit firm during 10.15 AM to 5:15 PM on all working days with permission of Security & Safety Officer. Special permission may be provided to work on holidays.

11. Interpretation of the clauses in the Document / Contract Document

In case of any ambiguity/ dispute in the interpretation of any of the clauses in this RFP Document; CMD, KFC's interpretation of the clauses shall be final and binding on all parties.

12. Co-ordination of work

The auditor should co-ordinate the work with all branch offices, ZO & Head Office of KFC.

13. Jurisdiction

The disputes, legal matters, court matters, if any shall be subject to Thiruvananthapuram jurisdiction only.

SECTION IV: RFP PROCESS

General RFP Terms & Conditions

RFP for IS Audit will be published online on our Corporation's website. RFP is invited in sealed cover from the eligible firms. The RFP timeline is mentioned in the critical date section of this RFP published in KFC website (www.kfc.org).

A). RFP Process:

The RFP process shall consist of the following stages:

- i. **Downloading of RFP document:** RFP document will be available for free download on KFC website from 14.12.18 onwards and shall not be available elsewhere. (www.kfc.org).

Date and time for receipt of written queries for clarification from bidders: 17.12.18 to 21.12.18, up to 4 PM.

- ii. **Proposal submission:** Bidders have to submit their proposals along with supporting documents to support their eligibility, as required in this RFP document to

General Manager (Internal Audit & Inspection Wing),
Kerala Financial Corporation,
Head Office, Vellayambalam,
Thiruvananthapuram.
PIN- 695033

- iii. **Last Date and Time for Proposal Submission:** 29.12.18, up to 5 PM

- iv. **Date and time of sealed bids opening:** 01.01.19, 11.00 AM

Representatives of Bidder may be present during opening of Bid. However Bids shall be opened even in the absence of any or all of the bidders.

B). Documents Comprising Bid:

The Bidder shall complete the bid proposal as per the format which is enclosed as annexure to this RFP. A proposal submitted with an adjustable/ variable price quotation will be treated as non - responsive and it will be rejected.

SECTION V: SCOPE OF WORK

Scope of Audit

The Corporation wishes to carry out Information System Audit of the Core Financial Solutions (CFS) software to assess the effectiveness of management controls within the existing Information Technology infrastructure.

- a) The effectiveness of planning and oversight of IT activities.
- b) Evaluating adequacy of operating processes and internal controls.
- c) The adequacy of enterprise-wide compliance efforts, related to IS, IT and Cyber Security policies and internal control procedures for ensuring data security and Secured Operations
- d) Identifying areas with deficient internal controls, recommend corrective action to address deficiencies and follow-up, to ensure that the management effectively implements the required actions.
- e) Whether the IS risks are appropriately identified and managed and whether the controls and risk management processes are adequate and implemented
- f) Whether the objectives of confidentiality, integrity and availability of data are maintained
- g) Review and evaluation of automated information processing systems, related non-automated processes and the interfaces among them.
- h) audit of all processes/systems using IT in any form and such audit either alone or as a part of other audits will always examine the level of compliance with the Corporation's current IT Policy & Standards, Information Security Policy
- i) Business continuity

Audit Methodology

The IS audit work will include manual procedures, computer assisted procedures and fully automated procedures, depending on the chosen audit approach.

The Audit firm shall be required to undertake to perform all such tasks, render requisite services and make available such resources as may be required for the successful completion of the entire audit assignment at no additional cost to the Corporation. The Corporation reserves the right to ascertain information from other institutions to which the bidders have rendered their services for execution of similar projects.

Audit Findings & Reports:

The following reports are indicative one that should be covered for Branch Offices/ Zonal Offices/Head Office.

- IS Audit Report of all the offices covering the objectives and effectiveness of IS functions.
- Presentation to the Top Management regarding the findings of the Reports.
- Risk Analysis Report.
- Recommendations for Risk Mitigation
- Gap analysis and recommendation for mitigation
- The check list with guidelines for the subsequent audit (hard & soft copies)

Duration of Audit:

The entire audit of all branches/offices should be completed within 2 months from the date of appointment.

Offices/ Branches under the purview of IS Audit:

Sl no	Branches	Sl no	Branches
1	Trivandrum	11	Palakkad
2	Kollam	12	Malappuram
3	Pathanamthitta	13	Kozhikode
4	Alappuzha	14	Wayanad
5	Kottayam	15	Kannore
6	Kattapana	16	Kasaragode
7	Thodupuzha	17	South Zonal office
8	Ernakulam	18	Central Zonal office
9	Perumbavoor	19	North Zonal office
10	Thrissur	20	Head Office

Auditor firm Selection Process:

Eligible proposals received from the Audit firm of the Lowest quoted price (L1) will be selected for the work.

SECTION VI: SUPPLEMENTAL TERMS AND CONDITIONS

- Data related to the Corporation shall be kept confidential whether or not the material is specifically marked as confidential.
- Management responsibilities-Ensuring that all information provided to the audit firm is accurate and complete in all material respects and contains no material omissions.
- The selected bidder shall be indemnified against any loss or damage that Corporation may sustain on account of any unprofessional act causing downtime of critical systems, disruption to business operations, violation of trademark, designs, intellectual property rights etc.
- Selected bidder shall not have a conflict of interest that affects the Bidding Process. Any Bidder found to have a Conflict of Interest shall be disqualified.

SECTION VII: PROJECT TIME-LINE

The audit firm should take efforts to complete the work within 2 months from the date of awarding the work.

Total Project Period	2 months
Requirement Gathering	1 Week
Audit period	6 Weeks
Report finalization	1 Week

SECTION VIII: PRICE PROPOSAL FORMAT

Item Description	Price	GST	Total amt	Remarks & Deliverables
RFP for Information System Audit of the Core Financial Solutions software of KFC	Rs. _____			Information System Audit of the Core Financial Solutions software.

Note:-

1. Currently GST is 18%.
2. Payment Terms: 100% on submission of audit report.

SECTION IX: SCHEDULE OF EVENTS

Sl No	Item	CRITICAL DATES				
		DD	MM	YYYY	Hrs	Mins
1	Publishing Date	14	12	2018	11 AM	00
2	Bid Submission Start Date	14	12	2018	11 AM	00
3	Seek Clarification Start Date	17	12	2018	11 AM	00
4	Seek Clarification End Date	21	12	2018	4 PM	00
5	Bid Submission End Date	29	12	2018	5 PM	00
6	Bid opening Date	01	01	2019	11 AM	00

SECTION X: PROPOSAL FORMAT FOR INFORMATION SYSTEM AUDIT Annexure

	Particulars	Details furnished by bidder*		
1	Name & Registered Address of the Firm			
2	Constitution			
3	PAN No GST Registration details			
4	Name and contact details of two principal personnel including mobile number and e-mail ID			
5	Date of incorporation of the firm			
6	Details of Experience of firm in the field of IS audits, IT Security audits, functionality audit of application software			
7	Whether firm has carried out similar work in Government organization/ Financial institutions /PSUs /Banks/ NBFCs. Give details.			
8	Details of professional who are qualified with CISA or CISSP including experience in IS audit			
9	Whether the bidder was blacklisted by any Govt. Department /PSU/ PSE / RBI / IBA or nationalized Banks. If yes, give details.			
10	Proposed amount for undertaking IS AUDIT (including GST)	Price	GST	Total amount

*Kindly enclose supporting documents wherever required.

Declaration:

1. We confirm that we will abide by all the terms and conditions contained in the RFP.
2. We hereby unconditionally accept that Corporation can at its absolute discretion apply whatever criteria it deems appropriate, not just limiting to those criteria set out in the RFP, in short listing of bidders.
3. All the details mentioned by us are true and correct and if Corporation observes any misrepresentation of facts on any matter at any stage, Corporation has the absolute right to reject the proposal and disqualify us from the selection process.

4. We confirm that we have noted the contents of the RFP and have ensured that there is no deviation in filing our response to the RFP and that the Corporation will have the right to disqualify us in case of any such deviations.

Seal & Signature of the bidder

Place :

Date :