



ALLAHABAD BANK
(A GOVERNMENT OF INDIA UNDERTAKING)
HEAD OFFICE : 2, NETAJI SUBHAS ROAD, KOLKATA-700 001

CONCURRENT AUDIT CELL, PHONE – 033-2242 - 0919 /033-22627044
FAX -2231-2422, E-MAIL- ho.ins@allahabadbank.in

Application For Concurrent / Revenue Audit (Year 2017-18)

BIO-DATA FORMAT - (Year 2017-18)

1. Allahabad Bank invites applications in the under noted prescribed format from practicing firms of Chartered Accountants of India who are willing to have their firm empanelled as Concurrent / Revenue Auditor in the Bank.
2. The panel of auditors maintained last year (including existing concurrent auditors) since expired and will not be further used. **Hence, all the concurrent auditors selected earlier have also to apply afresh for the empanelment process.**
3. The Bio-data should be submitted in the under-noted format to the **Dy. General Manager, Inspection Deptt, Concurrent Audit Cell, Head office, Fourth Floor, 14, India Exchange Place, Kolkata –700001** only by Reg. or speed post / courier.
4. **"Application for empanelment for Concurrent & Revenue Audit-2017-18"** should be mentioned on the envelope carrying Bio-data
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 Bio-data:
 - 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 2016-17.
 - c) Associate concerns of Audit firms who have conducted statutory audit of Allahabad bank branches for the year 2016-17, 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 Bio-data 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 Bio data form should be signed by all partners.
10. Any change in the Bio-data format will result in rejection of the same.

11. The last date for receipt of Bio-data is 05th August, 2017. Please dispatch Bio – Data in such way that it must reach to above address (mentioned at point no. 3), latest by 05th August 2017 positively. Please note that application received thereafter will not be entertained.

The selection and eligibility criteria of Concurrent Auditors will be as under:

- a. The firm should be selected from the **RBI panel of CA Firms** as per the gradation suggested for Statutory Branch Auditor appointment
- b. The firm should preferably be a partnership firm of Chartered Accountants.
- c. One of the Auditors (any of the partner or employed CA) should be qualified as CISA / DISA with necessary exposure to the Systems Audit.
- d. Weight age to be given to the firms, where the partners themselves are ex-bankers or the firm has got tie-up with ex-bankers with requisite experience and exposure.
- e. It is to be ensured that the audit firm or any sister / associate concern / network firm is not conducting the Statutory Audit of the Bank or any of its Branches.
- f. Weight age to be given to a firm having exposure in conducting Concurrent Audit of the Bank Branches of a few public sector / major private sector Banks.
- g. The firm should have necessary office set up and adequate personnel to ensure proper deployment and timely completion of the assignments.

12. 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.

13. Concurrent Audit Fee Structure :

| Branches with total Business as on 31st March 2016 | Audit Fee (in Rupees, Per Month `) |
|--|--|
| 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 |

14. Zonal Manager / Inspection Department may not pay the bill if any report is not submitted as per the time schedule / not submitted 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 CA firm can be approved by GM, Inspection Deptt, HO on the recommendations of Zonal Manager.

15. 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.

16. Empanelled Chartered Accountants are 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.
17. 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 & initiate disciplinary action. Such firms will be black listed and they will not be eligible for assignment of audit work with Bank for next five years.
18. 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.
19. 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)
20. 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.
21. 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.
22. 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.
- 23. 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.**

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 etc.

A. Purpose of Concurrent Audit

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

- i. Detection & Realization of Revenue Leakage
- ii. Documentation including equitable 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, 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.
- xiii. Verification of master data creation in borrowal accounts.
- xiv. To scrutinise 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.

B) Other Important Areas To Be Covered-

- i) To submit certificate regarding verification, authentication & preservation of Exceptional transaction reports (monthly).
- ii) To submit certificate regarding submission of claims under Scheme of 1% interest subvention on eligible housing loans (monthly)
- iii) To submit certificate regarding submission of claims under Central Scheme for Education loan interest subsidy (for half year ending Mar & Sept)
- iv) To ensure closure of all impersonal accounts opened in Current / Savings Bank account.
- v) Top sheet has been properly filled in, evaluated and kept in the respective file of all new borrowal account and enhancement.
- vi) Unit Visits Report/ Asset verification Report properly filled in and evaluated.
- vii) Pseudo named accounts do not exist in the branch.
- viii) Compliance of Zero Tolerance Level (ZTL).
- ix) No junk PAN number / Aadhar Card number entered in the system.
- x) To verify SRS returns prepared by the branches in duplicate on quarterly basis & to sign each page of the same. A report on correctness of the same should be submitted to the Chief Manager, General Accounts & Audit Deptt. Head Office, branch & Zonal office.

- xi) To verify & report position of NPA classification on the prescribed formats on quarterly basis.
- xii) 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)
- xiii) 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 exchange)
- xiv) To check & certify claims of turnover commission / agency commission on government business in case of link branches.
- xv) 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, statement of claim of reimbursement of RBI Relief bonds etc in prescribed formats..
- xvi) To conduct unit visit as per our advices contained in the Audit Manual.
- xvii) 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.
- xviii) To scrutinise the overseas direct investment transaction, if any, and to Certificate for overseas direct investment as per check list.
- xvix) Certificate for intermediary accounts (wherever applicable) should be issued quarterly basis.
- XX) In terms of RBI guidelines certification for quarterly review for loan assets and other reports as also LFAR for annual audit in March ending to be made.
- Xxi) All fresh disbursed loan document files must have approver certificate under DeVA (Documents Electronic Verification and Approval).

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 & RBI Inspection) 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

b)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 & RBI Inspection) 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 before issuing Special Report / Flash report.

RATING OF CONCURRENT AUDITOR

1) Rating of the Concurrent Auditors' performance be done as under: -

| Sl | Indicative parameters | Allotted Marks | Zone |
|-----------|---|-----------------------|-------------|
| 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 | |

- Detail parameterisation given in the next page.
- Zonal Office at the time of submission of quarterly compliance/file closure, a sheet covering auditor wise marking to be mailed to HO and FIO Head along with monthly letter of each quarter, the same has to be sent.
- Average rating will be made for all branches except that of Top 100 branches where, HO will allow marking and then average will be taken.

• **Evaluation :-**

| Category | Average marks | Incentives |
|---------------------|----------------------------|---|
| Excellent | 80% and above | <ul style="list-style-type: none"> • Will be renewed for next year • Deserved motivation and should be encouraged with other assignments if otherwise is eligible. • Special job may be assigned during cooling period on merit and eligibility as per norms |
| Good | 60 to less than 80% | <ul style="list-style-type: none"> • May be considered for second year, if other suitable auditors are not available • Preferably no other assignments will be allowed |
| Fair/average | Less than 60% | <ul style="list-style-type: none"> • Preferably not to be continued for second year |

• **Negative Scoring**

If revenue leakages/fraud/special Reports/non adherence of internal control system, High level of slippage without any prior information/ sanction of advance beyond MDA or without reporting in NPA, persisting irregularities of previous audit and not reported etc. Will attract negative scoring and may lead to terminal of empanelment.

| | Key Parameters | Particulars | Mark S |
|----------|--|---|---------------|
| 1 | Branch Attendance | 1. Partner visit : per visit 2.5 marks. 2. Assistant visit :- each visit 0.5 marks 3. Branch should maintain attendance register. | 20 |
| 2 | Submission of Report (monthly & Quarterly) Timeliness: by | Within 10th of next month / quarter : 20 marks After 10th of next month / quarter , except March quarter : No marks For March quarter : within 15th April – 20 marks After 15th April : No Marks | 20 |

| Key Parameters | Particulars | Mark s |
|---|---|-------------------|
| mail / hard copy | | |
| Reporting format and coverage | <ol style="list-style-type: none"> 1. Report as per format & covered all features- 20 2. Less than three mistakes identified :-15 marks 3. Less than five mistakes identified :-10 marks 4. Less than ten mistakes :- 5 marks 5. Ten or more mistakes no marks | 20 |
| Quality of report | <p>Qualitative comments made /verified etc like verification of ITR, Balance sheet, master data for borrowal accounts etc. Timely reporting, helping the branch in compliance, reconciliation of flabby assets, IBR/proof sheet etc.</p> <p><i>(qualitative aspects to be looked into)</i></p> | 20 |
| Visit/verification/authentication | Unit visit to fresh sanctions, renewal/reviewed accounts and high value borrowal accounts not covered earlier. Asset creation, end use, verification and estimated valuation of mortgaged properties, past track record of borrower or any other information as may be appropriate. | 20 |
| Stock Audit/Stock verification/ended use/asset creation | Verification of Stock statement registers, stock statements, Stock position and stock quality, book debts, age-wise classification, Sundry debtors/creditors, stock purchase and movement, insurance etc | 20 |
| Comments on documentation, charge creation & reporting | Customer acceptance, KYC of borrower/guarantor, due diligence, appraisal, recommendation, sanctioning, documentation, CIBIL/CERSAI/ Mortgage/ NEC/Valuation, ROC, PDCAR, PSCR, CPA etc. Comments & reporting. | 20 |
| Revenue leakage & recovery (eligible above Rs.50000/ only) | Revenue leakages (including locker) detected through verification of all possible avenues and realisation of the same. Revenue leakage beyond Rs.50000/ will be eligible for consideration. Revenue loss detection and recovery beyond stipulated fees will attract bonus number (Ten) | 10 |
| KYC/Cash/Security items/SBI balance/Flabby assets | KYC of deposit accounts, PAN number verification, Junk PAN, Pseudonymous accounts, Security items, e-products verification, reconciliation and adjustment of flabby assets, cash management, SBI balance etc. | 20 |
| Spot Rectification | This is most vital. Beyond 90%=60; 80-90%= 50; 70-less than 80%=40; 60 to less than 70%=30, 50 to less than 60%=20; 40-less than 50% =10 & below 40% =Nil | 60 |
| ZTL and FSI of the branch | In our system , the most vital parameters have been segregated separately as Zero Tolerance | 20 |

| Key Parameters | Particulars | Mark s |
|---|---|-------------------|
| | Areas and Fraud sensitivity index 100%= 20; 90-less than 100%=15; 75 to less than 90=10; 60-less than 75%=5. Less than 60% Zero | |
| Improvement if rating percentage | Category Change-20, Percentage Changed : 10% above=15, 6-less than 10%=10, 2 to less than 6% = 5. Less than 2%= nil | 20 |
| Comments on FEX business wherever applicable | Report about business growth, statutory report/returns submission, commission earning, KYC and documentation, market report and trend analysis. | 10 |
| Liaison and relation with the branch / ZO | Regular attendance, irregularities to be jotted in Excel sheet every day and at the day end to be handed over in Medium/large branches and to concerned persons/branch head in VLB/ELB/EELB. Regular meeting with staff /officers/Awareness campaign and motivation for instant rectification. Pragmatic and proactive approach. Weekly meeting by the partner to ensure rectification. Old arrears /entries to be reconciled. | 10 |
| Submission of Special Report/fraud/flagging of alerts etc. | Any irregularities, lapses etc, if identified, must be tried to be rectified at the branches except exceptional cases as guided in the manual. If the branch does not attend within a week, refer the matter to ZO. If the same is not resolved within 15 days, report/mail to HO (GM Insp). However, in case of fraud, cash defalcation etc, matter should be flagged as per guidelines. | 10 |
| Recovery | In most of the branches, the scope of FEX business is limited. In such branches, the role of concurrent auditor towards recovery, follow up etc may be considered during their course of unit visit, asset verification etc in the field. | 10 |

BIO-DATA FORMAT- 2017-18

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

01 Name of the Audit firm :

02 Date of Establishment :

03 RBI Unique Firm Code No. :

04 Category of Firm as on 31.03.2017
(As per RBI Panel of Statutory Auditors)

05 Registration No. of firm with ICAI :

06 PAN No. of firm :

07 Address (Head office) :

08 Phone & mobile number of H.O. :

09 Fax No.& E-mail :

10 Details of branch Of Firm

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

11 Constitution (Proprietorship/ Partnership):

(Copy of partnership deed & Copy of constitution Certificate issued by the ICAI certifying the constitution of the firm & it's branches as on 01.01.2016 to be enclosed. If there is any change after 01.01.2016, latest certificate & latest partnership deed may be submitted).

12. Particulars of Full time partners / proprietor:

| S.No. | Name | Age | ICAI Members hip No. | Whether FCA / ACA | Whether passed DISA/ CISA * | Whether any partner/ Proprietor passed course on concurrent audit conducted by ICAI* | Whether any partner/ Proprietor is Ex-banker ** |
|-------|------|-----|----------------------|-------------------|-----------------------------|--|---|
| | | | | | | | |

*(**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.

13. 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)

14. 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.

15. 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)

16. If firm or partners / proprietor has taken any advance 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 |
|-----------------------------------|-----------------------|--|
| | | |

17. Whether the firm or any partner have ever been debarred / depanelled by ICAI/RBI/our bank/any other bank. If yes, details to be mentioned:

18. Annual Income:

(Copy of the latest Income tax Return of the Firm to be attached.)

19. Bank Account Number With IFSC code for making payment (preferably in Allahabad Bank)

20. 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 2015-16 & 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 are 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 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 right to terminate the assignment, if given any, without giving any notice).

Date :

*Signature of All partners with
Name and ICAI Membership Nos
Office Seal*