



ALLAHABAD BANK

(A GOVERNMENT OF INDIA UNDERTAKING)

HEAD OFFICE : 2, NETAJI SUBHAS ROAD, KOLKATA-700 001
CONCURRENT AUDIT CELL, Inspection Department -14 India Exchange Place
4th Floor Kolkata PHONE – 033-2242 - 0919 /033-22627044
FAX -2231-2422, E-MAIL- ho.ins@allahabadbank.in

Application for Concurrent / Revenue Audit (Year 2018-19)

BIO-DATA FORMAT (Year 2018-19)

A. General.

1. Allahabad Bank invites applications as per prescribed format from practicing firms of Chartered Accountants/Retired Officials of own Bank who are willing for empanelment as Concurrent / Revenue Auditor in the Bank.

2. The panel of auditors maintained last year (including existing concurrent auditors) expiring in September 2018 will not be further used. Hence, all the concurrent auditors selected earlier have also to apply afresh for the empanelment process.

3. The applications should be submitted to the '**Assistant General Manager, Inspection Deptt, Concurrent Audit Cell, Head office, Fourth Floor, 14, India Exchange Place, Kolkata –700001**' by Registered or speed post / courier only.

4. "**Application for empanelment for Concurrent/Revenue Audit-2018-19**" (**FRESH/RENEWAL**) should be mentioned on the envelope carrying the applications.

5. Mere submission of application does not, in any way, constitute guarantee for allotment of any audit job from the Bank. After empanelment, the work will be allotted as & when need arises at the sole discretion of the Bank.

6. The following type of audit firms are not required to submit their application :

a) if Firm / it's proprietor / any partner has been disqualified / depanelled or whose appointment has been terminated by RBI/ ICAI/ Bank / any other Bank on an earlier occasion.

b) Audit firms who have conducted statutory audit of Allahabad bank branches for the year 2017-18.

c) Associate concerns of Audit firms who have conducted statutory audit of Allahabad bank branches for the year 2017-18, defined as under by RBI:

“Associate concerns means any corporate body or partnership firm wherein the proprietor and/or partner(s) of the statutory audit firm and/or their relative(s) is/are Directors or partners and/or jointly or severally hold 20% or more of the interest in the corporate body or partnership. “Relative” for this purpose will mean the spouse or any lineal ascendant or descendant of the proprietor or partner of the statutory audit firm.”

7. If the space provided for against any item in the application format is not sufficient, details may be furnished in a separate sheet.

8. All enclosures must be attested as true copy under seal by the proprietor / at least one partner (in case of partnership firm).

9. The application form should be signed in full by all partners.

10. Any change in the application format will result in rejection of the same.

11. The last date for receipt of applications is 20th August, 2018. Please send the application in such a way that it must reach at the above address (mentioned at point no. 3), latest by 20th August 2018 upto 5.00 p.m. positively. The application received thereafter will not be accepted /entertained.

B. Selection and eligibility criterion of external Concurrent Auditors :

Basic Criterion :

Appointment of external Chartered Accountant firms as Concurrent Auditors will be done with the following basic criterion :

i) The audit firm preferably should be in the RBI panel (as per gradation based on the size of the branch to the extent feasible).

ii) Weightage will be given to the audit firms where the partners themselves were ex bankers, DISA, CISA holders.

iii) Preferably it should be a partnership firm of Chartered Accountants.

iv) Experience in Statutory/Concurrent Audit of banks will also be examined.

General Criterion:

- a)** The firm should have necessary office set up and adequate personnel to ensure proper deployment and timely completion of the assignments.
- b)** The firm has to disclose if it has been debarred by ICAI / RBI / Allahabad Bank in the past. In such cases, the firm is not eligible for appointment as Concurrent Auditor.
- c)** The audit firm or any sister / associate concern / network firm is not conducting the Statutory Audit of the Bank or any of its Branches.
- d)** The firm should execute an undertaking of fidelity & secrecy on its letter head in the format prescribed by the Bank.
- e)** Bank reserves its right to review the appointment at any point of time and if necessary, can cancel the appointment by giving one month's notice, and in case the firm fails to report irregularities, without any notice.
- f)** The assignment should be carried out in a professional manner and in case of any misconduct & negligence; the Bank is free to report the matter to ICAI / RBI under the guidelines from time to time. This will be in addition to the disengagement from the assignment
- g)** The firm should be responsible for failure to detect frauds / major deficiencies in implementation of control mechanism / revenue loss etc.
- h)** Partner of the audit firm should visit Branch as specified below and a confirmation to that effect be obtained from the concerned Branch Managers.
 - I) Partner to visit Auditee Branch at least once in a week in case of Branch with advance level up to Rs.25.00 Crore.
 - II) Partner to visit Auditee Branch at least twice a week in case of Branch with advance above Rs 25 crore.
- i)** The Chartered Accountant firm entrusted with the Concurrent Audit has to submit declaration that none of the partners in their individual capacity or through allied and associate firms are directly or indirectly involved in Concurrent Audit of other Branches of Allahabad Bank. Sub-contracting is strictly prohibited and will be liable for immediate termination of assignment.
- j)** They will also have to submit declaration that credit facilities availed by the firm or partners or firms in which they are partners or directors including any facility availed by a third party for which the firm or its partners are guarantor/s have not turned or are existing as non-performing assets as per the prudential norms of RBI. In case the declaration is found incorrect, the assignment would get terminated besides the firm being liable for any action under ICAI / RBI guidelines.

C. Selection and eligibility criterion of Retired Bank Officers :

Eligibility Criterion:

1. An Officer who has retired from the Bank as Scale- IV & above.
2. Experience of minimum 20 years service in our Bank with a satisfactory track record.
3. Worked as an incumbent branch in-charge for a period of minimum 05 years.
4. Should have handled credit portfolio of minimum Rs-25.00 Crore in size for a minimum period of 5 years.
5. The retired officer's commitment, diligence and integrity should have been good during his/her service period.
6. Branch experience of minimum 7 years as an officer including branch in_charge.

and/ or

Worked in HO Inspection/ FIO as an officer for a minimum period of 03 years.

7. For being eligible to be considered as concurrent auditor for the first time, the official has to apply within 02 years of his retirement from Bank's service.

(The Officer retired after 31.07.2016 will be eligible for applying).

8. Concurrent Audit assignment may be given to retired officials of our own Bank up to the age of 67 years.
9. No assignment will be given for branches where the retired officers himself have worked during last five years before superannuation.
10. The officers who have been removed/ dismissed from Bank service shall not be eligible.
11. No case of CBI or any other law enforcement agency should be pending against the officers.

Terms & Conditions:

1. The tenure of concurrent audit would be initially for one year i.e. from 1st October 18 to 30th September 2019 and would be extended for further period of two years (Over all 03 years) based on the performance of the auditor in the last year, after which an auditor could be shifted to another branch/ branches subject to satisfactory performance.
2. After one year of empanelment, fresh application will not be invited from retired Bank officials at the time of renewal for 2nd / 3rd year. Appointment will be

extended on the basis of age limit and satisfactory performance in the last year. However, fresh application will be invited after completion of three years.

3. In the case of unsatisfactory performance, the assignment will be cancelled for the next year after giving 30 days notice.
4. Retired officer of own Bank appointed as auditor will carry out the Concurrent Audit related all activities including verification of securities as per Bank norms.
5. The Branch applied by retired staff of own Bank is to be within a maximum distance of 75 KM from his/ her residence.
6. The eligible retired staff of own Bank appointed as auditor will be given audit assignment of maximum two branches at a time.
7. Concurrent Audit is to be done on daily basis.

Selection. Selection of retired Bank Officers for Concurrent Audit shall be done through interview, after preliminary scrutiny and short listing by the Bank.

D. Audit fees:

Fee payable to Concurrent Auditors:

Branches with total Business as on 31st March 2018	Audit Fee (in Rupees, Per Month Plus GST)
Service Branches /CPH/HUB/Back Office/HO Dept	12,000
Up to Rs.50 Cr with Credit outstanding of Rs.15 Cr & above	12,000
Above Rs.50.00 to Rs.100 Cr.	13,000
Above 100 Cr to 150 Cr	14,000
Above 150 Cr to 200 Cr	16,000
Above 200 Cr to 500 Cr	18,000
Above 500 Cr to 1000 Cr	20,000
Above 1000 Cr & FCTM	25,000

Fee payable for Top 100 branches :

The fee structure for the top 100 branches is additional 20% of normal fee for conducting more focused audit by concurrent audit in top 100 branches including SIBs. The retiree officers will also be entitled 20% extra if the branch is among the top 100 branches of the Bank, in line with concurrent auditors selected externally.

Though the remuneration has been fixed on monthly basis, the same shall be payable only on quarterly basis on submission of reports as above, by the Zonal

Office concerned on being satisfied as regards adequacy and coverage of all the points mentioned in the check-list. TDS will be deducted in the eligible cases as per rules.

E. Other general terms & conditions :

- 1.** Concurrent Audit has very important role in identifying System lapses, irregularities of every type, income leakage, ensuring compliance of terms of sanction for advances, detecting frauds, pointing out symptoms of sickness in time, etc.
- 2.** Quality of Concurrent Audit is reflected in reducing number of irregularities, absence of persisting irregularities as RBI envisages that Auditor should also educate staff about hazards of deviation from Systems and Procedures. If Concurrent Audit is effective, it should also result in up gradation of the Branch in annual inspection and / or maintaining higher-level ratings obtained (Low - medium risk under RBIA)
- 3.** Concurrent Audit has been implemented ON LINE. The Concurrent Auditors have to report on line as per guided instructions. Concurrent Auditor has to generate tickets in check list on line system on regular basis i.e. on date of observation of irregularity / deficiency. Deviation from the above reporting system will be treated as non compliance.
- 4.** Zonal Head / Inspection Department may not pay the bill if any report is not submitted as per the time schedule / within the time schedule / or if the same has not been compiled as per the instructions / guidelines or not submitted in the prescribed format or is otherwise found unsatisfactory or monthly Report and quarterly e-Report is not received as per guidelines. However, if the delay in submission of the report has been caused due to genuine difficulty / exigencies, payment to the audit firm can be approved by the GM, Inspection Deptt, Head Office on the recommendations of the concerned Zonal Office.
- 5.** Bank reserves right to initiate stringent disciplinary action against the Concurrent Auditor in case Frauds / sizeable income leakage are reported at later date in Concurrent Audit Branches & also in deserving cases the facts may be reported to RBI & ICAI.
- 6.** Empanelled Chartered Accountants will be allotted the Concurrent Audit work initially for a period of one year. On completion of the year, if the performance is found satisfactory, the assignment may be renewed for subsequent years on yearly basis, subject to maximum of three years. Then one year cooling period is given compulsorily to the Auditors, during which no Concurrent Audit work of any Branch is allotted. On completion of cooling

period, the Auditor may be given Concurrent Audit work of other Branch if found suitable.

7. The Bank reserves its right to review the appointment at any point of time and if necessary, can cancel the appointment by giving one month's notice. In case the firm fails to report serious irregularities / high value income leakage, Bank reserves right to report the matter to RBI / ICAI / IBA for initiating necessary action. Such firms will be black listed and they will not be eligible for assignment of audit work with Bank for next five years.

8. If the RBIA rating of the Branch is downgraded, the performance of the Concurrent Auditor shall be critically examined and reviewed for deciding continuance of service or otherwise.

9. If the Concurrent Auditor fails to detect and report irregularities/deviations from laid down policies/norms, his services are liable to be terminated without any notice.

10. If the Concurrent Auditor fails to attend the Branch on day-to-day basis or the attendance of the Partner / Proprietor of the firm is found to be poor, his services are liable to be terminated without any notice.

11. If any concurrent auditor fails to identify revenue leakage / other irregularities, which our bank's internal inspector detects during course of regular inspection, a letter of explanation will be served to auditor and if reply is found not satisfactory, services of Concurrent Auditor may be terminated.

F. Areas to be covered /examined by the Concurrent Auditors.

The concurrent auditors are required to verify / examine and report the deviations pertaining to all the transactions of the concerned branch broadly covering Cash, Deposit, Advances, AML , Housekeeping, Bills, Impersonal heads, Remittances, Ancillary Services, Government Business (if any), Customer service, Complaints, Submission of control returns, Merchant Banking(if any), Profitability, Computer operations/ Overseas Direct Investment transactions, reconciliation of all logs generated from SWIFT environment for all financial and non financial transactions on daily basis, to verify rectification status of LFAR observations and certification thereof etc.

G. Purpose of Concurrent Audit.

Transaction checking on continuous basis and providing early warning signal in following areas:

- i.** Detection & Realization of Revenue Leakage.
- ii.** Documentation including mortgage.
- iii.** Quality of appraisal.
- iv.** Compliance of Bank's Lending Policy.
- v.** Compliance of terms of sanction and procedural formalities.
- vi.** Credit Monitoring aspect (Credit Audit, Legal Audit, Stock Audit, DeVA approval, LAMP, Insurance coverage etc.)
- vii.** Adherence to system & procedures. Top sheet implementation
- viii.** Any fraudulent activity.
- ix.** Checking of observance of KYC norms/Junk PAN/ Pseudo named accounts
- x.** Submission of various key Returns
- xi.** Availability / generation of various reports for audit purposes in CBS platform
- xii.** Forex Business, wherever applicable, reconciliation of all logs generated from SWIFT environment for all financial and non financial transactions on daily basis.
- xiii.** Verification of master data creation in borrowal accounts.
- xiv.** To scrutinize the overseas direct investment transaction, if any, and to Certificate for overseas direct investment as per check list.
- xv.** Certificate for intermediary accounts (wherever applicable) should be issued quarterly basis.
- xvi.** Coverage of retail credit loans in branch including CRBB and reporting deviations observed, if any.

Types of activities to be Covered:

- i.** The concurrent audit will see whether the transactions or decisions are within the policy/laid down parameters fixed by the Head office.

- ii.** They do not violate the instructions or policy guidelines of the RBI.
- iii.** The transactions are within the delegated authority.
- iv.** Concurrent Audit is risk based On Line where irregularities of various areas like Advances, Deposits, NPA management, Housekeeping etc. are described in Check List and auditor has to feed check list at the moment he /she observes any deviation.
- v.** In addition to it there is manual part also where auditor has to report irregularities.
- vi.** The coverage should include documentation/ rate of interest applied/ commission, charges, adherence to margin norms etc.

G. Key Scrutiny Areas suggested by RBI :

- i.** Items of coverage suggested by Reserve Bank of India are Cash, Deposits, Safe Custody of Securities, Investments, Overdue Bills, Exercise of Discretionary Powers, Sundry and Suspense Accounts, Inter-Branch Reconciliation, Clearing differences, Foreign Exchange Business including reconciliation of Nostro Accounts, KYC verification for advance remittances, Scrutiny of Bills of lading, Off Balance Sheet items like Letters of Credit and Bank Guarantees, Treasury Functions etc. which are included in the Audit Manual meant for Concurrent Auditors.
- ii.** Minimum areas to be covered by concurrent auditors are more structured. More focus has been given on control measures on fraud prone areas. Special thrust has been given transaction testing in relation to high risk transactions having large financial implications.
- iii.** Adequate comments/ observations are required in areas like KYC compliance, review of accounts, risk categorization and adherence to regulatory guidelines in respect of bills discounting and advance remittance against import/ exports.

The Auditors are also required:

- 1.** To follow the list of “Dos & Do not” mentioned in the enclosed.
- 2.** To submit Quarterly certificate regarding compliance of RBI guidelines in transactions in Intermediary E-payment Settlement accounts to Zonal office with quarterly report and one copy to Head Office Inspection department, 14 India Exchange Place Kolkata in separate envelop for branches dealing with e-payment settlement accounts.

- 3.** Depository Participants (DP) a/cs verifications and certification of NSDL/ CDSL reports of the Depository Participants branches.
- 4.** To ensure closure of all impersonal accounts opened in Current / Savings Bank account.
- 5.** To ensure spot rectification of the irregularities on regular basis.
- 6.** To verify that no pseudo named accounts exist in system.
- 7.** To verify that no JUNK/ INVALID PAN entered in the system.
- 8.** To verify that Compliance of Zero Tolerance Level (ZTL) and Fraud Sensitivity Index (FSI) are meticulously followed.
- 9.** To verify that Top Sheet has been properly filled in, evaluated and kept in respective files.
- 10.** To verify that the accounts being opened are duly KYC complied.
- 11.** To verify & report position of IRAC classification on the prescribed formats on quarterly basis.
- 12.** Checking of diversion of funds/ willful defaulter (to be reported to Recovery Deptt H.O. under copy to Concurrent Audit Cell H.O. by a Special report)
- 13.** To check and verify master data entered in CBS system both for deposit and loan accounts. Ensure that all terms and conditions including repayment schedule for each loan account, in CBS system are as per latest sanction letter.
- 14.** To verify from master data that all terms and conditions of restructuring, as per latest sanction letter, has been incorporated by branch in CBS system.
- 15.** To check & issue a certificate about the bonafides of the forex transactions undertaken by the branch including the correctness of Form A-1 & A-2 (for branches dealing in foreign i)To check & certify claims of turnover commission / agency commission on government business in case of link branches.
- 16.** To check & certify statement required by Head office, RBI etc regarding branch's business i.e. statement of all old irrecoverable balances in flabby asset accounts.
- 17.** To verify unusual activities (Deposit & withdrawal of cash) in-
 - i. Dormant & Inoperative a/cs and usually low balance a/cs.
 - ii. Newly opened accounts.
 - iii. Non KYC complied accounts.
- 18.** To verify that unit visit report in extant format is duly filled in, evaluated and kept in respective file of borrowers.

19. To verify that all fresh disbursed loan document files have approver certificate under DeVA (Documents Electronic Verification and Approval) and to check that document archival is properly maintained as well as the documents are systematically arranged.

20. To verify that LAMP is being implement as per laid down norms.

21. To verify rectification status of LFAR observations and certification thereof.

22. Reconciliation of all logs generated from SWIFT environment for all financial and non financial transactions on daily basis.

23. Further, the Concurrent Auditor should also certify the following important issues

a) To submit certificate regarding Verification, authentication and preservation of exceptional transactions reports (Monthly)

b) To submit certificate regarding submission of claims under interest subvention on eligible Housing/education and export credit as also agricultural credit (fresh and regular repayment)

c) Conducting Quarterly review of accounts in selected Branches as per RBI guidelines.

d) To check/verify/certify old irrecoverable balances, unreconciled/unadjusted entries, flabby assets etc.

e) Following guidelines given in RBI Circular No. DBS.ARS.NO.BC.08/08.92.001/2012 -13 dated 25.06.2013 should be followed:

“ In respect of few branches below the cut-off point, which are subject to concurrent audit by Chartered Accountants , LFARs and other certifications done earlier by SBAs will now be submitted by the concurrent auditors and such branches may not generally be subject to statutory audit “ Auditors are to submit LFAR and other certifications.

The auditors are also to review and certify quarterly / half yearly ended balance sheet, Profit & Loss statement and other related certificates. (The concerned Branch Concurrent Auditors will be advised separately in this regard).

f) Checking and reporting of outstanding TDS demands & unconsumed challans from FY 2007-08 to 2017-18.

g) Certificate for overseas direct investment, if any.

h) To verify compilation of DSB returns by the branch.

24. Flash Report:

In case of detection of following serious irregularities, the auditors will submit a “Flash report” immediately to the Executive Director & the General Manager (Inspection & General Administration) Head office under copy to the concerned Zonal office:

- a) In advances having total credit limit of Rs.5.00 Crore & above:
 - i) If account remain continuously overdrawn for six months or more
 - ii) No operation / turnover in the account for three months or more
 - iii) Dilution of security without approval
 - iv) Misappropriation / diversion of funds disbursed
 - v) If stock is not found as per stock statement
 - vi) Substantial unjustified decrease in hypothecated stock not supported by proportionate reduction in debit balance.
- b) Cash shortage

25. Special Report :

In case of detection of fraudulent transactions involving malafide, corrupt practices and gross in-discipline or anything susceptible to be fraud or fraudulent activity or any act of exceeding vested power by the branch or if auditor smells out any foul play in any transaction, the same should not only be included in regular report but also should be **immediately** reported by a separate **Special Report** to the controlling office i.e Zonal office / Field Inspection office, the Chairman & Managing Director, Head Office as well as the General Manager (Inspection & General Administration) Head office, the Chief Vigilance Office, Head office and RBI, DBS, Central office, Mumbai when amount involved is Rs.100 lacs or more & to RBI, DBS. Kolkata if amount involved is less than Rs.100 lacs.

A copy of such report sent to RBI must be endorsed to the Chairman & Managing Director to enable us to take timely corrective action.

In case of Special Report/Flash report, wherever rectification could be done on spot, the same may be referred to the branch/ZO and got rectified on spot. However, where the same is not rectifiable, should be submitted as Special Report / Flash report.

26. The check-list is only indicative and the audit firm should also comply with and execute any given assignment subsequently with reference to the conduct of audit in any functional areas of the branch including visit of the units. No separate remuneration shall be payable by the Bank for any assignment taken under such request.

I. Rating of Concurrent Auditor's.

Rating of the Concurrent Auditor's performance will be done as under: -

Sl	Indicative parameters	Allotted Marks	Marks obtained
1	Branch Attendance	20	
2	Submission of Report (timeliness) by mail	20	
3	Reporting format and coverage	20	
4	Quality of report	20	
5	Visit/verification/authentication	20	
6	Stock Audit/Stock verification/end use/asset creation	20	
7	Comments on documentation, charge creation & reporting	20	
8	Revenue leakage & recovery (eligible above Rs.50000/only)	10	
9	KYC/Cash/Security items/SBI balance/Flabby assets	20	
10	Spot Rectification	60	
11	ZTL and FSI of the branch	20	
12	Improvement if rating percentage	20	
13	Comments on FEX business wherever applicable	10	
14	Liaison and relation with the branch / ZO	10	
15	Submission of Special Report/fraud/flagging of alerts etc.	10	
	Total	300	

Summary of Bio Data for CHARTERED ACCOUNTANTS

<u>Summary of Bio Data Chartered Accountants</u>			
1	Registration No of the Firm with ICAI		
2	Date of Establishment		
3	RBI Unique Code No (UCN NO)		
4	Name of the Audit Firm		
5	Address(Head office) Flat No/ Street		
6	Address(Head office) City/ Vil		
7	Address(Head office)State with PIN Code		
8	Address (Phone no/ Mobile No)		
9	Address (Email Address)		
10	Branch/s of the Firm(Please mention the city)		
11	Category of the Firm as on 31.03.2018		
12	Whether FCA / ACA	YES/NO	
13	Whether Passed DISA/ CISA	YES/NO	
14	Any Partner/ Prop. is having valid NISM Certificate	YES/NO	
15	Any Partner/ Prop. passed course on Concurrent Audit conducted by ICAI*	YES/NO	
16	Any partner/ Proprietor is Ex- banker	YES/NO	
17	Firm's experience of Statutory Audit of Nationalised Bank	YES/NO	
18	Firm's experience of Concurrent Audit of Nationalised Bank	YES/NO	
19	Firm debarred/ de empanelled by ICAI/RBI/any Bank	YES/NO	

PLEASE FILL AND ATTACH THIS FORMAT AT THE TOP OF YOUR APPLICATION POSITIVELY

**APPLICATION FOR INCLUSION OF NAME IN THE PANEL OF CHARTERED
ACCOUNTANTS FOR CONCURRENT / REVENUE AUDIT**

01. Name of the Audit firm :

02. RBI Unique Firm Code No(UCN NO.):

03. . Category of Firm as on 31.03.2018:
(As per RBI Panel of Statutory Auditors)

04. Address- (Head office)/Sub Office :

05. Date of Establishment :

06. Registration No. of firm with ICAI :

07. PAN No. of firm :

08. Phone number (With STD number) of H.O.:

09. Mobile No. :

10. E-mail address :

11. Details of branch Of Firm

Name of branch	Name of Branch Head	Address	Phone / mobile No & E-mail.

12. Constitution (Proprietorship/ Partnership):

(Copy of UCN No., Partnership deed & Copy of constitution Certificate issued by the ICAI certifying the constitution of the firm & it's branches as on 01.01.2018 to be enclosed. If there is any change after 01.01.2018, latest certificate & latest partnership deed may be submitted).

14. Particulars of Full time partners / proprietor:

S. No	Name	Age	ICAI Membership No.	Whether FCA / ACA	Any Partner/ Prop. Passed DISA/ CISA *	Any Partner/ Prop. passed course on concurrent audit conducted by ICAI*	Whether any partner / Prop. is Ex-banker **	Any partner/ Prop is having valid NISM Certificate*

***(Xerox copies of the certificates to be enclosed. Certificate of practical training or Eligibility test are not at all required.**

****If any partner is ex-banker, his concerned service certificate is to be submitted.**

All partners / proprietor mentioned above are full time practicing Chartered Accountants & not employed elsewhere.

15. Past Experience of Important Bank Assignment (Experience of Firm only to be mentioned. Separate experience of partners with any other firm is not to be mentioned) -Details of the important bank assignment(s) completed in the last 5 years and those in hand at present

Experience of Statutory Audit of Nationalised Banks:

Name of Bank	Name of branch	Year

(Copy of appointment letter for latest assignment to be enclosed)

16. Experience of Concurrent Audit of Nationalised Banks /Major Private Sector banks*

Name of Bank	Name of branch	Year

(Copy of appointment letter for latest assignment to be enclosed)

*No other audit to be mentioned here except Concurrent Audit.

17. Experience of concurrent audit of specialised functions in Nationalised Banks / Major Private Sector banks (i.e. treasury, forex, dealing room, I.S.Audit & risk based internal audit- No other audit like Revenue audit or stock audit to be mentioned here):

Nature of audit	Name of Bank	Name of branch	Year

(Copy of appointment letter for latest assignment to be enclosed)

18. If firm or partners / proprietor has taken any advance or guarantee for third party advances from Allahabad Bank, please furnish necessary details as under:

Name of firm/ partner/ proprietor	Name of Bank's Branch	Nature of advance & Dr. balance as on date

19. Whether the firm or any partner have ever been debarred /de-empanelled by ICAI/RBI/our Bank/any other Bank. If yes, details to be mentioned:

20. Bank Account Number with IFSC code for making payment (preferably in Allahabad Bank) :

21. Any other details :

I/We further confirm that:

- a) Any other firm where my / our proprietor / partner is interested as proprietor / partner shall not submit bio-data
- b) The firm / any partner was not statutory auditor or sister/associate concern/Network firm of Statutory auditors of branches of Allahabad Bank for the year 2017-18 & I/we are not disqualified under any of grounds given in Sec.226 of the Companies Act,1956
- c) Credit facilities availed by the firm or partners / proprietor or firms in which they are partners or directors including any facility availed by a third party for which the firm and it's partners / proprietor are/is guarantor/s have not turned or are existing as Non-performing assets as per the prudential norms of RBI.
- d) I/We have necessary office set up & adequate personnel to ensure proper deployment and timely completion of assignments.
- e) The assignment will not be given on sub-contract to any outside firm or other persons even though such persons are qualified Chartered Accountants.
- f) If my/ our name is included in the Bank's list of approved CAs/Consultants, I / we will undertake to do the tasks entrusted to me / us in the best interest of the Bank & in a professional manner & I/We shall abide by the rules and regulations of the Bank in force from time to time and will always keep the bank's interest foremost in mind. In case of any misconduct / negligence, the Bank is free to report the matter to RBI / ICAI. This will be in addition to the disengagement from the assignment.
- g) The details / information furnished above are/is true and correct. If any detail furnished above is found incorrect later on, the Bank has the right to terminate the assignment, if given any, without giving any notice.

Date :

Signature of All partners with Name
and ICAI Membership No.

Office Seal

Application Form for Retired Staffs

The Assistant General Manager
Inspection Department
Allahabad Bank
Head Office
Concurrent Audit Cell
4th floor, 14-India Exchange Place,
Kolkata – 700 001.

Dear Sir,

Application for Appointment as Concurrent Auditor.

I submit my application for the post of Concurrent Auditor of our Bank.
I furnish my brief particular as under.

Name (in Capital Letter).....
PF No.....
Date of Birth.....
PAN Number.....
Aadhar No.....
Present Address
.....
Permanent Address.....
.....
Mobile No
Email ID.....
Pension Account No. with name of branch.....
Date of Appointment in Bank.....(As.....)
Date of Retirement
Retired in Scale.....
Completed years of service.....
Experience as Officer:

Experience	No. of Years/Months
Total Branch exposure as an Officer	
As In-charge of branch having minimum size of Rs25.00 crore in credit.	
As an Officer in credit department of	

Branch having minimum size of Rs25.00 crore in credit.	
In HO Inspection department as an Officer	
In Field Inspection Office as an Officer	

Whether Removed/Dismissed from Bank's service :

Whether any case of CBI or any other law enforcing agency is pending :

Preferred branch for Concurrent Audit.
Residence

Distance from

- 1).....
.....
- 2).....
.....
- 3).....
.....

If my name is included in the Bank's list of Concurrent Auditors, I will undertake to do the tasks entrusted to me in the best interest of the Bank and in a professional manner. I shall abide by the rules and regulations of the Bank in force from time to time and will always keep the Bank's interest foremost in mind. In case of any misconduct/negligence, the Bank shall be free to disengage me from the assignment.

The details/information furnished above are true and correct. If any detail furnished above is found incorrect later on, Bank shall have right to terminate the assignment, if given any, without giving me any notice.

Date :
Place :
Signature

(Photo copy of ID Card issued by Bank to retired officer, PAN Card & Aadhar card to be submitted)

“Dos & Do not”

DO’S AND DON’TS FOR CONCURRENT AUDITORS

Do’s:

1. Pre concurrent audit study of the branch/ department should be done getting all relevant information and off site surveillance reports of the auditee available in system.
2.Prepare proper audit plan based on 1 above, covering all the areas of the scope, keeping in the view the time lines
3. Have a structured introductory meeting with the auditee and seek all the information required in advance with proper time schedule. Introduce the audit team to the auditee officials.
4.Audit team should accompanied by senior and experienced members as required.
5.Auditors to display team spirit and avoid misunderstandings/ arguments in the presence of auditees.
6.Discuss his findings with branch officials regularly i.e. on daily basis / weekly basis, depending upon it’s seriousness & try to rectify the defects then and there itself.
7.Give auditees a chance to express their opinion while discussing the issues. Getting proper explanation in a co-operative atmosphere will save precious time.
8.In case of difference of opinion with auditee, the auditor should first discuss with the leader of his team. Further discussion with zonal office may be made, if required.
9.In case, auditor comes across any information which causes him to suspect any element of fraud, gross negligence, gross incompetence or similar unfavorable actions or tendencies, he should report the matter to the leader of the team immediately who will in turn submit a special report.
10.Auditor should keep utmost secrecy of the information/ audit observations/ issues etc. relating to the auditee.
11.Be courteous, cooperative and professional.

Don’ts

1.Auditor will not accept any professional work on behalf of customers of the concerned branch, after accepting the audit during it’s whole tenure. However, the Auditor may continue with those customers of the branch with whom they have professional relationship prior to their appointment as Concurrent Auditor.
2.Auditor should not take advantage of his association as concurrent auditor with the branch/ department of the bank and canvas for any client/ business with the bank either directly or indirectly.
3.Auditor should not share/ pass on/ discuss any audit related observations/ issues/ findings with any one other than concerned in the bank.
4.Auditor need not act overly reserved or unfriendly in order to maintain his independence as an auditing officer. A forbidding attitude on his part may well cause others to adopt the same attitude towards him. This can adversely affect the work entrusted to the inspecting officer.
5.Auditor should not get involved in heated argument with auditee.
6.Auditor should not give orders to auditee and seek requirements from the officer assigned to assist him on a particular job. The concerned officer would issue the necessary orders to their employees if he accepts inspector’s suggestions and recommendations.
7.Auditor should not delay the submission of audit report

Annexure- VIII

Minimum Audit Programme for Concurrent Audit System in Commercial Banks	
DBS.CO.ARS.No. BC. 2/08.91.021/2015-16	
July 16, 2015	
Sr. No.	Items
A	Cash transactions -Verify
(i)	Surprise physical verification of cash at branch and ATM along with safekeeping
(ii)	Daily cash transactions, particularly any abnormal receipts & payments.
(iii)	Surprise verification of cash by an officer other than the joint custodian.
(iv)	Proper accounting of and availability of insurance cover for inward and outward cash remittances.
(v)	Accounting of currency chest transactions and delays/omission in reporting to
(vi)	Reporting of Counterfeit Currency.
(vii)	All cash transactions of Rs. 10 lakh and above reported in CTR.
(viii)	That all cash transaction of Rs. 50,000 and above invariably indicate Pan
B	Clearing transactions -Verify
(i)	Reconciliation with bank's account at Clearing House and review of old outstanding entries for reconciliation.
(ii)	Drawings allowed against un-cleared instruments - sanction by the controlling
C	Remittances/Bills for Collection -Verify
(i)	Remittance of funds by way of DDs/TTs/MTs/TC/NEFT/RTGS any other mode in cash exceeding the prescribed limit.
(ii)	Documents of title (lorry receipts, railway receipts, etc.) obtained in favour of the bank and the concerned transporters are on the IBA approved list.
(iii)	Outstanding balance in DP and other transit accounts pending payment beyond prescribed period.
D	Deposits -Verify
(i)	Adherence to KYC/AML guidelines in opening of fresh accounts and monitoring of transactions in such accounts.
(ii)	Large term deposits received and repaid including checking of repayment of term deposit in cash beyond permissible limit.
(iii)	Accounts opened and closed within a short span of time i.e., accounts with
(iv)	Activation and operations in inoperative accounts.
(v)	Value dated transactions.
(vi)	Settlement of claims of deceased customers and payment of TDRs against lost receipts and obtention of indemnities, etc. To check revival of dormant accounts and accounts with minimum
(vii)	Examination of multiple credits to single accounts.
E	Treasury operations -Verify
(i)	If branch has acted within HO instructions for purchase and sale of securities.
(ii)	Periodic confirmation of Derivative contracts with counterparties.
(iii)	Adherence to regulatory guidelines with respect to Treasury deals/structured
(iv)	Controls around deal modification/cancellation/deletion, wherever applicable.
(v)	Cancellation of forward contracts and passing/recovery of exchange gain/loss.
(vi)	Gaps and OPL maintained in different currencies vis-à-vis prescribed limit for
(vii)	Reconciliation of Nostro and Vostro accounts-balances in Nostro accounts in different foreign currencies are within the limits prescribed by the bank.
(viii)	Collection of underlying documents for Derivative & Forward contracts. Delays,
(ix)	Instances of booking and cancellation of forward contracts with the same counterparty within a span of couple of days or a few days.

(x)	Sample checks some of the deals and comment on the correctness of
(xi)	Checking of application money, reconciliation of SGL account, compliance to
(xii)	Checking of custody of unused BR Forms & their utilization in terms of Master Circular on
(xiii)	To ensure that the treasury operations of the bank have been conducted in accordance with the instructions issued by the RBI from time to time.
F	Loans & Advances-Verify
(i)	Report Bills/cheques purchased, if in the nature of accommodation bills.
(ii)	Proper follow-up of overdue bills purchased/discounted/negotiated.
(iii)	Fresh loans and advances (including staff advances) have been sanctioned properly and in accordance with delegated authority.
(iv)	Reporting of instances of exceeding delegated powers to controlling/head office by the branch and have been confirmed or ratified by the competent authority.
(v)	Securities and documents have been received as applicable to particular loan.
(vi)	Securities have been properly charged/ registered and valued by competent person. Whether the same has been entered in the bank's system.
(vii)	All conditions of sanction have been complied with.
(viii)	Master data relating to limit, rate of interest, EMI, moratorium period details have been correctly entered and updated/modified in the system.
(ix)	Value dated entries passed in advances accounts.
(x)	Post disbursement supervision and follow-up is proper, such as timely receipt of stock and book debt statements, QIS data, analysis of financial data submitted by borrower, verification of
(xi)	Whether there is any misutilisation of the loans and whether there are instances indicative of diversion of funds.
(xii)	Compliance of prudential norms on income recognition, asset classification and provisioning pertaining to advances.
(xiii)	Whether monthly updating of drawing power in the computer system on the basis of stock statements/book debt statement/ other financial data
(xiv)	Recovery in compromise cases is in accordance with the terms and conditions of the compromise agreement.
(xv)	To check review and renewal of loans.
G	LC/BG -Verify
(i)	LC/BG issued/amended as per the approved format/model guarantee prescribed and standard limitation clause incorporated. Whether counter
(ii)	Any deviation from the terms of sanction in regard to margin, security, purpose, period, beneficiary, collection of charges, commission/fee, etc.
(iii)	Whether payment is made to the debit of party's account on due date without creating overdraft/debiting suspense, in case of deferred payment
H	Foreign Exchange transactions-Verify
(i)	Recovery of charges as per HO Guidelines.
(ii)	Packing credit released, whether backed by LC or confirmed export order.
(iii)	Availability of ECGC cover and compliance with ECGC terms.
(iv)	Submission of statutory returns on export/ import transactions, like BEF statements, XOS, write off of export bills, etc. Follow up of outstanding export bills and exchange control copy of bill of
(v)	Irregularities in opening of new accounts and operation in NRO, FCNR, NRE, EEFC, etc., and debits/credits entries permissible under the rules.
(vi)	Whether operations in FCRA accounts are as permitted by MHA and FCRA
(vii)	Booking, utilization, extension and cancellation of forward contracts.
I	House Keeping -Verify
(i)	Exceptional transaction reports are generated and verified by branch staff as

(ii)	Review of all balance sheet heads and outstanding entries in accounts, e.g., suspense, sundry and inter-bank accounts. Review of follow up of entries pending for
(iii)	Scrutiny of daily vouchers with more emphasis on high value transaction including high value expenses and debit entries in Suspense account.
(iv)	Debits in accounts where signatures are pending for scanning.
(v)	Whether records related to KYC/vouchers and other critical areas are sent to specific places like archival center, record room as per stipulated periodicity.
(vi)	Adherence to KYC/AML guidelines in opening fresh account and subsequent modifications of records and monitoring of transaction.
(vii)	Verification of IBD(Inland Bills Discounting)/ Bills Remitted entries.
J	Verification of Merchant Banking Business-Verify
(i)	Whether the instructions given by the controlling branch are properly followed where the branch acts as a collecting branch for issue business.
(ii)	Whether daily collection position is advised to the controlling branch.
(iii)	Whether recovery of the commission/fees and out of pocket expenses as agreed with the respective companies and whether the competent authority has duly authorized any waiver or
(iv)	Whether the prescribed preventive vigilance measures are observed by the branch.
(v)	Where data entry or data processing work is entrusted to outside agencies, the competent authority duly approves these and the prescribed stamped indemnity has been obtained from
(vi)	Whether dividend interest warrants/refund payment accounts of companies are funded prior to dispatch of the relative warrants by the companies and there is no
(vii)	Whether Claims for reimbursement of amounts of paid warrants received from paying branches are processed and debited to the concerned company's account
(viii)	Whether charge on security has been created, wherever debenture trustee activity is undertaken by bank.
K	Verification of Credit Card/Debit card –Verify
(i)	Application for the issue of credit card has been properly examined and record of issue of the same has been maintained.
(ii)	Whether overdraft/debits arising out of the use of credit cards are promptly recovered and informed to higher authorities.
(iii)	Whether undelivered credit cards are properly kept as security items and followed up with credit card department for further instructions.
(iv)	Physical verification of ATM cards, debit cards, credit cards, passwords and PINS, control over issue & delivery, safe keeping and custody at all the locations. Report loss
L	Others –Verify
(i)	Compliance of provisions relating to Tax Deducted at Source, service tax, trade tax, other duties and taxes.
(ii)	Physical verification of inventory, control over issue of inventory, safe keeping and custody of security forms. Report any loss of such items.
(iii)	Physical verification of other deliverable items, control over issue, safe keeping and
(iv)	Physical verification of Gold coins, control over issue, safe keeping and custody. Checking of
(v)	Custody and movement of branch keys.
(vi)	Locker keys and locker operations-linking of FDR as security for locker/operation of locker/inoperative lockers/ nomination/other issues.
(vii)	Safe custody of branch documents like death claim cases, issuance of duplicate DD/PO/FDR, checking of indemnities, etc. and verification of documents executed during the period under audit.
(viii)	Reporting of frauds.