

# GENERAL INSURANCE CORPORATION OF INDIA

INTERNAL AUDIT DEPARTMENT

## **Clarification**

Request for Proposal (RFP)	Appointment of Auditors for Certification of Investment Risk Management Systems and Processes of GIC Re
Date of RFP	3 <sup>rd</sup> March 2020
Reference No.	IAD/2019-20/001
Clarification No.	001
Date of Clarification	17 <sup>th</sup> March 2020

The following are queries raised by prospective bidders and their corresponding clarifications.

### **Query No. 1**

"Audit team size in terms of Qualified CA, Semi-qualified CA, Audit Assistants required to be employed for the above assignment and mandays required per month/quarter"

### **Clarification:**

In RFP, as specified under Bid evaluation criteria and selection procedure, evaluation matrix for evaluating technical bid will consist experience of firm, experience of partner, experience of key persons etc. for conducting GIC Re audit assignment.

As per the IRDAI guidelines, Chartered Accountant firm has to be review the investment Risk Management Systems and Processes and issue final audit report with compliance certificate. This report/certificate has to be filed with the Regulator, IRDAI along with the first quarter returns, latest by second week of July 2020. The Chartered Accountant firm can thus decide on the number of resources to be employed bearing in mind that the first draft report needs to be issued within 30 days of commencing work following the financial year end, thereby leaving sufficient time to GIC Re for compliance as also for the CA firm for final certification. This will ensure that the July 2020 deadline is not breached.

### **With reference to eligibility conditions:**

### **Query No. 2**

1. We would like to understand what would constitute Risk Management Systems & Process and would auditing of treasury department resemble the same.

### **Clarification:**

Information System Audit, risk management and process controls has assumed a very significant role owing to growing dependence on Information Systems for record keeping, transacting business, reporting, regulatory compliance, providing information and results to stakeholders. Auditing exercise of any kind should have covered IT systems, risk management and process controls.

As per Technical Guide on Review and Certification of Investment Risk Management Systems and Processes of Insurance Companies (2013), the audit approach for this audit includes the following:

1. Review of Information Technology Infrastructure of the Insurance Company / Bank / Mutual Fund company as it exists at the location.
2. Review of the business process, related to the Investment function and risk management system.

3. Review of the transaction mechanism and data flow with respect to investment management function.
4. Inspection and review of the documented policies and procedures, infrastructure and network diagram.
5. Collection of evidence in the form of documents, test results, screenshots, confirmations, logs, third party evidence.
6. Conducting a risk analysis in the environment to evaluate and test the existing risk management processes and available controls, both system- based and manual.
7. Vulnerability analysis and audit of host servers.

Hence, the audit experience of review of Risk Management Systems & Process would constitute the above points.

### **Query No. 3**

Four years in the above-mentioned condition would mean four consecutive years or four years in totality.

### **Clarification:**

The Bidder should have an experience of at least four years means “Four years’ experience in totality”.