

**REQUEST FOR PROPOSAL
FOR
INFORMATION SYSTEMS AUDIT
OF
CORE BANKING / NET BANKING / MOBILE BANKING /
ATM / DATA CENTRE / DR SITE / NETWORKING / SOC / INFORMATION
SECURITY INFRASTRUCTURE AND OTHER INTEGRATED IT SYSTEMS**

Ref No:HO.ID.Ex.ISA/01/ 2020-21

TAMILNAD MERCANTILE BANK LTD.,
Information Systems Audit Cell
Head Office, Inspection Department
Thoothukudi – 628 001

email: isaudit@tmbank.in

website: www.tmb.in

1. Introduction

Tamilnad Mercantile Bank Ltd, has its Head Office at 57, V.E Road, Thoothukudi 628001. It's Department of Information Technology is located at 2nd and 3rd Floors, Pearl Tower, II Avenue, Anna Nagar West, Chennai & Subbiah Towers, 3rd Floor, No.458 V.E.Road, Thoothukudi.

Tamilnad Mercantile Bank Limited is hereinafter called "Bank", issues this 'Request for Proposal', hereinafter called "RFP". This RFP seeks to engage an Information Systems Audit Firm, which has the capability and experience, to conduct a comprehensive Information Systems Audit of its critical IT infrastructure and to make appropriate recommendations, as covered under the Scope of Work. The aim of the RFP is to solicit proposals from qualified Applicants for IS Audit assignment.

An applicant submitting the proposal in response to RFP for IS Audit shall hereinafter be referred to as "Applicant / Systems Auditor" interchangeably.

The RFP document is neither an offer letter nor a legal contract, but an invitation for expression of interest. No contractual obligation on behalf of Bank whatsoever shall arise from the RFP process, unless and until a formal contract is signed and executed by duly authorized officers of Bank and the Applicant. The Bank may modify any / all of the terms of this RFP.

2. Bank Profile

Tamilnad Mercantile Bank Limited is a Private Sector Bank. Bank uses Information Technology in all spheres of its functioning by connecting all of its branches through its WAN and has migrated 100% of its branches to Core Banking Solution, Finacle.

Bank aims to leverage the centralized solution to support its growing business, improve operational efficiency across the counters and multi-delivery channels, to enhance focus on customers with a Customer Centric Approach.

Tamilnad Mercantile Bank Limited is having the record as the first private sector bank in India to introduce large scale computerization for branch level operations. The bank adopted modernization, as early in the year 1983. The bank is embarking Total Branch Automation in technological partnership with M/s. Infosys Technologies Ltd., Bangalore and achieved 100% CBS implementation. Computerization has enabled the bank to render much better and satisfied service to its customers. The Bank has launched ATM Card from Nov 11, 2003. The bank has implemented new technologies like internet banking, mobile banking.

The modes of connectivity to the branches is achieved through a combination of leased lines, ISDN Lines, VSATs, GPRS and other emerging forms of connectivity.

TMB is proud to be among the select few banks in India having got certified for ISO / IEC 27001:2013 towards our secure information system management practices at IT & HR Dept (Thoothukudi) as well as Chennai IT Dept with effect from November 6, 2014.

Please refer Bank's website (<http://www.tmb.in>) for full profile.

3. Broad Scope of Work for IS Audit

A Risk based IS audit report shall indicate ratings for High, Medium and low risk areas and recommendations. The Broad Scope of work for Audit follows

1. Application Software – Application Review covering all the applications implemented in the Bank covering all the functionalities, Security, configuration, etc.
2. IT Infrastructure including IT General Controls, SLA Management, IT Processes and IT Management Tools at Data Center and Disaster Recovery Center.
3. Processes and Tools including Operations, Security and Environment Management.
4. Review Backup and Recovery strategy adopted across different platform.
5. Internet Banking & electronic delivery channels (eg mobile banking, etc) – Application review and review of the architecture based on RBI guidelines on Internet Banking, e-commerce and electronic banking channels.
6. IS audit of source code of critical applications such as ATM, Mobile banking, CTS & Treasury.
7. Functional and Security standards implemented in ATM , Debit & Credit card including EMV chip cards etc. in compliance with RBI, Master Circular DPSS.CO.PD.PPI.No.01/02.14.006/2016-17 dated 01.07.2016.
8. Operating system and application software for servers, databases, network equipment, security systems, storage area networks, etc.
9. Network Review including secure communications, network performance, network traffic analysis and base-lining, wireless network connectivity, etc.
10. Security Review extends over physical, logical access, environmental and IT infrastructure security at Data Center and Disaster Recovery Site and includes review of SOC implementation, security policies, architecture review, vulnerability analysis, penetration testing, review of security device configuration, monitoring, log management, incident management, etc.
11. Review of Cyber Security, access points to Internet and extranet, network protection at Data Centre and Disaster Recovery Site.
12. Relevant frameworks would include RBI guidelines, Cert-In guidelines, ISO 27001, ITIL, IT Act 2000 and IBA guidelines on Controls in Core-Banking, Guidelines on Record Maintenance.

13. Review of Risk assessment and mitigations adopted in critical servers, Applications and networks.
14. All the regulatory policies/ guidelines are complied and ensured the Controls deployed in Servers, Network, Database, Application, Web etc are effectively and efficiently against Risk.
15. Over all Governance in monitoring the significant regulatory compliance.
16. Detailed list of scope is enclosed as annexure-I.
17. List of Audit Locations is enclosed as annexure-II.
18. A Pro-forma for “Applicant’s profile” is enclosed as annexure-III.

4. Eligibility Criteria

External IS Auditors should possess skills that are commensurate with the technology used by the bank. Auditors shall possess Qualifications such as CISA (offered by ISACA) or CISSP (offered by ISC2), along with two or more years of IS Audit experience. They should be competent audit professionals with sufficient and relevant experience as required and also shall confirm that they fully comply with the eligibility criteria in the Pro-forma (Annexure III). There shall be no restriction on the external IS Auditor/s with regard to the maximum number of times for conducting IS Audit for the bank.

Audit firm enrolled in the empanelment of the Cert-IN as an IT security Auditing Organizations are also eligible for conducting IS audit.

Disqualification / Conflict of Interest: The External Auditor/Agency shall refuse to take up the assignment and inform the Bank, in case they are disqualified under any of the following provisions:

1. If the audit firm is a body corporate other than a limited liability partnership registered under the Limited Liability Partnership Act, 2008.
2. The proprietor / partner of the audit agency is also a director in the Bank;
3. The audit agency is already entrusted with statutory audit in the Bank;
4. Associate firms / sister concerns of the audit agency has been entrusted with statutory audit in the Bank;
5. The auditor is indebted to the Bank for an amount exceeding Rs.1,000/- or any guarantee has been given for any security in connection with the indebtedness of any third person to the bank for any amount exceeding Rs.1,000/-;
6. In case the auditor is a sole proprietary concern, and the proprietor is not a full-time practicing IS Auditor, or is employed elsewhere;
7. The Auditor/Agency was involved in the development of the software / application for the Bank which is the subject matter of the audit;
8. The Auditor/Agency is currently associated with the Bank by way of consultancy, supplying of systems, system development, maintenance, system integration, etc. related to IT or Networking services, or has rendered such services during the preceding 24 months.
9. In case of external auditors, the cooling period, after the service of two years, will be one year, provided they have not in any way conducted any form of auditing in the bank during that cooling period. If not, the next year will be treated as cooling period for this purpose.
10. There shall be no legal actions / restrictions on the auditing firm / auditors by any regulatory authority that would affect the ability to deliver audit deliverables.

5. Application Processes

General Terms of Bid Submission

- The offer should be made strictly as per the formats enclosed.
- Each applicant should submit no more than one RFP. RFPs arriving beyond the stipulated time will not be accepted.
- The RFP should be signed by the applicant or any person duly authorized to bind the RFP. The signatory should give a declaration that the person is empowered to sign the RFP document.
- Bank may accept or reject, in full or in part, any or all the offers, without assigning any reason whatsoever.
- Bank may at its discretion abandon the process of the selection of IS Auditor anytime before notification of award.
- All responses should be in English language. All responses to this Request for proposal shall be binding on such applicants for a period of 180 days from the date of bid closure.
- The original and all copies of applications shall be typed or printed in a clear typeface. Copies may be good quality photocopies of the original.
- Bank will not be responsible for any delay due to postal service or any other means.

Amendments to RFP

- Amendments to the RFP Document may be issued by the Bank for any reason, whether at its own initiative or in response to a clarification requested by a prospective Applicant, prior to the deadline for the submission of applications.
- The amendments will be binding on all the applicants. From the date of issue, amendments to Terms and Conditions shall be deemed to form an integral part of the RFP
- Further, in order to provide prospective applicants reasonable time to take the amendment into account in preparing their bid, the Bank may at its discretion extend the deadline for submission of applications.

Confidentiality

- Applicants agrees that all information gathered from the Bank including oral enquires, letters, documents, emails, presentations, interactions, technical documentation, discussions with Bank's service providers and documents gathered from Bank's service providers etc,.. related to the Bank's business and other information are to be treated as confidential information of Bank.
- The Bank would insist on signing a 'Non-Disclosure Agreement' with the Applicants who further qualify for the audit assignment.

- Unauthorized disclosure of any such confidential information will amount to breach of contractual terms and in such cases Bank may pre-maturely terminate the contract and initiate any legal action as deemed fit.

Other Terms and Conditions

- This RFP document is the property of the Bank and this cannot be copied or used in any other manner except for the purpose of responding to this expression of interest notice or without written permission from the Bank.
- All the documents submitted along with applications shall also become the property of the Bank and retained by the Bank unless otherwise specifically mentioned.
- The applicant should mention whether he is having any contractual obligation presently with the Bank, its status and any conflict of interest has arisen in such contractual obligation.

Commercial Quote

The Commercial quote should contain the Total project cost, on a fixed cost basis. Bank will not provide any reimbursement for traveling, lodging/boarding, local conveyance or any other related expenses. Format for quoting for commercial bid is as below and be made in firm's letter head and annexed to the application:-

Format for quoting for commercial bid

Name of the audit assignment	Audit Professional fee (Rs.)	Taxes, if any (Rs.)	Total cost (Rs.)
IS Audit 2020-21 for TMB			

Only the total amount exclusive of taxes will be reckoned for selection and payment. TDS will be deducted from the amount at the rates prevailing as on the date of payment.

Sealing and Marking of Applications

The offer should be submitted in sealed covers, super scribed as below:

CONFIDENTIAL
BID FOR TMB IS AUDIT SERVICES FOR 2020-21

Contact Details

The contact details for submitting the proposal is as follows:

The Assistant General Manager,
Tamilnad Mercantile Bank Ltd.,
IS Audit Cell, Inspection Department,
56 & 57, Beach Road (Upstairs)
Thoothukudi – 628 001
(Tel: 0461-2332113)

Last date for application

Last date for application along with commercial bid to reach the above address: **20.03.2021**

Encl: As above.

Date: 02.03.2021

Place: Thoothukudi