



**INVITATION FOR SUBMISSION OF QUOTATION FOR
CONDUCTING CONCURRENT/EXTERNAL AUDIT OF THE BANK FOR
F.Y.2025-26**

Applications are invited from eligible Chartered Accountant (CA) Firms for conducting Concurrent/External Audit of “The Andhra Pradesh State Co-operative Bank Limited” (APCOB) for the Financial Year 2025-26.

Schedule of Events:

- Opening date for receipt of applications - 07.05.2025
- Last date for receipt of applications - 20.05.2025
- Date for opening of Technical Bids - 21.05.2025
- Date for opening of Financial Bids - 22.05.2025

I. Job Profile:

To conduct Concurrent/ External Audit of APCOB, Head Office and its 18 branches for the F.Y.2025-26.

II. Eligibility Criteria:

- a. The audit firm shall have been enrolled/registered with Institute of Chartered Accountants of India (ICAI).
- b. The audit firms falling under category I, II & III.
- c. Audit firms having experience in bank audit for 05 years and more.
- d. The audit firm name shall appear in the Diploma in Information System Audit (DISA) qualified list of CAs provided by ICAI.
- e. The factors like number of FCA/ ACA available with the firm, year of establishment, number of years of experience in the bank audit etc. will play crucial role in selection of the firm.
- f. Audit to be conducted as per the extant guidelines of NABARD/ RBI.

III. Procedure for Empanelment:

The selection of chartered accountant firm as Concurrent/External auditor of the Bank is completely based on the soundness and experience of the CAs and Professional Staff available and price quoted by the firm. The bank reserves the right to finalize the CA firm and appoint as Concurrent Auditor of the Bank for the F.Y.2025-26.

IV. Application Guidelines:

- a. Chartered Accountant firms can apply from 07.05.2025 to 20.05.2025 in the application proforma prescribed by the Bank, the hard copy of quotations should reach the Bank on or before 20.05.2025
- b. Incomplete applications and / or applications without aforesaid documents will be rejected without assigning any reason thereof.
- c. Any resultant dispute arising out of this notification shall be subject to the sole jurisdiction of the courts situated in Vijayawada.
- d. Further, it is requested to **submit the sealed quotation (Financial bid)** along with the duly filled-in application to the Head office of the Bank within the prescribed time limit in hard copy.

V. Minimum fee for quote:

- ₹7,000/- per branch per quarter (including Head Office, excluding FAD and ICD)
- ₹5,000/- per month for Funds and Accounts Department (FAD) (including Risk Management Department (RMD)) and Institutional Credit Department (ICD).

VI. Disclaimer:

In case it is detected at any stage that the firm does not fulfil the eligibility norms and it has furnished any incorrect / false information or suppressed any material fact(s), the application will stand cancelled. If any of these shortcomings is / are detected even after appointment, their services are liable to be terminated. Decision of APCOB in all matters regarding eligibility and selection would be final and binding on all applications/ firms. No further representation or correspondence will be entertained by APCOB in this regard.

Encl:

- APCOB 18 Branches and Head Office Details - (Annexure-I)
- Application Format- (Annexure-II)
- Quotation Format - (Annexure III)
- Scope of Work

HO: #27-29-28, NTR Sahakara Bhavan, Governorpet, Vijayawada, NTR District – 520002.

Dept.: IAD ☎: 0866-2429052/34 ✉: iad@apcob.org

COOPERATIVES BUILD A BETTER WORLD

Annexure-I**Address of Bank Head Office and Branches**

S.No.	Branch Name	Address
1.	Head Office	NTR Sahakara Bhavan, #27-29-28, Governorpet, Near HELP Hospital, Vijayawada-5200002
2.	Tirupathi	Plot No.21, RC Road, Tirupathi 517501
3.	Governorpet	Door No. 29-2-50 & 29-2-50/1, Rama mandiram Street, Near Old Andhra Hospital, Governorpet, Vijayawada-520002.
4.	Barkatpura	NTR Sahakara Bhavan, #27-29-28, Governorpet, Near HELP Hospital, Vijayawada-5200002
5.	Brundavan Gardens	Door No:1-2-55, JKC College Road, Opp.KLP School, JKC Nagar, Guntur Dist.522006
6.	Gannavaram	Door No:9-121, RoyNagar, Gannavaram, Krishna Dist.521101
7.	K R Market	Door No:9-3-3, Brahmin Veedhi , Kothapet, Vijayawad-520013
8.	Ramavarappadu	Door No:6121, SER Centre, Prasadampadu, Ramavarappadu Post, Vijayawada-521108
9.	Gollapudi	Door no:23-3, Sai puram Colony, Gollapudi, Vijayawada rural, krishna dist-521225
10.	Venugopala Nagar	Door No.26-46-38, Venugopala Nagar,NGO Colony, Guntur, Guntur Dist- 522004
11.	Rayapudi	Dno.3-34, Adjacent to Rayapudi PACS, Amaravathi Road, Rayapudi Village, Rayapudi PO, Tulluru Mandal, Guntur Dist- 522237
12.	Kanuru	Sai Plaza Door No.11-46/1, Opp.Pinnamaneni Teachers Colonny , Near Pantakaluva, Kanuru Main Road, Vijayawada-520007, Krishna Dist.
13.	Currency Nagar	H.No.48-19-5/1, Sri Rama Chandra Nagar Road, Bank Colony, Currency Nagar, Vijayawada, Krishna District-520008
14.	Mangalagiri	#7-551, VRK Towers, Gowtham Buddha Road, Mangalagiri, Guntur Dist.522503

15.	Moghalrajpuram	H.No.48-19-5/1, Sri Rama Chandra Nagar Road, Bank Colony, Currency Nagar, Vijayawada, Krishna District-520008
16.	Chenchupet	Chenchupet, Tenali Municipality, 1st ward, 1st block, TS No:146/4C, Plot NO MIG A-82, Chenchupet, Tenali, Guntur District - 522202
17.	At Agraharam	D.No 26-19-122/A, Nitya Nivas, Main Road, A.T. Agraharam, Guntur, Guntur District - 522 004
18.	Hanuman Junction	D.No.18-194, Kethineedi Complex, Near Railway Flyover, Nuziveedu Road, Bapulapadu, Hanuman Junction, Krishna Dist. -521105
19.	Challapalli	D.No.#14-3, Big Apple Complex, Besides police station, Challapalli-521126, Krishna District
20.	CTI	Sahakara Bhavan, #3-4-447&448, Barkatpura, Hyderabad

Business Details of the Branches

(Amt in Lakh)

		31.03.2024			31.12.2025		
S. No.	Branch Name	Total Deposits	Total Loans	Total Business	Total Deposits	Total Loans	Total Business
1.	Head Office	76842.30	3279644.94	3356487.24	56229.36	3395662.33	3451891.69
2.	Tirupathi	17448.65	3133.96	20582.61	19997.58	3570.15	23567.73
3.	Governorpet	760353.54	41576.41	801929.95	32588.07	5114.10	37702.17
4.	Barkatpura	97696.75	228.09	97924.84	908502.52	87535.26	996037.78
5.	Brundavan Gardens	17699.53	2845.89	20545.42	18174.23	3393.80	21568.03
6.	Gannavaram	2662.73	2015.37	4678.10	3013.77	2185.14	5198.90
7.	K R Market	4567.49	3271.40	7838.89	6195.37	3951.43	10146.80
8.	Ramavarappa du	3681.57	3794.03	7475.60	4831.79	4918.77	9750.56
9.	Gollapudi	5285.05	3479.71	8764.76	6866.61	4234.41	11101.02
10.	Venugopala Nagar	3929.32	2308.17	6237.49	3247.70	3290.43	6538.13
11.	Rayapudi	1385.43	563.08	1948.51	1247.11	764.93	2012.04
12.	Kanuru	6406.60	3704.31	10110.91	6006.60	4856.22	10862.82
13.	Currency Nagar	6856.50	4421.55	11278.05	6853.70	5973.61	12827.31
14.	Mangalagiri	9382.15	4616.40	13998.55	8726.71	1840.57	10567.28
15.	Moghalrajpuram	5827.47	3096.30	8923.77	6570.92	4202.58	10773.50
16.	Chenchupet	3912.86	2535.87	6448.73	3674.43	2847.32	6521.75
17.	AT Agraaram	3815.43	3388.77	7204.20	4453.68	4749.04	9202.72
18.	Hanuman Junction	1001.66	1494.10	2495.76	976.12	2759.49	3735.61
19.	Challapalli	1941.01	660.11	2601.12	2086.38	928.64	3015.02
	Grand Total	1030696.04	3366778.46	4397474.50	7764252.96	12161727.46	19925980.42

Annexure-II**Particulars of the Firm:**

S.No.	Particulars	
1	Name of the Firm	
2	a. Unique Code Number (UCN) b. Firm Registration Number with ICAI	
3	Names of the Partners of the Firm with Age	
4	Date of Certificate of Practice of each partner	
5	Contact Details: <ul style="list-style-type: none">• Name of the Person-In-Charge• Contact Number• Address of the firm• Mail id of the firm	
6	If the firm is having branches at other places, give the details of: <ul style="list-style-type: none">• Branch address• Contact person• Contact number	
7	Year of Establishment of the Firm	
8	No. of Full Time Partners (FTPs) associated with the firm for a period of atleast three (3) years	
9	Out of total FTPs, number of Fellow Chartered Accountant (FCA) Partners associated with the firm for a period of atleast three (3) years	
10	Number of paid CAs in the Firm	
11	Number of CAs with DISA Qualification in the Firm (Partners and Paid CAs)	
11	Experience in Audit of Banks <ul style="list-style-type: none">• No. of years as Statutory Central Auditor	

	<ul style="list-style-type: none"> No. of years as Statutory Branch Auditor No. of years as Concurrent Central Auditor No. of years as Concurrent Branch Auditor 	
12	No. of Professional Staff in the Firm	
13	Whether the firm is also providing Income Tax and GST services	Income Tax: Yes / No GST : Yes / No

Additional Information:

- Copy of Constitution Certificate.
- Whether the firm is a member of any network of audit firms or any partner of the firm is a partner in any other audit firm? If yes, details thereof.
- Whether the firm has been appointed as Statutory Auditor by any other Co-operative Bank/ Commercial Bank/ Firms in the present financial year? If yes, details thereof.
- Whether the firm has been appointed as Concurrent Auditor by any other Co-operative Bank/ Commercial Bank/ Firms in the present financial year? If yes, details thereof
- Whether the firm has been debarred from taking up audit assignments by any regulator/Government agency? If yes, details thereof.
- Details of disciplinary proceedings etc. against firm by any Financial Regulator/ Government agency during last three years, both closed and pending.

Declaration:

The firm complies with all eligibility norms prescribed by RBI regarding appointment of Statutory/concurrent Auditor of Co-operative Banks. It is certified that neither I nor any of our partners/ members of my/ their families (family will include besides spouse, only children, parents, brothers, sisters or any of them who are wholly or mainly dependent on the Chartered Accountants) or the firm/ company in which I am/ they are partners/ directors have been declared as wilful defaulter by any bank/financial institution.

It is confirmed that the information provided above is true and correct.

Signature of the Partner
(Name of the partner with Membership Number)
Date:

**SCOPE FOR CHARTERED ACCOUNTANTS FOR CONDUCTING
CONCURRENT AUDIT OF BRANCHES AND INTERNAL AUDIT OF HEAD
OFFICE DEPARTMENTS OF THE BANK ON QUARTERLY/ MONTHLY
BASIS**

BRANCH AUDIT:

1. Cash & Gold:

- a. Daily cash transactions with reference to any abnormal receipts and payments.
- b. If cash holdings are beyond the prescribed cash retention limits for more than 3 working days, the same shall be reported.
- c. Short or excess cash, that needs to be reported.
- d. Check Physical verification of cash by an officer other than the joint custodian are being done at branch and ATM along with safekeeping and custody.
- e. Ensure that there is no accumulation of large stocks of heavy cash and cut/mutilated/soiled notes, which otherwise needs to be reported.
- f. Check All cash transactions of Rs. 10 lakhs and above are reported in CTR.
- g. Check whether Reporting of counterfeit notes/currency is being done.
- h. Proper accounting of currency chest transactions (if any), its prompt reporting to Reserve Bank of India.
- i. Expenses incurred by cash payment involving sizeable amount.
- j. Check whether TDS is deducted on cash transactions above Rs.20lakh, in compliance with section 194N of Income Tax Act, 1961.
- k. Instances of Debit in accounts through cash and cheques where signatures and photo are pending for scanning.
- l. Verify voucher reconciliation is done on regular basis.
- m. Verify cash transactions report on daily basis.
- n. All transaction vouchers are subjected to audit within a period of one week of its occurrence.
- o. Cash: all transactions like handling of cash by all personnel (receipts, payments, exchange) denomination-wise recording of transactions, storage / strong room procedures, overseeing by their supervisors, handling of fake currency notes, cash shortage or excess cash: cause, deficiencies, system weaknesses, etc., cash retention limits i.e., general discipline in following the Bank's cash procedures.
- p. ATM - transactions in ATMs, complaints like non/short payment, "cash-out" position, verification of working of security arrangements etc.,
- q. Verify whether there is any cash difference between Physical Cash & CBS Balance. If Yes, verify the age wise details.
- r. Verify whether the daily Cash Balance statement/register is maintained and is duly signed by the Cashier & Manager on daily basis and also verify the same is being tallied with CBS.
- s. Verify whether the Gold bags are tallied with the CBS/Register and also verify the dual custodian signature is present in the register.
- t. Verify whether the 100% cross verification of Gold loans is done by Nodal officer on bimonthly basis.

b. **Deposits:**

- a. Check the transactions about deposits received and repaid and report if anything found suspicious.
- b. Verify interest paid on deposits, interest paid on matured deposits, interest paid on pre-closure deposits and calculation of interest on large deposits.
- c. Verify whether proper approvals were present for the deposit accounts where ROI is paid more than the card rate.
- d. Receipt/Payment of term deposit beyond Rs. 20,000/- is made only through current /savings bank account or by A/c payee cheque.
- e. Inoperative/dormant accounts shall be classified properly and operations in such dormant accounts are authenticated by the competent authority.
- f. Verify whether fresh KYC obtained for Inoperative accounts converted to operative during the period of Audit.
- g. Check new accounts opened. Operations in new Current/SB accounts may be verified in the initial period itself to see whether there are any unusual operations. Also examine whether the formalities connected with the opening of new accounts have been followed as per RBI instructions.
- h. Deduction of Tax at source from interest income on term deposits shall be done as per the laid down procedure.
- i. Settlement of claims of deceased customers and payments of TDRs against lost receipts and obtaining of indemnities etc. has to be as per prescribed guidelines.
- j. Examination of multiple credits to single accounts.
- k. Check whether Cheque Books charges/Cheque Return charges are levied as per Service charges guidelines issued by HO.
- l. Check whether the Branch is complying with the Nomination clause.
- m. Check whether the CBS is allowing Penal interest in case of delayed instalment payments.

c. **Advances:**

- a. Verify the genuinity of the documents produced/ submitted by the borrower.
- b. Ensure that loans and advances have been sanctioned properly (i.e. after due scrutiny and at the appropriate level).
- c. Verify whether the sanctions are in accordance with delegated authority.
- d. Ensure that securities and documents have been received and properly charged/registered as per policy guidelines.
- e. Master data relating to limit, rate of interest, EMI, moratorium period details have been correctly entered and updated/ modified in the system in accordance with Policy guidelines & sanction proceedings. Verify the same for all loans and advances issued and renewed during the period.
- f. Ensure that post disbursement, supervision and follow-up is proper, such as receipt of stock statement, instalments, renewal of limits, drawing power etc.
- g. Verify whether there is any Misutilization of the loans and advances and whether there are instances indicative of diversion of funds.
- h. Check whether the letters of credit issued by the branch are within the delegated power and ensure that they are for genuine trade transactions.
- i. Check the bank guarantees issued, whether they have been properly worded and recorded in the register of the bank. Check whether they have been promptly renewed on the due dates. Verify the genuinity of the documents.

- j. Compliance of prudential norms on income recognition, asset classification and provisioning pertaining to advances.
- k. Verify whether the classification of advances has been done as per RBI guidelines.
- l. Verify that instances of exceeding delegated powers have been promptly reported to Controlling/Head Office/Board by the branch/ departments and have been got confirmed or ratified at the required level. Verify the frequency and genuineness of such exercise of authority beyond the delegated powers by the concerned officials.
- m. Check whether the Depositor Loans issued by the Bank are within the guidelines as prescribed by HO and also check whether any ROI variations are present.
- n. Check whether the term of Depositor loans issued are in accordance with the FD maturity date.
- o. Check whether the FD's pledged as Collateral for the Depositor loans is properly lien marked.
- p. Check whether the Collateral is expired upon expiry of the term of FD.
- q. Check whether the interest is properly charged in accordance with the guidelines issued by HO from time to time.
- r. Check whether the proper documentation is obtained before/after sanction of loan accounts.
- s. Check whether there are any Time Barred Debts present in the Branch.
- t. Comment on follow up made for Sticky/NPA loan accounts.
- u. Any OTS allowed to the NPA loans and it is done properly.
- v. Physical verification of securities charged to the Bank.

4. House Keeping:

- a. Ensure that the maintenance and balancing of accounts and registers including clean cash and general ledger is proper in CBS.
- b. Ensure prompt reconciliation of entries outstanding in the inter- branch and inter-bank accounts, Suspense Accounts, Sundry Deposits Account, Drafts Accounts, etc. Ensure early adjustment of large value entries. Review of follow up of entries pending for reversal.
- c. Check whether debits in income account have been permitted by the competent authorities.
- d. In case of difference in clearing, there is a tendency to book it in an intermediary suspense account instead of locating the difference. Examine the daybook to verify as to how the differences in clearing have been adjusted. Such instances should be reported to Head Office/Board of Directors in case the difference persists.
- e. Adherence to KYC/AML guidelines in opening fresh account and periodic updation of records and monitoring of transactions.
- f. Detection and prevention of revenue leakages through close examination of income and expenditure accounts/transactions.
- g. Check cheques returned/bills returned register and look into reasons for return of those instruments.
- h. Checking of inward and outward remittances (DDs, MTs and TTs).
- i. Check whether Branch is maintaining any Current Accounts with Other Bank and also comment on reconciliation done by Branch.

- j. Comment on Stock/Fixed Assets/Inventory maintained by the Branch.
- k. Comment on Locker Occupancy/Rent dues/Break-open/Non-operative/Security deposits etc.
- l. Comment on Lease agreement, rent paid after due deduction of TDS.
- m. Comment on whether TDS is paid within due dates & returns are filed within due time.
- n. Comment on scanning of specimen photo & signatures.
- o. Comment on whether CC TV backup is maintained as per RBI guidelines and working of Burglar alarm, Fire Extinguishers.
- p. Comment on Process followed for settlement of Death claims and settlement is made within the due dates as per policy guidelines.
- q. Comment on Expenditure incurred by Branches is within the approved Budget.

5. Other items (HO & Branches):

- a. Verify the compliance submitted by the branches/ departments pertaining to financial/ account operations/ other changes and see whether there is anything found suspicious.
- b. Ensure that customer complaints are dealt promptly within timelines.
- c. Check whether there are any awards by banking ombudsman and ensure the same is compiled by the bank.
- d. In certain areas, such as off-balance sheet items (Letters of Credits and Bank Guarantees), investment portfolio, foreign exchange transactions, fraud prone/sensitive areas, advances having outstanding balances of more than Rs. 5 lakhs, if any unusual feature is observed, the concurrent auditors may conduct percent check.
- e. Letter of Credit/ Bank Guarantee issued/ amended as per the approved format/ model guarantee prescribed and standard limitation clause incorporated. Whether counter indemnity obtained as prescribed.
- f. In the case of areas such as income and expenditure items, inter- bank and inter-branch accounting, interest paid and interest received, clearing transactions, and deposit accounts.
- g. Where any branch has poor performance in certain areas or requires close monitoring in housekeeping, loans and advances or investments, the concurrent auditors may carry out intensive checking of such areas.
- h. Concurrent auditors may concentrate on high value transactions having financial implication for the bank rather than those involving lesser amount, although number-wise they may be large.
- i. If any adverse remark is required to be given, the concurrent auditors should give reasons therefore.
- j. Concurrent auditors may themselves identify problem areas at branch level/bank and offer their suggestions to overcome them.
- k. All accounting transactions, whether paper-based or generated by the computer (e.g., all vouchers, day books / audit trails, etc.), transactions covered by the guidelines relating to Anti-money laundering (verifying, reporting archiving, etc.)
- l. All operational activities like opening / closing of accounts, monitoring of accounts with excess drawings, large value transactions, monitoring of

- transactions in new accounts/ staff accounts, remittances, clearing transactions, Bills for Collection, lockers / safe deposit transaction etc.
- m. Credit appraisals, credit approvals, disbursements, Documentation, Security, Post disbursement monitoring, compliance to covenants and legal audit etc.
- n. Handling of non-fund-based credit facilities such as Bank Guarantees/ Letters of Credit etc.
- o. Income leakages as related to collection of interest, commission, exchange, processing and inspection charges.
- p. Insurance: cover for Bank's properties, also those as related to loan assets sanctioned as per guidelines prescribed by HO.
- q. Checking and reporting of reconciliation in the outstanding in office accounts / impersonal accounts like Inter-Branch / Inter-Sol Accounts, Bankers' Cheque Outstanding (BCO), Clearing Cheque Outstanding (CCO), Suspense Accounts, Sundry Deposit Accounts, Inoperative Accounts and other receivable / payable accounts. Monitoring of opening of internal accounts.
- r. Verifying the statements, HO returns, and statutory returns submitted by the Branch as to their adequacy and accuracy.
- s. Adherence to KYC / AML guidelines including monitoring of transactions in accounts, compliance with Foreign Account Tax Compliance Act (FATCA) and Common Reporting Standards (CRS), reporting of CTR/STR, maintenance of records as laid down under KYC/AML norms.
- t. Areas identified as Zero tolerance – KYC norms, ROC charge creation, CERSAI registration and adherence to the bank's policy on ATM cash replenishment.
- u. Whether the loans disbursed are within the CMA guidelines of NABARD.

Head Office Departments

A. Human Resource Development:

I. HRD - Administration:

- a. Verify the Recruitments taken up and payments made for the purpose
- b. Verify Promotions taken up and payments made
- c. Fixation of PayScale on promotion as per Service Regulations
- d. Any MD/CEOs of APCOB and DCCBs are taken up during the period as per Fit & Proper criteria.
- e. Disciplinary Actions against Employees
- f. Sanction of Allowances and Perks to Employees of the Bank.
- g. Budget Allocated and Utilization
- h. Wage revision fixation and calculations are done as per the agreed terms and conditions.
- i. Outstanding in Suspense accounts
- j. Verify whether any staff resigned from services during the audit period and also verify whether the Compensation amount is collected from them.

- k. Verify whether any Retirements took place during the period covered under audit.
- l. Verify whether sanction of Increments is done as per the Service Regulations.
- m. Verify whether any LTC & Leave Encashment are sanctioned during the period covered under audit as per the guidelines prescribed by HO.
- n. Submission of Periodical returns to NABARD.

II. HRD – Payments:

- a. Monthly salary bills, calculation of TA & DA, Gratuity leave encashment, Domiciliary Bill, Festival Advances, Sitting Fee, CoD, budget and other payments.
- b. Verify Loans Sanctioned and documentation obtained as per Policy guidelines.
- c. Verify all payments are made as per sanctioned terms and conditions.
- d. E-TDS.
- e. Any Adhoc payments made during the period.
- f. Verify whether the Gratuity payments are done to all the retirees.
- g. Verify Whether the Bank maintaining fund with LIC is covering all the Employees.
- h. Verify whether proper insurance coverage is available as per the Policy guidelines.
- i. Verify whether honorarium paid to PIC and Directors are as per the guidelines.

III. Vigilance & Legal:

- a. Status of Legal Cases
- b. Periodic Review of Legal Cases
- c. Vigilance committee meetings
- d. Submission of periodical returns on Frauds and Embezzlements to NABARD.
- e. New Frauds cases identified and course of action.
- f. Legal fees, Service tax/GST and other payments.
- f. Appointment and Payments made towards SLC are as per agreed terms.

B. Loans & Advances – ST & LT:

- a. Implementation of policies.
- b. Operational guidelines – Seasonal Loans- Kharif, Rabi, Weavers, ST others.
- c. Government Schemes – Interest subvention, interest rebate, Subsidies, Reconciliation.
- d. NABARD Borrowings/Lendings – Interest calculation, repayments, defaults if any.
- e. Weavers, ST Others, Application scrutiny/required documentation observations.
- f. NABARD guidelines & Statutory returns
- g. Availability of DP Notes/TP notes and Security etc.
- h. Certification of GOI interest subvention /subsidy/rebate Claims.
- i. Certification of monthly NODC.
- j. Certification of Interest Subvention Claims, whenever required.

C. Institutional Credit Department (ICD) (Monthly):

- a. Schematic Borrowings from NABARD – Repayments, defaults, if any.
- b. Submission of Statutory returns
- c. Sugar Finance – Legal coverage, Interest subvention, Subsidy/rebate
- d. Verification of Stock statements / book debts of the financed agencies
- e. Audit certifications.
- f. Borrowings & Lendings
- g. Documentation, Scrutiny, drawals application.
- h. Availability of Proper Security
- i. Conduct Monthly Audit of CSFs
- j. Direct finance to State federations/ Corporations
- k. Financing to employees' cooperative societies
- l. Refinance to DCCBs under various purposes (SHGs/JLGs/Non – Agri Gold Loans)
- m. Comment on NABARD stipulated exposure norms to each institution financed.
- n. Bank Guarantees if any on par with CMA norms
- o. Consortium financing
- p. Charging of penal interest if the security not sufficient and overdrawn in all relevant cases especially CSFs, CCSs.
- q. Calculation of Drawing power based on available stock.
- r. Classification of accounts.
- s. Individual analytical reports on Borrowal accounts having limits of Rs.1.00 crore and above to be compiled for the half-years ending March and September and to be submitted along with the monthly Concurrent Audit Reports of the months of March and September.
- t. Inspection of borrowal units / godowns / fixed assets / stocks under pledge / hypothecation shall be done in such manner so that all the accounts are covered at least once in six months and reports are to be submitted in the prescribed formats. The inspection shall cover maintenance of stock register, insurance register, realizability of assets, operation in units etc.
- u. Whether the loans disbursed are within the CMA guidelines of NABARD.

D. Premises Department:

- a. Lands & Buildings – Details of Properties; Present status of the property (Utility); Availability of documents; Custodians of the Documentaries; Payment of relevant taxes; Purchase of new properties; Disposal of properties; Resolution of Board of the Management for purchase/disposal, if any; Depreciation calculation; Any other remarks.
- b. Motor Vehicles - Details of vehicles; Availability of RCs; Insurance coverage available; Maintenance/Service; Purchase of new vehicles; Disposal of vehicles; Resolution of Board of the Management for purchase/disposal, if any; Depreciation calculation; Allotment of Vehicles; Verification of Logbooks; Recovery of propulsion charges; Any other remarks.
- c. Office Equipment/Furniture & Fixture/Security Items – Approval from competent authority; Proceedings of Purchase committee; Procurement of Security Items as per RBI Norms; Obtaining of quotations as per Delegation of

- Powers; Verification of Tax Invoices; Maintenance of Stock Register; Depreciation calculation; Any other remarks.
- d. Security Services – Appointment of Security Agencies as per Bank policy; Agreements; Allotment & allocation of duties; Risk analysis as per policy; Payments; Any other remarks.
- e. Housekeeping Services – Appointment of Housekeeping agencies as per Bank policy; Agreements; Payments; Any other remarks.
- f. AMCs – Appointment/renewal of agreements for Elevators, ACs, Generators, Fire Safety System, Cash Counting Machines, Fake Note Machines, CCTVs, Burglar Alarms etc. Any other remarks.
- g. Meetings & Conferences - Booking of expenditure as per Delegation of Powers; Approvals from Concerned Authorities; Verification of Tax Invoices; Any other remarks.
- h. Upkeep & Maintenance - Booking of expenditure as per Delegation of Powers; Approvals from Concerned Authorities; Verification of Tax Invoices; Any other remarks.
- i. Expenditure incurred under various GL Heads viz. Entertainment, Miscellaneous, Telephones, Rents etc. by obtaining approvals from competent authority and verification of relevant Tax Invoices. Any other remarks.
- j. General Observations on New initiatives.

E. Public Relation Department:

- a. Advertisement – Mode of Advertisement; Quotations obtained as per DOP; Approvals from competent authority; Verification of Tax Invoices w.r.t. payments made; Any other remarks.
- b. Printing & Stationery - Quotations obtained as per DOP; Approvals from competent authority; Verification of Tax Invoices w.r.t. payments made; Any other remarks.
- c. Gifts & Novelties - Quotations obtained as per DOP; Approvals from competent authority; Verification of Tax Invoices w.r.t. payments made; Any other remarks.
- d. Expenditure incurred under various GL Heads viz. Newspapers, Library etc. by obtaining approvals from competent authority. Any other remarks.
- e. General Observations on New initiatives.

F. Stationery Department:

- 1. Security Items (Cheques, BCs, FD Receipts) - Quotations obtained from IBA approved agencies, as per DOP; Approvals from competent authority; Verification of Tax Invoices w.r.t. payments made; Verification of Stock register; Any other remarks.
- 2. Books & Forms - Quotations obtained as per DOP; Approvals from competent authority; Verification of Tax Invoices w.r.t. payments made; Verification of Stock register; Any other remarks.
- 3. Printing & Stationery - Quotations obtained as per DOP; Approvals from competent authority; Verification of Tax Invoices w.r.t. payments made; Any other remarks.
- 4. General Observations.

G. Banking Operations Department

1. BRCC

- a. Verify the procedure followed for Appointment of Gold Appraisers and gold loan policy, Rate of Interest amendments, LTV calculation, cross verification, Gold auction calendar etc.
- b. Verify the Blanket Insurance and Group Accident Personal Insurance.
- c. Proper accounting and availability of insurance cover for inward and outward cash remittances – Bank as a whole.
- d. Comment on implementation of internal checks/controls.
- e. Verify all applicable returns filed within due date in portal. (RBI and NABARD)
- f. Verify the Death claim settlements, Death claim policy, any fraud cases found in Branches.
- g. Certification of Monthly ATM Cashout report
- h. Appointment/Re-appointment of Nodal officers
- i. Whether any complaints received from customers and action taken thereon and settlement is done within the Turn Around Time(TAT).
- j. Conducting of committees as per frequency guidelines.
- k. Verify the status of Fraud cases occurred in Branches.
- l. Any Bank Guarantees issued by Bank.
- m. Details of Lockers, Locker rent due particulars, Locker Break open cases.

2. GST:

- a. To check whether the monthly returns GSTR1, GSTR3B are filed within the due dates.
- b. To verify whether the monthly GST is remitted to government
- c. To check whether the Input tax credit in the online and in banks books is tallied
- d. To check the Input Tax Credit is correct on random basis.
- e. Notices – Pending and Status of the same.
- f. Any Statutory penalties, interest etc.,
- g. Reply to query any received with regard to GST
- h. Comment on implementation of internal checks/controls.
- i. Check whether the Annual returns GSTR9 & GSTR9C are filed within due date.\
- j. Any Payments made to Auditor for filing of returns.

3. CLPC:

- a. Verify all loan products have policy framework duly approved by the Board.
- b. Verify whether the policies have adequate guidelines/ directions regarding details of documentation, security, eligibility criteria, KYC etc. to increase asset quality.
- c. Verify the CIBIL payments and legal opinion payments and TDS deduction.
- d. Verify the loans sanctioned at Head Office during the period and delegation of powers.

- e. Verify time submission of information to Credit Information Centres (CIC) and NeSL.
- f. Verify all the returns filed within the due date in the concerned portal.
- g. To check whether there is any violation in exposure norms and updating the same to senior management through report.
- h. Verify Payments made towards renewal of membership with CIC's
- i. Verify whether the details of loans sanctioned are entered in CERSAI portal.

4. Reconciliation

- a. Verify the Inter Branch Reconciliation i.e., HO account tallied with Branches account with BGL.
- b. Verify the Inter Bank Reconciliation i.e., current accounts with other Banks
- c. Verify DCCB SoD sanctions over FDs.
- d. Verify whether List of Authorized signatories are present for operation of accounts.
- e. Verify whether other Bank A/c's are reconciled on Monthly basis and Balance confirmation certificates are available on record.

2. KYC & AML:

- a. Verify the uploading the KYC Record on the Central KYC Records Registry portal of CERSAI.
- b. Verify CTR, NTR and STR details submit to concern authorities within due date and verify all the returns filed within due date or not.
- c. Verify the Risk categorization of customers in all Branches, KYC updating periodically and the same
- d. Verify the module reports data with manual work and comment on it.
- e. Whether the Branch is issuing circulars to branches as per the latest amendments for implementation and also verify whether such amendments are implemented in the Bank or not.

3. NFIC

- a. E-Stamping commission
- b. Corporate Agency Services
- c. Verify whether reconciliation is done on monthly basis.

H. Development:

1. Planning & Development Department (PDD):

- a. CDF – Policy implementation and payments made are as per terms and conditions and effect on CRAR of the Bank.
- b. SCSA – Gratuity implementation and payments.
- c. PAIS Share and Payments.
- d. Any other schemes.

2. IDD

- a. CCB Development Fund - Payments.
- b. Membership fee/Subscription Charges made by the Department

3. PACS Cell:

- a. PACS Computerization and Payments made
- b. Any payments made by the Department.
- c. Any other subjects.

I. ITD:

- a. Verification of Inventory of system and other hardware items.
- b. Purchases and expenditure bills.
- c. Payments of AMCs.
- d. Purchase of new software & hardware.
- e. Payments to Vendors and proper sanctions
- f. Budget allocation and utilization.
- g. Daily Reconciliation
- h. Maintaining of transaction records
- i. DR drills
- j. Resolution of transaction disputes
- k. Disabling cash retraction
- l. Cyber security Framework
- m. Maintenance of Fixed Asset/Stock Register
- n. Depreciation calculation
- o. Whether Insurance coverage available for the equipment's
- p. Antivirus & Firewall Protection availability
- q. Details of Modules became live as per the Service Level Agreement (SLA).
- r. Generation of MIS Reports
- s. Payment made towards CTS Fee
- t. Whether Inward & Outward Cheques are processed within Stipulated time.
- u. Whether ATM Reconciliation of branches is done
- v. Whether any ATM's & Rupay cards purchased during period covered under audit.
- w. Whether Stock register is maintained.
- x. Whether the Daily Transactions of UPI, IMPS, ATM, E-Com Pass are reconciled
- y. Submission of returns to RBI/NABARD
- z. Whether the SFMS report and CBS report on daily basis, regarding NEFT/RTGS Transactions.
- aa. Whether the report from NPCI portal is tallying with the amounts in CBS.
- bb. Whether the failed Inward & Outward amounts are being credited to Customer A/c on Daily basis.

d. CTI

- a. Trainings conducted
 - b. Verify vouchers passed
 - c. Reimbursement claimed and Received from the NABARD
 - d. Maintenance of Capital items Like (Buildings, Vehicles, Furnitures & Fixtures).
 - e. Depreciation of Assets
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- d. Fixed Assets register is maintained.
 - e. Committee meetings convened as per the Policy guidelines.

K. Funds and Accounts Department (Monthly):

Operations and functions of Treasury Department including investments, funds managements, inter-bank borrowing, Repo transactions and operational functions of Service branch are also subjected to concurrent audit.

1. Treasury- Back office

- a. Verification of all short term deposits with other banks like PSU and private sector and the exposure limits.
- b. Verification of SLR and NON-SLR NDTL is it obeying RBI guidelines
- c. Examine the investments in shares, Demat form
- d. Examine the call Investments Money market like Call/ Overnight SDF/FDs
- e. Verification of exposure limits are obeying the RBI guidelines.
- f. Verify the Payment of Advance tax.
- g. Comment on implementation of internal checks/controls.

2. Treasury -Front office

- a. Is shifting of securities taking place
- b. Verification of current and permanent securities
- c. Comment on implementation of internal checks/controls.
- d. Check in respect of purchase and sale of securities, the department has acted within its delegated power having regard to its Head Office instructions.
- e. Ensure that the securities held in the books of the department are physically held by it.
- f. Ensure that the sale or purchase transactions are done at rates beneficial to the bank.
- g. Ensure that the bank is following RBI/ NABARD instructions for maintenance of SLR and non-SLR investments, categorization of investments, provision for depreciation in investments and their valuation.

3. Accounts

- a. Verification of DEA Fund transactions on Monthly basis and display of information in the Banks website as per RBI guidelines.
- b. Transfer of amounts in Inoperative account for more than 10 years to DEAF account.
- c. Comment on implementation of internal checks/controls.
- d. Status of compliance to audit observations pertaining to the previous period.
- e. Review of long pending items under the head of account “Sundry Debtors”, “Sundry Creditors”, “Outstanding Liabilities”, “Prepaid expenses”, etc.

- f. Review of statutory returns and DICGC premium paid, HO TDS payment and return filing, etc.
- g. Review of compliance with applicable laws, regulations, guidelines / instructions from regulatory authorities and report on violations, if any.
- h. Evaluation of the accounting system and internal controls in operation and reporting on the weaknesses observed – Furnish a separate report on specific observation.
- i. Verify all applicable returns filed within due date in portal (RBI and NABARD).
- j. Certification of DICGC/DEAF etc.,

4. Income Tax

- a. Verify the filed Income tax return
- b. Verify the Notices received from Income tax authorities and replies or compliances submitted in this regard.

5. Risk Management Department (Mid Office):

- a. Internal Auditor should assess the level of risk faced by the Bank under various risk categories and report the same.
- b. Effectiveness and efficiency of internal control, risk management and governance systems in the context of both current and potential future risks; Reliability, effectiveness and integrity of management information systems and processes (including relevance, accuracy, completeness, availability, confidentiality and comprehensiveness of data).
- c. Internal Auditor should comment on the adequacy of Bank's systems and procedures for identifying and measuring its regulatory capital and assessing the adequacy of its capital resources in relation to the bank's risk exposures and established minimum ratios.
- d. Stress testing of Bank's capital levels, taking into account the frequency of such exercises, their purpose (e.g., internal monitoring vs. regulator imposed), the reasonableness of scenarios and the underlying assumptions employed, and the reliability of the processes used.
- e. Verify the Advance tax calculation and intimation to Treasury Back office within time for payment as per the RBI guidelines.
- f. Capital Planning process should be verified by internal Audit of the Bank in line with policy guidelines and should meet capital targets.
- g. Manual adjustments which affect the Banks Capital Position should be identified during the audit.
- h. Credit limits should be reviewed and monitored regularly and any breaches found should be reported
- i. Banks Investment Policy is framed in lines with RBI guidelines of the Bank and the same were verified during the Internal Audit and should be report.
- j. Internal audit function should perform periodic checking on whether the strategic risk management system is properly implemented and the established policies and control procedures in respect of risk

management are complied with Process of Pricing must be checked and audited regularly.

- k. Indicators which act as an Early Warning system to identify the liquidity Problem should be monitored in the Internal Audit.
- l. Verify whether net cumulative negative mismatches as a % of cumulative cash outflows buckets of 1-14 days, 15-28 days, and 29 days-3 months shall not exceed prudential limits defined for the respective time bucket in Statement of Structural Liquidity.
- m. Examine the Branch viability procedure (worked on Transfer Price mechanism) and comment.
- n. Examine on ALCO and RIMCO meetings periodicity.
- o. Comment on implementation of internal checks/controls.
- p. Evaluation of the accounting system and internal controls in operation and reporting on the weaknesses observed – Furnish a separate report on specific observation.
- q. Review of the adequacy of compliance with Risk Management framework of the bank.

General:

- 1. Certification of Balance sheet and Trail Balance on Half Yearly basis.
- 2. Monitoring of compliance with laws and regulations, including any requirements from supervisors.
- 3. All certificates, if any required by RBI/NABARD/NCDC/FIU-IND/Any other Institution whenever required, pertaining to the F.Y 2023-24 should be certified.

Revenue Aspects to be covered during the quarterly Audit:

- a. The Auditor is required to focus on areas which effect revenue items and expenditure items in the bank.
- b. Verifying disbursement of loans, additional charges to be collected such as processing fee, GST and borrower's margin amounts, inspection charges, CIBIL charges, commitment charges, service charges, locker rent, commission charges etc., are collected as per policy and procedures.
- c. Verifying interest accruals and interest demand from the borrowers' calculations and verify whether these amounts are collected within the timelines specified in the sanction letter.
- d. Verify interest application is as per policy guidelines.
- e. Verify whether interest rates are applied in the CBS properly as and when revised.
- f. Verify interest to be paid by the bank on customer deposits and borrowings from other institutions/banks etc.,
- g. Verify penal interest is collected on the overdue accounts. Hence, the auditor shall verify all the accounts and categorize whether it is overdue or not.

Verify TA/DA paid to the employees and check whether any excess amounts have been paid.

- h. Verify all procurement activities done by the bank and expenditures incurred by the bank towards the same.
- i. Verify the rent paid on assets/ premises leased by the bank.
- j. Verify tax payable by the bank.
- k. Verify insurance charges that bank has to pay.
- l. Verify sitting fee paid to person-in-charge of the bank, Board members and other.
- m. Verify the expenditure incurred towards training to employees, recruitment and promotion process.
- n. Verify the expenditure incurred towards arbitration fee, notice charges, payments to auditors, legal advisors etc.
- o. Verify budget allocation in the bank and additional budget allocated, if any.
- p. Verify expenditures are within the budget allocated to that particular work.
- q. Verify whether Per gram lending Rates are applicable as per the HO circular.

Management Aspects to be covered during the quarterly Audit:

- a. Verify human resources and physical facilities are utilized effectively.
- b. Verify the policies and procedures that bank follows to check whether there are any deficiencies in the procedures followed by the Bank and suggesting necessary improvements that bank may adopt.
- c. Whether the organization is working towards its objectives and these objectives are reflected in its performance properly.
- d. Efficiency of the persons involved in various Committees to benefit the bank w.r.t decision making, reviewing the performance of the bank etc.,
- e. Efficiency of employees to benefit the bank.
- f. Efficiency of the management in assessing the performance of the employee and technical skills of the employee.
- g. Adopting latest technologies, that will benefit the bank.
- h. Capacity building and trainings to employees.
- i. Transparency in recruitment and promotion process.

Credit Audit:

Credit aspects examines the compliance of sanctions and post- sanction procedures laid down by the Bank. It shall be conducted as part of concurrent Audit for the loan limits as mentioned below:

Type of sanction	Cut-off limits (Fund based+ non fund based)	Timelines by which the credit audit should be done
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	except gold loans	
Fresh Proposals	Rs. 25 lakh and above	Within 3 months of sanction
Renewals	Rs. 35 lakh and above	Within 6 months of sanction
Randomly selected existing cases which covers 10% of loan portfolio	Rs. 50 lakh and above	During the Financial year
For ICD Loans	All accounts irrespective of loan amount	Quarterly basis

Credit aspects to be covered in the audit:

- a. Whether the sanctions are as per delegation of powers.
- b. Whether sanctioning authority and verifying authority are different.
- c. Whether the sanctioning procedure is as per policy and procedures.
- d. Whether the loans are being reviewed, monitored and supervised by the competent authority as per policy and procedures.
- e. Post sanction visits
- f. Whether periodical inspections are being done.
- g. Tracking of repayments due servicing of interests/instalments.
- h. Whether any misutilization of funds takes place
- i. Verify end use of the funds
- j. Regular Stock Audit
- k. Verify that the repayment sharing and loan monitoring in consortium loans are being carried out correctly.
- l. Tracking of un-availed limits and expired limits
- m. Tracking accounts for any early warnings, if applicable.
- n. Whether documents submitted are as per policy and procedures.
- o. Verify security is legally enforceable.
- p. Verify all fund based and non-fund-based advances w.r.t operations in the account, purpose, diversification of funds, existence of securities pledged/mortgaged/hypothecated to the Bank and securities are insured as per the guidelines etc.,
- q. Examine the quality of credit & investment portfolio.
- r. Quantitative analysis and trend analysis of credit portfolio is periodically carried out in terms of geographical spread/ industry/ sector/ activity/ non-performing assets (NPAs)/ Special mention accounts (SMAs) to study and monitor the trends and emerging warning signals

Auditor should check all the aspects as said above and report if there are any deficiencies in conducting the credit appraisal, credit sanctioning & disbursing, post monitoring aspects and Early warning signals.

Auditor is advised to suggest measures for improvement in the credit process including reduction of concentrations in certain sectors to levels indicated in the policies and prudential limits as suggested by NABARD/RBI.

Note: All the Revenue Aspects, management Aspects should be covered in the Head Office Report on quarterly basis and Credit Audit report should be submitted separately.