Terms of Reference (TOR) for Post-Migration Audit of Core Banking System (CBS)

1. Objective

The objective of this Post-Migration Audit is to provide an independent review and assurance on the completeness, accuracy, and integrity of financial and non-financial data migrated from the legacy systems to the new Core Banking System (CBS). The audit will evaluate whether the migration process was carried out in accordance with defined procedures, and whether the new system reflects accurate balances, master records, and critical functionalities necessary for smooth operations and regulatory compliance.

2. Scope of Work

The audit will cover both the data migration process and the quality of data post-migration, with a focus on financial data and critical business records across Head Office and all Branches of the Bank.

2.1. Type of Data to be Reviewed
2.1.1. Master Data
   a) Chart of Accounts / General Ledger
   b) Customer Master (CID)
   c) Saving & Deposit Account Master
   d) Loan and Advance Account Master
   e) Term Deposit Master
   f) User Roles, Authorization Limits, and Access Profiles

2.1.2. Transaction History
   a) Savings and Deposit Accounts
   b) Loan and Advances Accounts
   c) Accounts Interest Receivable (AIR)
   d) Accounts Interest Payable (AIP)
   e) General Ledger Transactions
   f) Interest Accruals and Suspense Accounts
   g) Rate Change History
   h) Uncleared Instruments (Cheques, EFT, RTGS, Clearing House)

2.1.3. Miscellaneous Data
   a) Standing Instructions
   b) Account Hold/Release Flags
   c) Fixed Asset Details
   d) Off-Balance Sheet Items (e.g., Letters of Credit, Bank Guarantees, Commitments)

2.2. Point of Review

a) Review of quality of data as at the cut-off date of migration.
b) Verification of data integrity during post go-live stabilization period, including:
- First End of Day (EOD) and Beginning of Day (BOD) after migration.
- First month-end, quarter-end and year-end reconciliations.

2.3. Bifurcation of Audit Scope

2.3.1. Financial Audit Scope

a) Verification that migration was performed for all modules and products converted into the new CBS.
b) Comparison of account balances between the legacy system and the new CBS.
c) Reconciliation of control totals and trial balances.
d) Sample-based verification of individual customer accounts, loan accounts, and deposits.
e) Review of suspense/clearing accounts to confirm proper migration.
f) Validation of EOD and BOD processes in the new system versus legacy system.
g) Review of migration sign-off and reconciliations provided by the vendor.

2.3.2. Beyond Financial Audit Scope

a) Review of the pre-migration strategy (data cleansing, mapping, conversion) adopted by vendor and bank.
b) Review of overall migration plan and strategy.
c) Identification of critical data elements migrated and testing their completeness.
d) Validation of system functionalities:
e) Interest calculation
f) Dormant account handling
g) Hold/Release functionality
h) Standing instructions execution
i) Review of exception/error logs generated during migration.
j) Review of rollback and contingency measures applied during migration.
k) Validation of regulatory/MIS reporting modules post migration.
l) Limited-scope application control review (grey box testing) to ensure integrity of migrated functionalities.

3. Reporting

The auditor will prepare a comprehensive report including:

a) Summary of work performed, and modules covered.
b) Key findings, classified by severity (High, Medium, Low).
c) Instances of data inconsistencies, gaps, or errors identified.
d) Weaknesses in migration process and data quality controls.
e) Recommendations for corrective actions.
f) Management responses and agreed action plan.

g) Auditor's independent conclusion/opinion on reliability of the migration.

4. Pre-requisites

For effective execution of the audit, the following will be required:

a) Old data from the legacy system in Excel or database extract.
b) New data from the new CBS in Excel or database extract.
c) Migration plan, procedures, and reconciliation reports prepared by vendor.
d) Read-only access to both legacy and new CBS (as required for verification).
e) Meetings with vendor and bank staff, whenever necessary.

5. Exclusions

The scope of this audit will exclude the following:

a) Source code review of the CBS or migration scripts.
b) Detailed application security audit (e.g., penetration testing, vulnerability assessment).
c) IT infrastructure, network, and data centre audit.
d) Business process audit not directly related to migration.

6. Deliverables

a) Inception Report (audit plan and methodology).
b) Interim Report (key observations during audit).
c) Final Audit Report with findings, recommendations, management response, and auditor's conclusion.

7. Eligibility Criteria

Company/Firm:

a) Legal entity in operation for at least 5 (five) years.
b) Copy of Company/Firm registration certificate, PAN/VAT registration and Tax clearance certificate of the previous fiscal year.
c) A declaration/affidavit of not being blacklisted by any Government or Autonomous body.
d) Demonstrated expertise in data migration audits, especially involving legacy systems and modern platforms.
e) Preference shall be given to certified Chartered Accountant or relevant certification.

8. Timeline

The audit is expected to be completed within 3 weeks after commencement, subject to availability of required data and access.

9. Evaluation Criteria

a) Technical Proposal – 70%
b) Financial Proposal – 30%

Format of Proposal

A. Technical Proposal Format

A.1. Table of Contents

A.2. Declaration of not being blacklisted

A.3. Legal Documentation

A.4. Relevant Experiences

A.5. Scope of work commitments:

Firms shall provide their commitments on scope of works for point no. 2.1, 2.2, 2.3, 3 and 6 as below:

S.N.	Particulars	Commitment (Yes/No)	Remarks (if any)
2.1.	**Data to be Reviewed**		
2.1.1.	**Master Data**		
a)	Chart of Accounts/ General Ledger	Yes	
b)	Customer Master (CID)	No	<reason>
c)			
d)			

A.6. Prerequisite other than on point no. 4 (if any)

A.7. Audit approach & Methodology:

Firm shall cover below points on this section of their proposal:

    a. Audit approach/method
    b. Detailed Plan
    c. Team engagement along with roles and responsibilities
    d. Timeline

A.8. Engaged team individual qualification along with experiences (Resume)

A.9. Client references:

Firm shall provide client references along with contact information.

A.10. Any add-on Service commitments by firm (if any)

B. Financial Proposal Format

Firm is requested to submit an all-inclusive financial proposal on below format:

Particulars	Amount (In Rs.)
Audit Fee	
VAT	
Total	