



RE: Statutory Central Audit (SCA) Of The Bank – Request for Proposal

RFP / HOACNTS / SCA / 01/2022-23

Date of issue of RFP: 16th February 2023

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1. Purpose

- i) The objective of this RFP is to solicit proposal from eligible audit firms to conduct the Statutory Central Audit from Financial year 2023-24 of The Nainital Bank Ltd.
- ii) The RFP is being uploaded on Bank's website to be responded by audit firms which satisfy the Minimum Eligibility Criteria prescribed under Clause 5 of this RFP.
- iii) The last date for submission of proposal is 9th **March 2023**.
- iv) No proposals would be accepted after the above deadline, also incomplete applications shall be prima facie rejected.
- v) Nainital Bank reserves the right to accept any proposal or reject all the proposals, without assigning any reasons whatsoever. The Bank's decision in this regard shall be final and binding.

2. About the Bank

The Nainital Bank Limited was established in the year 1922 with the objective to cater banking needs of the people of the region. Bank of Baroda, a premier nationalized bank, is managing the affairs of The Nainital Bank Limited since 1973. The Bank is having 167 branches at present operating in five states i.e. Uttarakhand, Uttar Pradesh, Delhi, Haryana and Rajasthan. Bank's Head Office is at Nainital, Uttarakhand and -3- Regional Offices are functioning at Delhi, Dehradun and Haldwani. The Bank is running with a vision which states: "To emerge as a customer centric National Bank & become the most preferred bank for its product, services, technology, efficiency & financials."

3. Submission and assessment of Proposals

- i) The proposals shall be submitted duly signed by the authorized signatory with the seal of the audit firm to the below email address with the title – ***"RFP for Statutory Central Audit of Nainital Bank"***:

accounts@nainitalbank.co.in

CC - head.accounts@nainitalbank.co.in

- ii) The documents to be submitted are:
 - a. Profile of the Audit Firm (with details of the firm, present and past audit assignments, educational qualification and experience of the partners, areas of specialization, contact details of the firm, audit infrastructure facilities and manpower)
 - b. Additional details to be furnished by the audit firm in the format enclosed (Annexure 1). This has to be furnished in the letter head of the firm.

4. Scope of Work

The scope of work of Statutory Central Auditor(s) will cover the following:

- i) Audit of accounts and financial statements of the Bank and issuing Reports as required under the Companies Act 2013, Specific reports/statements for parent Bank i.e Bank of Baroda and RBI requirements/regulations.
- ii) Quarterly Limited Review of standalone financial results for three quarters in a year.
- iii) Annual Audit of accounts of the Head Office, Treasury Operations, and all other administrative offices, Loan Processing Centers and other allotted branches.
- iv) Issue of LFAR, Statutory and Regulatory Certification/Validation and other requirements as prescribed by the regulator or other Acts.



- v) Audit and other Reports as required under the Income Tax Act, 1961 including Tax Audit u/s 44AB of Income Tax Act, 1961.
- vi) Verification of Assets, Classification and Income Recognition, Provisioning, Interest Subvention on Housing Loan, Interest on Education Loan, DICGC returns, DEAF returns, Internal Financial Controls.
- vii) Issue of other certificates required as per any statutory/regulatory requirements arising during/relating to the period of engagement as statutory auditor

5. Minimum Eligibility Criteria

The existing norms as per the Policy on Appointment of Statutory Central Auditors are produced below:

Sl No.	Criteria	Statutory Audit Policy
1	No. of full-time partners (FTP) *	3 minimum (associated with the firm for a period of at least three (3) years)
2	Requirement of partners to have continuous association with the firm (number of partner – number of years of continuous association) min requirement	1 partner – 15 years 1 partner – 10 years 1 partner – 5 year
3	No. of FCA Partners (out of Sl. No. 2)	2 minimum (associated with the firm for a period of at least three (3) years)
4	Minimum No. of Full Time Partners/ Paid CAs with CISA/ISA Qualification	1 FTPs/ Paid CAs (at least one-year continuous association of paid CAs with CISA / ISA/DISA qualification)
5	Minimum No. of years of Audit Experience of the firm	08 years as (audit experience shall mean experience of the audit firm as Statutory Central/Branch Auditor of Commercial Banks. Further at least two partners of the firm shall have continuous association with the firm for at least 10 years.
6	Minimum no. of professional staff	12 professional staff (excluding typists, stenographers, computer operators, secretary/ies and sub-ordinate staff etc.) consisting of paid CA's, audit and articled clerks with sound knowledge in book-keeping and accountancy and are engaged in on site audits, they must be associated for at least 1 year with the firm.
7	Standing of the firm (No. of years)	15 minimum

6. General Terms and Conditions

a) Term of Assignment

The auditor under this RFP will be appointed from the conclusion of the next Annual General Meeting and shall hold office till the conclusion of the subsequent Annual General Meeting. The Audit firm, subject to fulfilling the prescribed eligibility norms will be allowed to continue as the SCA of the bank as permitted by RBI.



b) Adherence to Terms and Conditions

The auditors who wish to submit responses to this RFP should note that they should abide (in true intent and spirit) by all the terms and conditions contained in the RFP. If the responses contain any extraneous conditions put in by the Respondents, such responses may be disqualified and may not be considered for the selection process.

c) Software / Hardware requirements

All the software, hardware equipment's like Laptops, tools etc. to carry out the assignment has to be brought by the auditor at no extra cost.

d) Professionalism

Auditor should provide professional, objective and impartial advice at all times and hold the Bank's interest paramount and should observe the highest standards of ethics, values and code of conduct, honesty and integrity while executing the assignment.

The Bank reserves the right to ascertain information from the other Banks and institutions to which the auditor has rendered their services for execution of similar projects.

e) Single Point of Contact

Auditor has to provide details of single point of contact viz. name, designation, address, e-mail address, telephone/mobile no., fax no. etc.

f) Applicable Law and Jurisdiction of Court

The Contract with auditor shall be governed in accordance with the laws of India for the time being in force and will be subject to the exclusive jurisdiction of courts at Nainital, Uttarakhand.

g) Authorized Signatory

The selected auditor shall indicate the authorized signatories who can discuss and correspond with the Bank, with regard to the obligations under the contract.



Annexure A

ADDITIONAL DETAILS TO BE FURNISHED BY THE AUDIT FIRM

Sl No.	Particulars	Details	
1.	Name of the Firm		
2.	Address of the Firm (Head Office)		
3.	Number of Branches / offices with details thereof		
4.	No. of full-time partners (FTPs) (associated with the firm for a period of at least three (3) years)		
5.	Number of FCA partners (out of Sl. No.4) (associated with the firm for a period of at least three (3) years)		
6.	No. of Full Time Partners/ Paid CAs with CISA/ISA Qualification. (at least one-year continuous association of paid CAs with CISA / ISA qualification)		
7.	Names of Partners with qualification and years of experience	Name of Partner	Experience as partner with firm & total number of post qualification experience
8.	No. of years of Audit Experience of the firm as Central Auditor/Branch Auditor of Commercial Banks/ RRB's)		
9.	Experience in Statutory Central Audit (No. of Bank(s)) (Please mention names of banks with years of experience)		
10.	No. of professional staff (With at least one-year continuous association of professional staff with the firm as on the date of shortlisting)		
11.	Out of total No. of professional staff (out of Sl. No.10), no. of full time qualified Chartered Accountants		
12.	Standing of the firm (in years)		



13.	No. of CAs who would be engaged exclusively for the Statutory Audit Assignment of Nainital Bank	
14.	Previous assignments with Nainital Bank (Year of assignment & type of audits, Statutory Central/Branch audit, Concurrent audit, Stock audits etc)	
15.	Whether any of the partner(s) is Director of any Private Sector / Public Sector Bank?	
16.	Whether any disciplinary action taken / pending proceedings against the firm by ICAI?	
17.	Whether any enforcement action including issuance of Cautionary Advice against the firm under the Enforcement action framework of RBI	
18.	Whether debarred by any law enforcement / Government Agency, National Financial Reporting Authority (NFRA), the Institute of Chartered Accountants of India (ICAI), RBI or Other Financial Regulators. agencies? /any cases pending with them?	
19.	Whether any of the clients of the firm in legal battle with Nainital Bank?	
20.	Statutory audit of commercial banks/institutions for FY 2023-24: a) No. of PSB: b) No. of All India Financial Institution (NABARD, SIDBI, NHB, EXIM Bank) or RBI c) No. of UCBs d) No. of NBFCs	