

We invite bids for conduct of **Concurrent/Internal/Surveillance audit – DP function and annual review of systems, procedures and controls of DDP activities for the calendar year (DDP Audit)** for a period of 2 years, to be reviewed on an annual basis.

ELIGIBILITY CRITERIA

The firm should be registered with the **Institute of Chartered Accountants of India**.

- Should have conducted Internal Audit – **Concurrent/Internal/Surveillance audit – DP function and (DDP Audit)** in the past.

Scope of work is given as Annexure – A

Timeline : Company holds its Board and Audit Committee meetings on a quarterly basis. Hence, the successful bidder needs to issue its reports at quarterly intervals.

The proposals shall be submitted at the following email address **on or before 1.00 p.m., 12th January 2024** in a sealed envelope addressed to the:

**Chief Financial officer,
SBISG Global Securities Services Private Limited
“Jeevan Seva” Annexe Bldg., Ground Floor, S.V. Road, Santacruz (W), Mumbai – 54**

Quotes received after the due date and time will not be accepted. Negotiations may be carried out with L1 party.

The Company reserves the right to appoint the same audit firm for more than one internal audit function as per its own discretion.

Bidders are requested to quote their “Best & Final Rates”. The Company follows a policy of engagement with L1 bidder as per CVC guidelines.

No revised commercial bids shall be entertained.

Profile Envelope should provide following information.

1. Whether the firm has done any audit/assignment for SBI Group in last 3 years.
2. Provide list of clients served in BFSI sector alongwith type of engagement
3. Years of experience and expertise in conducting **Concurrent/Internal/Surveillance audit – DP function and (DDP Audit)**

COMMERCIAL BID

- The quotes should be given in the following format.
- Fees to be quoted for 2 years

	Particulars	Remuneration	Total (Rs.) P.A
1	Internal Audit		
	Depository Participants		
	NSDL		
	CDSL		
2	Concurrent Audit		
	Depository Participants		
	NSDL		
	CDSL		
3	Surveillance Obligations for Depository Participants Audit		
	Depository Participants		
	NSDL		
	CDSL		
4	DDP Audit (Calender)		
	Total		

- The rates quoted/negotiated by the bidder shall remain firm during the tenure of the contract /extended period of contract and NO ESCALATIONS whatsoever shall either be claimed or considered.
- The Rates quoted shall be excluding GST.
- The rates shall be inclusive of all out-of-pocket expenses the bidder may incur while conducting the audit and NO EXTRA costs, whatsoever, shall be payable for the same & for any other reason, whatsoever.
- The rates should be quoted including all costs/taxes/duties/levies but excluding GST. No other extra charges whatsoever shall be payable in addition.
- The price bid should be as per the services required to meet the terms & conditions of the RFP.
- The bidders are requested to quote their best and final rate in their bid. No revised bids shall be entertained.

(Please submit separate envelopes for profile and price quotation)

Annexure - A Scope of DP Audit

1. Internal and Concurrent Audit of depository operations.

a) NSDL

In reference to NSDL Circular No. NSDL/POLICY/2021/0109 dated November 02, 2021, in which guidelines related to scope of the audit and format of the audit report are provided. The audit reports are to be provided by the auditor in the prescribed format of the Depository. The broad objectives / guidelines for the internal / concurrent audit are as per Depository guidelines. Participants are advised to take note of the following:

- i. Audit should cover all facets of the depository operations. Auditor may expand the scope of audit / add more audit points to achieve the objectives as prescribed by The Depository. All circulars / guidelines issued by NSDL / SEBI from time to time and other information / records desired by the auditors would be made available to the auditors appointed within a reasonable time.
- ii. Concurrent audit specifically includes following areas:
 - i) Account opening,
 - ii) Delivery Instruction Slip (DIS) book issuance,
 - iii) Execution of DIS.
 - iv) Power of Attorney modifications,
 - v) Account closure requests initiated by Participant,
 - vi) Investor grievances received by Participant,
 - vii) Providing Transaction Statements to clearing members (process level)
 - viii) KYC reconfirmation intimated by NSDL and initiated by Participant,
 - ix) Replacement of Original DIS image in tamper proof storage
 - x) Non-Disposal Undertakings (NDU)
 - xi) Modification in the name of client (including minor correction in name)
 - xii) Client data modifications
 - xiii) Accreditation of investors (IGP)
 - xiv) Freezes due to statutory orders (freeze reason codes 15 to 33)
 - xv) Pledge & Hypothecation (w.e.f October 1, 2020)
 - xvi) Margin Pledge / Re-Pledge
 - xvii) Online account closure by client
 - xviii) Execution of Electronic/ E DIS

*Any one person conducting the internal and/or concurrent audit (risk prone areas) should obtain certification from the National Institute of Securities Markets (NISM) by passing the NISM- Series-VI: Depository Operations Certification Examination DOCE). Alternatively, such persons, if eligible, may undergo Continuing Professional Education (CPE) program for depository operations (details available on www.nism.ac.in)

b) CDSL

As per CDSL Bye-laws 16.3.1 every participant shall ensure that an internal audit shall be conducted in respect of the participant's operations relating to CDSL by a qualified Chartered Accountant / Company Secretary / Cost Accountant having a valid certificate of practice, at such intervals as may be specified by CDSL from time to time and furnished the same to CDSL.(Circular No. CDSL/AUDIT/DP/POLCY/2022/189 Dated April 01, 2022)

- i. The scope, objectives, and checklist of the IAR applicable for the Internal / Concurrent audit is as per The Depository prescribed format. If the internal auditor and concurrent auditor of the DP is the same then a consolidated report can be submitted in the format specified by CDSL and in case the auditors are different, then internal audit report should be submitted as per the defined formats of CDSL along with the report on concurrent audit (CAR) of risk prone areas as per the specified format as an attachment to the internal audit report.

* The audit report should contain a declaration to the effect that at least one person conducting the internal and/or concurrent audit of the depository participant is NISM certified.

Note: Depositories' reserves the right to advise a Depository Participant to change its auditor if quality of the report is found to be unsatisfactory or if the audit is not carried out as per guidelines.

2. Surveillance Obligations for Depository Participants.

In order to further strengthen the Surveillance framework for the Securities Market, all Depository Participants have to put in place a surveillance framework.

Internal auditor of The Depository Participant shall have to review the surveillance policy, its implementation, effectiveness and review the alerts generated during the period of audit. Internal auditor shall record the observations with respect to the same in their report. They shall verify that the MIS prepared and place before the Board of the Participant.

Annexure - B Scope of DDP Audit

Annual review of systems, procedures and controls of DDP activities for the calendar year

The key detailed steps in auditing the internal controls, across the FPI on-boarding activities are listed below:

1. Compliance with the provisions of Master circular, 2022 issued by SEBI.
2. Compliance with the provisions of SEBI (FPI) Regulation 2019, as amended from time to time.
3. Identifying all the controls across the FPI on-boarding activities, FPI license renewal and surrender applications.
4. Compliance with the checklists of registration, renewal, surrender and processing material change requests of FPI clients.
5. Verifying whether the documents collected by the team are as per the applicable KYC circulars of SEBI issued from time to time.
6. Reviewing various reports submitted to SEBI during the period of audit.

