

QUALITY COUNCIL OF INDIA

**REQUEST FOR PROPOSAL FOR EMPANELMENT OF SOCIAL AUDIT AGENCIES FOR  
ASCERTAINING CHILD LABOUR THROUGH AUDITS**

**1. INTRODUCTION:**

1.1 Quality Council of India:

- 1.1.1 The Quality Council of India (QCI) is a non-profit autonomous society registered under Societies Registration Act XXI of 1860, set up by the Government of India to establish an accreditation structure in the country and to spread quality movement in India by undertaking a National Quality Campaign.
- 1.1.2 To achieve this, QCI is playing a pivotal role in propagating, adoption and adherence to quality standards in all important spheres of activities including education, healthcare, environment protection, governance, social sectors, infrastructure sector and such other areas of organized activities that have significant bearing in improving the quality of life and well-being of the citizens of India.

1.2 Request for Proposal:

- 1.2.1 The Council invites competent organizations to be empaneled as audit agencies for ascertaining and reviewing the incidences of child labour through structured audits and corresponding studies in various sectors through this Request for Proposal (RFP).
- 1.2.2 Prospective Applicants may note the following:
  - a) This request for proposal document is neither an agreement nor an offer by QCI to the prospective agency or any other person.
  - b) This RFP shall in no way guarantee allotment of work to the shortlisted firms. QCI reserves the right to adopt measures deemed fit for allotment of work.
  - c) The Applicants must submit their applications in accordance with the requirements contained in this RFP.
  - d) QCI reserves the right to update, amend and supplement the information in this document including qualification process before the last date and time of submission of applications.
  - e) QCI reserves the right to divide the volume of work among more than one party.
  - f) Changes in the above schedule, if any, will be made at the sole discretion of the QCI and will be communicated by e-mail to the shortlisted agencies.

**2. STAKEHOLDERS:**

Principal Authority: The Authority sanctioning the audit/fact finding exercise

Quality Council of India: The management and executing body

Industry Authority: The Authority from the respective industry which is being audited

Agency: The audit organization

Monitoring Authority: The Authority Mandated to monitor.

### **3. THE ASSIGNMENT AND EXPECTED SERVICES FROM THE AGENCY:**

- 3.1 The identified agency is broadly expected to conduct fact finding exercises independently or with the Principal Authority.
- 3.2 The agencies would conduct audit and assessment of the situation on the basis of parameters/indicators set by Quality Council of India and approved by the Principal Authority.
- 3.3 The possible sectors and industries for auditing may include but not limited to industries, textiles, stones & mining, tourism, agriculture, beedi rolling, fishing, construction, bangles, automobiles, e- waste management, carpet, leathers, fire-crackers making, handicrafts, artisans, and safety audits in educational institutions.
- 3.4 The industry and timeline for these fact-finding exercises would be pre-decided as per the decision of the Principal Authority
- 3.5 Whenever the auditor in the auditing process come across any case of sexual offences committed to a child or information regarding any sexual offence with a child; the auditor shall mandatorily report the matter to the police as provided under section 19 of the Protection of Children from Sexual Offences (POCSO) Act, 2012. In addition, if there is cases of child labour or any such matter where a child or children need immediate support, the auditor shall mandatorily inform the matter and seek help of Child line 1098 (Emergency helpline for children in distress).

### **4. CONDITIONS & CLARIFICATIONS:**

- 4.1 The Agency or agencies are to be evaluated for empanelment depending upon their application and suitability with respect to criteria identified by QCI. The number of agencies to be selected for empanelment is the prerogative of the Quality Council of India (QCI).
- 4.2 The empanelment of the agency or agencies would be valid for three years starting from the date of signing of the agreement, with an annual surveillance in place, and may be renewed depending on the performance and requirement of the services.
- 4.3 The payment for the case will only be released subject to the satisfactory quality of the audit and final report submitted by the agency.

### **5. ELIGIBILITY CRITERIA FOR AGENCIES:**

#### **5.1 General Requirements**

- 5.1.1 The Audit agency shall be registered as a legal entity in India, or a defined part of a legal entity, such that it can be held legally responsible for all its audit activities. A governmental audit body is deemed to be a legal entity on the basis of its governmental status.
- 5.1.2 At least 5 years of experience of conducting fact-finding exercises or audits for any social issue
- 5.1.3 Conducted at least 1 national level fact-finding exercise or audit for any social issue in the relevant sectors mentioned in clause 2.3 in the past 3 years
- 5.1.4 At least 5 years of experience of working with Statutory Bodies, State Governments, Central Government or any government organization.

- 5.1.5 Start-up organizations and MSMEs with relevant competence in social audits and children's issues will be given relaxation for clauses 5.1.1, 5.1.2, and 5.1.3 as per guidelines of the Ministry of Micro, Small, and Medium Enterprises, DIPP and Ministry of Commerce and Industry.
- 5.1.6 The organization should have auditors with qualifications mentioned in clause 5.5.1

## **5.2 Responsibility for audit decisions**

The audit agency shall be responsible for and shall retain authority for its decisions relating to audit.

## **5.3 Management of impartiality**

- 5.3.1 The audit agency shall have top management commitment to impartiality.
- 5.3.2 The audit agency shall make a publicly available statement that it understands the importance of impartiality in carrying out its audit activities manages conflict of interests and ensures the objectivity of its audit activities.
- 5.3.3 The body shall identify risks to its impartiality on an ongoing basis. This shall include those risks that arise from its activities, or from its relationships, or from the relationships of its personnel. A relationship that threatens the impartiality of the audit agency can be based on ownership, governance, management, personnel, shared resources, finances, contracts, marketing and payment of a sales commission or other inducement for the referral of new clients, etc. However, such relationships do not necessarily present a body with a risk to impartiality.
- 5.3.4 If a risk to impartiality is identified, the body shall be able to demonstrate how it eliminates or minimizes such risk.
- 5.3.5 When a relationship poses an unacceptable threat to impartiality (such as a wholly owned subsidiary of the audit agency requesting audit from its parent or the same when the audit agency belongs to a corporation or holding and other parts of it, the requests for audit to its related audit agency), then audit shall not be provided.
- 5.3.6 Audit bodies shall document how they manage their audit business and any other activities so as to eliminate actual conflict of interest and minimize any identified risk to impartiality. This information shall be made available to the mechanism specified in the documentation shall cover all potential sources of conflict of interests that are identified, whether they arise from within the audit agency or from the activities of other persons, bodies or organizations.
- 5.3.7 The audit agency is allowed to explain its findings and/or clarify the requirements of the normative documents but shall not give prescriptive advice or consultancy as part of an evaluation. This does not preclude normal exchange of information with the clients and other interested parties or the provision of different determination activities required for specific audit which is considered acceptable.
- 5.3.8 The audit agency and (and any group within its control; or personnel, employed or contracted, in an organization within its control or organizational control) shall not offer or provide internal management system evaluations to the client or other legal entities involved in the audit process in those cases that require the client or other legal entities involved in the audit process to perform internal management system evaluations. This also applies to that part of government identified as the audit agency.
- 5.3.9 The audit agency's activities shall not be marketed or offered as linked with the activities of an organization that provides consultancy. The audit agency shall take action to correct inappropriate claims by any consultancy organization stating or implying that audit would be simpler, easier, faster or less expensive if the audit

agency were used. An audit agency shall not state or imply that audit would be simpler, easier, faster or less expensive if a specified consultancy organization were used.

- 5.3.10 To ensure that there is no conflict of interests, personnel who have provided consultancy for, or been employed by a client, including those acting in a managerial capacity, shall not be used by the audit agency to make an audit decision nor resolution of a complaint or appeal for that client within two years following the end of the consultancy or employment.
- 5.3.11 The audit agency shall take action to respond to any threats to its impartiality arising from the actions of other persons, bodies or organizations
- 5.3.12 All audit agency personnel, either internal or external, or committees, who could influence the audit activities, shall act impartially and shall not allow commercial, financial or other pressures to compromise impartiality.
- 5.3.13 The audit agency shall not provide any service to the clients other than third party conformity assessment.

#### **5.4 Liability and financing**

- 5.4.1 The audit agency shall have the financial stability and resources required for the operation of the audit system.
- 5.4.2 The audit agency shall evaluate the risks arising from its audit activities and that it has adequate arrangements (e.g. insurance or reserves) to cover liabilities arising from its operations.
- 5.4.3 The audit agency shall together with its senior executive and staff, be free from any commercial, financial and other pressures which might influence the results of the audit process
- 5.4.4 The audit agency shall indemnify QCI or NCPCR partly or wholly due to situations arising out of any their activities

#### **5.5 Resource requirements**

##### **5.5.1 Competence of management and personnel**

- 5.5.1.1 Lead Auditor (1): LLB or Master's/PhD in Sociology/Child Psychology/Development studies/Social sciences, or any other relevant technical qualifications, and 5 years of experience in managing and conducting national level fact finding exercises or audits on any social issue
- 5.5.1.2 Auditors (3): LLB or Bachelors' in Sociology/Child Psychology/Development studies/Social sciences or any other relevant technical qualifications, and 3 years of experience in conducting fact finding exercise or audits on any social issue
- 5.5.1.3 Auditors being appointed for this project by the agency must possess adequate knowledge about acts and laws around child rights in India, including the Right of Children to Free and Compulsory Education Rules 2010, The Juvenile Justice (Care and Protection of Children) Act 2015, Protection of Children from Sexual Offences Act, 2012, Child Labour (Prohibition and Regulation) Rules, 1988, Bonded Labour System (Abolition) Act, 1976, Factories Act, 1948, Guardians and Wards Act 1890, Hindu Minority and Guardians Act 1956, Immoral Traffic (Prevention) Act, 1956, Medical Termination of Pregnancy Act, 1971, Mines Act, 1952, National Food Security Act, 2013, Prohibition of Child

Marriage Act 2006, and Prenatal Diagnostic Techniques (Regulation and Prevention of Misuse) Act, 1994 or any other act that is relevant to the respective industry.

- 5.5.1.4 The competency of the auditors will be assessed on the above-mentioned parameters through a written examination conducted by QCI during the approval process.
- 5.5.1.5 Any relaxation to clause 5.5.1.4 will be granted by NCPCR in writing after reviewing the merits of the case.

#### **5.5.2 Use of individual external evaluators and external technical experts**

The audit agency shall normally not use external evaluators except in exceptional situations with a recorded justification. It may however use external technical experts. It shall require external evaluators and technical experts to have a written agreement by which they commit themselves to comply with applicable policies and procedures as defined by the audit agency. The agreement shall address aspects relating to confidentiality and to independence from commercial and other interests. It shall require the external evaluators and external technical experts to disclose any relationship or situation which may pose a risk to the impartiality of the audit agency and notify the audit agency of any existing or prior association with any organization they may be assigned to evaluate.

#### **5.6 Outsourcing.**

The agency shall not outsource any activity other than testing.

#### **5.7 Determination of evaluation time**

- 5.7.1 The audit body shall have documented procedures for determining time required for on site evaluation. The onsite evaluation time determined by the audit agency, and the justification for the determination, shall be recorded. In determining the onsite evaluation time, the audit agency shall consider, among other things, the complexity of operations and the number of products offered for audit.
- 5.7.2 The audit agency shall not carry out any on site evaluation of duration lesser than one day. This includes all evaluations including those for surveillance, extension of scope etc.

#### **5.8 Publicly available information**

- 5.8.1 The audit/inspection body shall maintain a website for providing information about its services.
- 5.8.2 The audit agency shall maintain and make publicly accessible, or provide upon request, information describing its evaluation processes and audit processes and about the audit activities and geographical areas in which it operates.
- 5.8.3 Information provided by the audit agency to any client or to the marketplace shall be accurate and not misleading.

#### **5.9 Audit documents**

- 5.9.1 The audit agency shall provide audit documents to QCI/Principal Authority by post and by email.
- 5.9.2 The effective date on an audit document shall not be before the date of the audit decision.
- 5.9.3 The audit document(s) shall identify the following:
- a) The name and geographic location of each client who have been audited
  - b) the dates of the audit;
  - c) the audit criteria document, including issue number and/or revision, used for evaluation of the client;
  - d) the scope of audit as applicable at the site;
  - e) the name, address of the audit agency,
  - f) any other information required by the criteria document used for audit;
  - g) in the event of issuing any revised audit documents a means to distinguish the revised documents from any prior obsolete documents.

## 5.10 Confidentiality

- 5.10.1 The audit agency shall, through legally enforceable agreements, have a policy and arrangements to safeguard the confidentiality of the information obtained or created during the performance of audit activities at all levels of its structure, including committees and external bodies or individuals acting on its behalf.
- 5.10.2 The audit/inspection body shall provide previous reports and/details to other audit/inspection bodies in case of change of audit/inspection bodies. It shall inform the client that in case of change of audit/inspection body, it shall provide information to other audit/inspection bodies, as required under this Scheme.
- 5.10.3 Except as required in this document, information about a particular client or individual shall not be disclosed to a third party without the written consent of the client or Principal Authority. Where the audit agency is required by law to release confidential information to a third party, the client or Principal Authority shall, unless regulated by law, be notified in advance of the information provided.
- 5.10.4 Personnel, including any committee members, contractors, personnel of external bodies or individuals acting on the audit agency's behalf, shall keep confidential all information obtained or created during the performance of the audit agency's activities.
- 5.10.5 The audit agency shall have available and use equipment and facilities that ensure the secure handling of confidential information (e.g. documents, records).
- 5.10.6 When confidential information is made available to other bodies, the audit agency shall inform QCI/Principal Authority of this action.

## 6. DOCUMENTS TO BE SUBMITTED

- 6.1 Details of the organization – name, address, contact number, incorporation certificate, MOA/AOA, organizational structure, GST, PAN, turnover of the last 3 years
- 6.2 Names and resume of the required in-house personnel including the audit team.
- 6.3 Details of the national level fact-finding exercise or audit mentioned in clause 5.1.3 along with work order and completion certificate
- 6.4 Details of other relevant projects undertaken in the past 3 years along with work order and completion certificate
- 6.5 Organisations seeking relaxation under clause 5.1.5 must submit relevant registration

certificate and any other documents to prove competence

- 6.6 Sample of approach and methodology to be used in conducting the mentioned fact finding and auditing (In 4-5 pages)
- 6.7 Statement of impartiality and conformation of being free from any conflict of interest in the assignment where the agency and its personnel would be deputed.

## **7. Other Terms and Conditions:**

- **Last date of submission:** Last date of receipt of sealed applications is December 19, 2019 upto 5 PM. No application shall be entertained after the expiry of the due date and time.
- **Superscription:** The envelope containing the application must be sealed properly and must be super scribed as “**Application for Social Audit Agencies for Ascertaining Child Labour through Audits**”.
- **Validity of the Bids:** The applications submitted shall be valid for a period of 180 days subject to increase in the period by mutual consent.
- **Authorized Signatory:** The application must be signed by the authorized signatory and their contact details must be mentioned on the cover page of the application.
- **Applications sent by post/courier:** The applications may be sent by post/courier to reach before the scheduled date and time as indicated above.
- **Empanelment Letter:** QCI shall issue an empanelment letter to the successfully qualified Applicants depending upon their area of participation among the ones mentioned in the scope of work.

### **The empanelment letter shall not confer any right to engagement.**

The vendor or its associates/companies who are empanelled with QCI as a result of this empanelment process are not allowed to use the name of QCI, its logo, service marks or any document for any purpose without the prior written approval of QCI.

- **Intellectual Property Rights:** All intellectual property rights developed as a consequence of any allotment of work to the subsequent empanelled vendors shall be the sole property of QCI and shall be governed by the provisions of the agreement/work order issued thereto.
- **Blacklisting/debarring:** QCI reserves the right to cancel the empanelment letter issued and debar the firm if it is discovered that the firm had produced any false information, on continued delivery of unsatisfactory services, insolvency of the company or any other ethical ground as deemed fit by giving a 7 days prior written notice.
- **Allocation of work post empanelment:** The allocation of work post empanelment among all the empanelled agencies will be made by floating limited tender enquiries/nomination basis as and when the requirements arise.

## **8. Presentation**

As a part of Evaluation of proposals submitted by the applicants, QCI shall seek further information or a presentation from the Organizations for evaluation purposes. QCI may call for such information/presentation at a short notice.

## **9. Amendment to RFE**

At any time prior to the last date for receipt of applications, QCI may for any reason, whether at its own initiative or in response to a clarification requested by a prospective applicant, modify the RFE document by an amendment. In order to provide prospective applicants reasonable time in which to take the amendment into account in preparing their proposals,

QCI may at its discretion extend the last date for the receipt of proposals and/or make other changes in the requirements set out in the RFE.

The applicant is required to visit the Tenders Section of QCI website for any changes or amendments in the RFE before submitting their Applications.

## **10. Rejection of Application**

The application is liable to be rejected if:

- a) Not in prescribed forms and not containing all required details.
- b) Not properly sealed and signed as per requirements.
- c) Received after the expiry of due date and time.
- d) Missing of any supporting document(s) with the Proposal

## **11. Documents required:**

The proposal should contain the following information:

- (a) The Supporting documents mentioned above in the pre-qualification section.
- (b) Any other details that the bidder may like to provide.

## **12. Disclaimer**



- a. The QCI shall not be responsible for any late receipt of applications for any reasons whatsoever. The applications received late will not be considered and returned unopened to the applicant.
- b. The QCI reserves the right
  - To reject any/all applications without assigning any reasons thereof.
  - To relax or waive any of the conditions stipulated in this document as deemed necessary in the best interest of the QCI without assigning any reasons thereof.
  - To include any other item in the Scope of work at any time after consultation with applicants or otherwise.

### **13. Submission Details**

Interested parties may send their applications along with the profile and other details inside a sealed envelope super-scribing '**Application for Social Audit Agencies for Ascertaining Child Labour through Audits**' to Assistant Director (Accounts), Quality Council of India, Institution of Engineers Building, 2nd Floor, 2, Bahadur Shah Zafar Marg, New Delhi 110002 latest by December 19, 2019, 5PM.

For any further queries, you may please contact the below mentioned person:

Mr. C S Sharma: [cssharma@qcin.org](mailto:cssharma@qcin.org) +91 9983544499 (for technical queries)

Mr Ankur Malik: [ankur.nabet@qcin.org](mailto:ankur.nabet@qcin.org) +91 9873387130 (for other queries)