



भारतीय दिवाला और शोधन अक्षमता बोर्ड

Insolvency and Bankruptcy Board of India

INSOLVENCY AND BANKRUPTCY BOARD OF INDIA

(IBBI)

**Request for Proposal for
Appointment
of
Internal Auditor to IBBI**

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1 INTRODUCTION

- a. The Insolvency and Bankruptcy Board of India was established on 1st October, 2016 under the Insolvency and Bankruptcy Code, 2016 (Code). It is a key pillar of the ecosystem responsible for implementation of the Code that consolidates and amends the laws relating to reorganization and insolvency resolution of corporate persons, partnership firms and individuals in a time bound manner for maximization of the value of assets of such persons, to promote entrepreneurship, availability of credit and balance the interests of all the stakeholders. It is a unique regulator; regulates a profession as well as processes. It has regulatory oversight over the Insolvency Professionals, Insolvency Professional Agencies, Insolvency Professional Entities and Information Utilities. It writes and enforces rules for processes, namely, corporate insolvency resolution, corporate liquidation, individual insolvency resolution and individual bankruptcy under the Code.
- b. The IBBI with its Head Office located at 7th Floor, Mayur Bhawan, Shankar Market, Connaught Circus, New Delhi -110001 seeks to appoint a Chartered Accountant (CA) firm as Internal Auditor for performance of work defined in the later part of this tender document. The appointment of CA firm shall be for a period of two years, i.e., for the financial years 2019-20 and 2020-21. However, the period of contract may be curtailed / terminated any time before the completion of the specified period, including on the ground of IBBI, not being satisfied with the performance of such firm.
- c. The various crucial dates relating to “Tender for Appointment of Internal Auditor to IBBI” are cited as under:

(a)	Date of Issue	11 th February 2019
(b)	Pre-Bid Clarification meeting	21 st February 2019 at 1100 Hrs
(c)	Last Date and time for submission of Tender Document	28 th February 2019 at 1800 Hrs
(d)	Date and time for opening of Bids	06 th March 2019 at 1100 Hrs
(f)	Likely date for Award of Contract of engagement	29 th March 2019

- d. IBBI reserves the right to change any date/time mentioned in the schedule above under intimation to all concerned.

2. General Terms & Conditions and Disclaimers

- a. The interested Chartered Accountant firm may submit the bid complete in all respects along with Earnest Money Deposit (EMD) of Rs.10,000 (Rs. Ten Thousand Only) and other requisite documents as specified hereinafter at IBBI's office located at 7th Floor, Mayur Bhawan, Shankar Market, Connaught Circus, New Delhi -110001 latest by 28th February, 2019 up to 1800 Hrs., beyond which the bids shall not be accepted.
- b. The Bidder is required to submit two separate sealed envelopes super scribed "**Compliance with eligibility criteria**" as laid down in **Annexure I** and second envelope containing financial bid super scribed "**Financial Bid for Appointment of Internal Auditor to IBBI**". The financial bid inclusive of taxes, etc., should be submitted as per format given in **Annexure II**. Both sealed envelopes should be kept in a third sealed envelope super scribing "**Tender for Appointment of Internal Auditor to IBBI**". Bids received in any manner other than as prescribed above shall be liable to be rejected summarily.
- c. The bid in the above-mentioned sealed envelope should be submitted on or before **28th February, 2019** up to 1800 Hrs. at the following address:

The Chief General Manager
Finance & Accounts
Insolvency and Bankruptcy Board of India
7th Floor, Mayur Bhawan, Shankar Market, Connaught
Circus, New Delhi -110001.
Telephone No.:011-23462900

- d. The Earnest Money Deposit (EMD) of Rs.10,000/- (Rupees Ten Thousand Only), refundable (without interest), should be necessarily accompanied with the Bid in the form of Demand Draft / Pay Order drawn in favour of IBBI, New Delhi, **failing which the bid shall be rejected summarily**. In the event, the successful bidder fails to sign the agreement with IBBI, subsequent to it being selected; the EMD is liable to be forfeited.

- e. The successful bidder will have to deposit a Performance Security Deposit @10% of the value at which the contract of engagement is finally awarded to the firm appointed by IBBI. The security deposit shall be in the form of Bank Guarantee/Fixed Deposit Receipt from any Nationalized/ Scheduled Bank drawn in favour of **Insolvency and Bankruptcy Board of India, New Delhi** having a validity of three months beyond the period of contract of engagement. In case, the contract of engagement is further extended beyond the initial period, the Bank Guarantee/Fixed Deposit Receipt will have to be accordingly renewed by the successful bidder.
- f. **The Chartered Accountant firm appointed by IBBI for handling accounting work of IBBI will not be eligible to participate in bidding process for appointment of Internal Auditor to avoid any conflict of Interest.**
- g. **The conditional bids shall not be considered and will be summarily rejected in very first instance without any recourse to the bidder.**
- h. The Competent Authority of the IBBI reserves the rights to annul all bids and cancel the selection process at any time prior to signing of contract or discontinue this tender process, without assigning any reason.
- i. This document does not constitute, nor should it be interpreted as an offer or invitation for the appointment of the Service Provider.
Prospective Bidders are advised to go through the complete tender documents including terms and conditions carefully before applying and understand the eligibility conditions, etc. The bid once submitted shall not be ordinarily permitted to be withdrawn, after the closing date of submission of bids, which shall be at the sole discretion of IBBI.
- j. No binding legal relationship will exist between any of the Respondents and IBBI until execution of a contract of engagement agreement.
- k. A bidder will, by responding to IBBI for RFP, be deemed to have accepted the terms of this document. The term of engagement shall be in accordance with the contract to be entered with successful bidder.
- l. All entries in the tender form should be legible and filled clearly. **No overwriting or cutting is permitted in the Financial Bid Form. In such cases, the bid shall be summarily rejected.**

- m. This document is meant to provide information only and upon the express undertaking that recipients will use it only for the purposes set above. No representation or warranty expressed or implied is or will be made as to the reliability, accuracy or the competence of any of the information contained herein. It does not purport to be all inclusive or contain all the information regarding the service to be provided or be the basis of the contract of engagement. It shall not be assumed that there shall be no deviation or change in any of the herein mentioned information on roles and responsibilities of service provider. While this document has been prepared in good faith, neither IBBI, nor any of its officers make any representation or warranty or shall have any responsibility or liability whatsoever in respect of any statements or omissions there from. Any liability is accordingly and expressly disclaimed by IBBI and any of their officers even if any loss or damage is caused by any act or omission on the part of IBBI or any of their officers, whether negligent or otherwise.
- n. By acceptance of this document, the recipient agrees that any information herewith will be superseded by any subsequent written information on the same subject made available to the recipient with access to any additional information or to update this document or to correct any inaccuracies therein which may become apparent, and they reserve the right, at any time and without advance notice, to change the procedure for the selection of service provider. Accordingly interested recipients should carry out an independent assessment and analysis of the requirement of the information, facts and observation contained therein.
- o. This document has not been filed, registered or approved in any jurisdiction. Recipients of this document should inform themselves or/and observe any applicable legal requirement.
- p. This document constitutes no form of commitment on the part of IBBI. Furthermore, this document confers neither the right nor any expectation on any party to participate in the tender process. The bidder is responsible for all acts incurred in connection with participation in this process. This tender does not commit IBBI to award a contract of engagement or to engage in negotiations. The bidder participations in this process may result in IBBI selecting the bidder to engage in further discussions and negotiations towards execution of a contract of engagement. The commencement of

such negotiations does not, however signify a commitment by IBBI to execute a contract of engagement or to continue negotiations. The IBBI may terminate negotiations at any time without assigning any reason.

- q. IBBI reserves the right to vary/alter/amend the eligibility criteria for the Chartered Accountant firm at any time, in its discretion, before the last date of submission of proposals.
- r. IBBI reserves the right to accept or reject any proposal and to annul or discontinue the RFP process at any time prior to signing of contract of engagement/agreement with successful bidder without incurring any liability to the affected applicant or applicants or any obligation to inform the affected applicant or applicants on the grounds for IBBI's action.
- s. The appointed Chartered Accountant firm shall comply with and abide by such instructions/directions that IBBI may issue from time to time.
- t. The proposal and all correspondence and documents shall be written in English. All proposals and accompanying documents received within the stipulated times shall become the property of IBBI and will not be returned.
- u. Once the IBBI notifies the successful bidder that its proposal has been accepted, IBBI shall enter into separate agreement with the successful bidder and the terms and conditions of provisions of service etc. shall be specified therein.
- v. The respondent shall be liable to maintain secrecy and confidentiality of all the information / data / operations, etc., of IBBI.
- w. Any form of canvassing / lobbying / influence / query regarding short listing, status, etc., will be a disqualification.
- x. The person(s) signing the bid documents shall preferably initial all pages of the bid.

- y. **Governing Laws/Jurisdiction/Arbitration:** Any dispute in relation to the process of selection of the Chartered Accountant firm under this process shall be subject to the courts at New Delhi only. Any dispute arising post the award of contract of engagement shall be settled in accordance with the terms mentioned therein including by way of arbitration through a sole arbitrator appointed by Chairperson, IBBI.

3. Scope

3.1 . Accounting and Expenses Control

- a) To review that accounting entries are in accordance with Generally Accepted Accounting Principles and the Insolvency and Bankruptcy Board of India (Form of Annual Statement of Accounts) Rules, 2018 under the IBC, 2016.
- b) To review that expenses are properly authorized with all supporting vouchers & approvals, any expenditure incurred without proper approvals & supporting vouchers should be reported & rectified.
- c) To review internal controls & accounting policies, procedures and the orders issued from time to time.
- d) To check that the internal controls are in place to ensure that purchases and revenue payments are properly approved, for *bona fide* purposes, and are accurately classified and recorded.
- e) Verification of Heads of Accounts of various transactions recorded in the books of accounts and check that no unauthorized head of account is operated. Periodical review of all accounts records.
- f) To verify and comment that the information generated from the books of accounts is accurate, complete, secure and readily available to support the IBBI's decisions.
- g) To check that Cash Book, Bank ledger and other accounting records are properly maintained.
- h) To look into the compliance of previous audit objections raised (if any) and to verify or comment on the supporting documents/ vouchers submitted at later stage, to settle the audit qualifications in the Statutory Audit Report of this assignment.

- i) To certify that the Balance Sheet, Profit and Loss Account and the Cash Flow Statement for the period under report gives a true and fair view of the affairs of IBBI.

3.2. Receipts

- a) To review that all money due to the Board is received, correctly identified, properly and completely recorded and promptly deposited on the same day or the next day.
- b) To verify the Interest accrued and received on the funds parked in the form of FDR's or in any other form with various banks has been correctly calculated and is properly accounted for.
- c) To review any payments received by the board and later on dishonored, through bank reconciliation.

3.3. Fixed Assets

- a) To review the policies of the Board for the control and proper utilization of all the fixed assets and their entries in the books of accounts.
- b) To conduct the physical verification of the fixed assets and submit the physical verification report.
- c) To verify the method of charging Depreciation being followed by the Board and provision for depreciation at year end.
- d) Checking of procedures with regard to disposal of assets to ensure that adequate procedures exist for scrapping, condemning and the same is followed.

3.4. Treasury and fund management.

- a) To review the status and pending items of bank reconciliations.
- b) To review the idle funds if any and reason thereof.
- c) Advise the Board to achieve better revenue/savings of cost.

3.5. Statutory Requirements

a. Tax Deduction at Source

- i. To review that Board is regular in deducting and depositing tax on various payments like salaries, consultation fees, professional fees, payments to contractors etc.

- ii. Review that the Board is issuing TDS certificates in correct form and in prescribed time.
- iii. To ensure the submission of TDS returns/Revised Returns if any, with the Income -tax department in time.
- iv. To check that Income Tax has been calculated correctly.

3.6. Other Assets and liabilities.

- a) To review various loans and advances and timely recovery of the same.
- b) Staff advances - comment on the regular and timely clearance of staff advance.
- c) To review current liabilities and also provisioning of various liabilities.

3.7. Ledger Scrutiny.

- a) To conduct a quick ledger scrutiny and give comments on that.
- b) To verify that all the accounting entries with respect to income, expenses, banks, journals, cash etc., are incorporated in the books of accounts.
- c) Scrutiny of advances outstanding, Security Deposits and Sundry Creditors & Debtors.

3.8 Internal Audit Report

- a) To verify that the proper audit trail is maintained for the period and all Supporting documents and authorizations are available.
- b) To conduct the internal audit on half yearly basis and to submit the internal audit report within two months of the close of the related period.

4. Selection Criteria

4.1 Eligibility Criteria:

- a.** The applicant firm should be a registered partnership firm or a limited liability partnership and should have been registered with ICAI and practicing continuously in India for a minimum period of 10 years and engaged in conducting audit for at least a period of five years as on 31.01.2019.
- b.** The applicant firm should be empaneled with the Comptroller and Auditor General of India (C&AG) for all two Financial years i.e. FY 2019- 20 and FY 2020-21. Further, the firm has to submit a copy of the application filed with C&AG for empanelment for the FY 2019-20. The firm shall be required to submit a copy of the empanelment letter received from C&AG for FY 2019-20 and FY 2020-21 within the first quarter of the respective financial years, failing which the firm shall be rendered ineligible to continue as internal auditor of IBBI.
- c.** The applicant firm should be based/ should have a branch office in Delhi/ in National Capital Region and should have minimum of 6 partners with at least 3 partners dealing and having expert knowledge and experience in conducting audit with at least 5 years' experience.
- d.** The applicant firm should not have been barred/declared ineligible for corrupt and fraudulent practices by the Govt. of India/State Govt./RBI/ICAI/C&AG and should not have any disciplinary proceedings pending against the applicant firm or any of the partners with ICAI/RBI/C&AG.
- e.** The applicant should not have income earned as professional fees less than Rupees Twenty-Five Lakhs for each of the last 3 financial years prior to the date of making applications.
- f.** Should have an office/branch in Delhi/New Delhi or in National Capital Region with partners available.
- g.** The eligibility criterion has to be duly satisfied on the date of submission of bid and not later.

4.2 Selection Process

This RFP will be assessed on the basis of selection process in following two phases: -

Phase 1 - Pre-Qualification based on Eligibility criteria

Phase 2 - Financial evaluation

After the expiry of last date for submission of bids, the bid envelope containing the “compliance with the Eligibility Criteria” and “financial bid” in respect of all the bidders shall be opened as per the date and time specified in the tender document. However, the financial bid would be considered only in respect of those firms who satisfy the eligibility criteria. The contract shall be awarded to the firm satisfying all the conditions as laid down under eligibility criteria and submitting the lowest financial bid. The lowest financial bid shall be decided on the basis of total bid amount quoted by the bidder as per S.N. 3 of the Annexure II.

5. Guidelines & Instructions

a. Letters and Declaration to Accompany Tenders

The bid must be accompanied by a letter on firm’s letter head showing the full registered name(s) and registered office address of the bidder. It should be signed by an authorized person of suitable authority so as to commit the bidders to a binding contract.

b. Conflict of Interest

Bidders must disclose in their bid details of any circumstances, including personal, financial and business activities that will, or might, give rise to a conflict of interest. Where bidders identify any potential conflicts, they should state how they intend to avoid such conflicts. IBBI reserves the right to reject any bid which, in IBBI’s opinion, gives rise, or could potentially give rise to, a conflict of interest including on account of association with any intermediaries registered with IBBI.

c. Payment

For carrying out the said assignment, the fee is payable to the firm on half yearly basis at the end of the respective half year on submission of bill and

internal audit report subject to completion of work and fulfillment of relevant terms and conditions as mentioned in the tender document as also in the contract.

d. Undertaking from the firm that:

The firm shall give an undertaking to the effect that:

- There has not been any disciplinary action initiated or contemplated/suspension of practice against the entity or debarment from conducting any activity by ICAI/RBI/C&AG or other regulatory /statutory authority during the last five years.
- None of the partners/employees have been convicted of any offence involving moral turpitude or has been found guilty of any economic offence.
- No appeal/unresolved dispute/suit/case/application has been pending in any court in India regarding the existence of the business/ right to carry on practice of the firm or any of its partners/directors.

e. Indemnity

The successful bidder shall exercise reasonable skill, care and diligence in the performance of the assignment and indemnify and keep IBBI, its members, officers, directors, employees indemnified in respect of any loss, damage or claim howsoever arising out of or related to breach of contract, statutory duty or negligence by the firm or by its staff, agents or sub-contract in relation to the performance or otherwise of the services to be provided under the Contract.

f. Assigning to Others

The successful bidder shall not, without the prior written consent of IBBI, assign or transfer or cause to be assigned or transferred, whether actually or as the result of takeover, merger or other change of identity or character of the firm, any of its rights or obligations under the Contract of any part, share or interest therein. Upon any such assignment or transfer, this engagement may forthwith be terminated by IBBI.

g. Termination

IBBI may, as its sole discretion and at any time terminate the Contract by giving a month's notice and inform the firm of IBBI's decision by written instruction to that effect. Termination could also take place on such breaches as may be specified in the contract. In the event of the Contract being so terminated, the firm shall take such steps as are necessary to bring the Services to an end, in a cost effective, timely and orderly manner.

Annexure I

Eligibility Criteria

S.No	Requirements	Documents to be submitted
1	Should be a Chartered Accountant firm being registered partnership or LLP registered with ICAI and practicing in India for a minimum period of 10 years, <i>inter alia</i> engaged in conducting audit for at least a period of five years as on 31.01.2019.	Copy of Partnership Deed/ registration as LLP along with Self- Attested copy of the registration certificate issued by ICAI to the firm.
2	Should be empaneled with Comptroller and Auditor General of India (C&AG) for the F.Y. 2019-20 and 2020-21. Further, the firm has to submit a copy of the application filed with C&AG for empanelment for the FY 2019-20. The firm shall be required to submit a copy of the empanelment letter received from C&AG for FY 2019-20 and FY 2020-21 within the first quarter of the respective financial years.	Copy of Empanelment letter issued by C&AG/Acknowledgement of application submitted to C&AG for FY 2019- 20.
3	Should be based in Delhi or in National Capital Region or should have any branch in NCR/Delhi.	Self- Attested copy of Telephone bill/ Electricity Bill /Registered Lease Deed/ the Constitution certificate issued by ICAI to the firm supporting the address at Delhi / New Delhi or in National Capital Region.
4	Should have minimum six partners with at least three partners dealing and having expert knowledge and experience in conducting audit with at least 5 years' experience.	Self-Declaration in the format given as per Annexure III
5	Should not have been barred/declared ineligible for corrupt and fraudulent practices by the Govt. of India/State Govt/RBI/ICAI and should not have any disciplinary proceedings pending against the applicant firm or any of the partners with ICAI/RBI.	Self-Declaration in the format given as per Annexure III
6	Should not have a turnover/billing less than Rupees Twenty-Five Lakh for each of the last 3 financial years prior to the date of making the application.	A certificate from an independent Chartered Accountant certifying the turnover for F.Y.2015-16, F.Y.2016-17 and F.Y. 2017-18.

Annexure II

Financial Bid

(For Appointment of Internal Auditor of IBBI)

The Financial Bid should contain the total cost for the proposed assignment with break-up of annual professional fees and taxes. IBBI would not be providing or reimbursing any expenditure towards accommodation, local conveyance, air fare or train fare, halting expense, lodging, boarding etc. in connection with carrying out of the assignment.

The format for the Financial Bid is given below:

S.N.	Particulars	Amount (in Rs.)
1	Consolidated Professional Fees for the respective two years i.e. F.Y. 2019-20 and 2020-21.	
2	Taxes @ %	
3	Total	

Authorized Signatory

Date:

Name:

Place:

Designation:

(to be furnished on the letter head of the firm)

Annexure III

Self- Declaration

(to be furnished on the letter head of the firm)

The Chief General Manager
Finance & Accounts
Insolvency and Bankruptcy Board of India,
7th Floor, Mayur Bhawan, Shankar Market,
Connaught Circus, New Delhi -110001

Dear Sir,

SUBJECT: APPLICATION FOR APPOINTMENT OF INTERNAL AUDITOR TO IBBI

Please find enclosed the bid for consideration of our firm to be appointed for conducting internal audit of Insolvency and Bankruptcy Board of India (IBBI) for the F.Y. 2019-20 and F.Y. 2020-21.

We agree to undertake the assignments, if given by you, as per the scope of work. We hereby declare that our firm does not have any pecuniary liability or any claim/disciplinary/legal proceeding pending against us/ our partners or any other cause which could hamper our ability to render the services as envisaged. We also declare that our firm has not been banned/barred /declared ineligible for corrupt and fraudulent practices by the Govt. of India/State Governments/RBI/ICAI/C&AG or any other regulatory body and does not have any disciplinary proceedings pending against it or any of the partners by ICAI/RBI/C&AG or any other regulatory body; and none of the partners have been convicted for commission of any economic offences.

If the aforesaid representation /declaration or information in the annexure is found to be incorrect, we agree that the IBBI shall be entitled to terminate the agreement, if executed, or initiate suitable action as deemed fit and appropriate by the IBBI, without reference to us. We or our affiliates have, during the last three years, neither failed to perform any agreement, as evidenced by imposition of a penalty by an arbitral or a judicial pronouncement or arbitration awarded against us or our Affiliates, nor have been expelled from any project or agreement nor had any agreement terminated for breach by us or our affiliates. The firm is having partners **(pl specify total no. of partners)** with at least three partners conducting audit with at least five years' experience.

Date:

Authorized Signatory

Place:

(Name)

List of Documents enclosed: