

## Annexure I

### Checklist on General Internal Controls

Sl. No	Controls	Branch Replies (Yes/No)
<b>I. General I.T. Controls</b>		
1.	In case of migration to new application software during the year, whether duly verified copies of pre-migration and post-migration GLBs, ensuring consistency and integrity of data migrated, are held on records?	
2.	Whether various critical days – end reports are taken printed and checked for transactional integrity and copies held? eg. <ul style="list-style-type: none"> <li>a) exceptional reports,</li> <li>b) audit – trails (financial and non-financial)</li> <li>c) consistency – check reports and</li> <li>d) access log etc</li> </ul>	
3.	Whether periodical updating in master/parameters (financial & non-financial) are under approval and approval recorded? For instance, sanction, limits, value of securities, interest rates, operating instructions etc.	
4.	How many super-users are in the branch? Whether super-user rights exercised are monitored and approved by the branch – incumbent/data owners?	
5.	Revenue Related Controls: <ul style="list-style-type: none"> <li>a) Whether periodical interest-applied/interest-failure/ interest test check reports are taken printed, checked for correctness, discrepancies rectified promptly and authenticated copies held?</li> <li>b) Whether various charges applied reports are taken printed and checked for correctness? If applied manually, whether work-sheet/calculations duly verified by competent official held? For instance, processing/renewal fee, commitment charges, ledger folio charges, inspection charges etc.</li> <li>c) Whether amortization of certain incomes eg. Commission on bank guarantees, LCs, etc. is carried out at periodic intervals and checked for correctness?</li> </ul>	
<b>II. General Administration &amp; House-keeping</b>		
1.	Whether all GL Subheads and different accounts under GL subheads are as approved coding scheme of the bank?	
2.	What is the periodicity, as per bank’s guidelines, for balancing of different accounts under different GL Subheads and of reconciliation of GL Control accounts with subsidiary ledgers?	

	<p>Are authenticated copies of balances reports and reconciliation, held?</p> <p><b>Inter-Office Accounts</b></p> <p>3. a) Whether submission of daily statement to HO Deptt./ centralized office and queries from, are attended/ recorded in chronological order?</p> <p>b) Whether periodical statements received from HO deptt./ centralized office are reconciled? Whether age-wise analysis of outstanding entries held?</p> <p>c) Whether cases of double responses, identified by the branch/ HO Deptt./centralised office, are analysed for reasons and age-wise breakup of such cases held?</p> <p>d) Whether outstanding of drafts payable are monitored regularly and statement from HO Reconciliation Deptt/ data centre, are reconciled periodically? Whether age-wise and reason-wise analysis of outstanding entries held?</p> <p><b>Office-Accounts</b></p> <p>4. Whether various entries (running and non-running nature), outstanding in different office amount eg. Sundries, suspense etc. are pruned regularly and age-wise and reason-wise analysis of outstanding entries held?</p> <p>5. Whether periodical physical verifications of fixed assets, cash and sensitive stationeries, as per banks laid down procedures, are carried out? Whether verification procedures and discrepancies noticed are documented?</p> <p>6. Whether material errors and frauds/ suspected/ alleged frauds have been discovered at Branch and details recorded?</p> <p>7. Whether record of BGs invoked/LCs devolved is maintained and periodical reversal of expired BGs/LCs verified?</p> <p>8. Whether application of interest on accounts, opened after the application of last interest, carried out and checked for correctness and authenticated copies of such reports held?</p> <p>9. Whether lease-deed of branch premises is held and valid?</p> <p>10. Whether previous year's MOCs. which are approved by Statutory Central Auditors and Controlling Office, have been taken on branch records?</p> <p><b>III. Advances</b></p> <p>1. Whether all new sanctions and reviews/renewals of credit facilities, in which higher authorities' approval required, are monitored for compliance of sanction stipulations and such records held?</p> <p>2. Whether lien marked in deposit accounts are verified and such verification procedures documented?</p>	
--	--	--

<p>3.</p> <p>4.</p> <p>1.</p> <p>2.</p> <p>1.</p> <p>2.</p>	<p>Whether valuations due for fixed assets charged in NPA accounts are monitored regularly and list of overdue cases held?</p> <p>Whether accounts eligible for stock audit as per RBI/Bank guidelines, are identified and got audited? Are there pending cases for stock audit?</p> <p><b>IV. Deposits</b></p> <p>Are there bank's guidelines with regard to operation, classification and charges in inoperative/dormant accounts? Whether classification has been carried out as per prescribed periodicity and charges applied?</p> <p>Whether authenticated copies on such procedures held?</p> <p>Whether overdue term deposits identified by the system, are checked for correctness? Whether interest provided on overdue term deposits are checked for correctness and authenticated copies held?</p> <p><b>V. Compliance of Tax Laws</b></p> <p>Whether calendar cum diary of submission of statutory returns maintained? Eg. TDS returns, Service Tax returns, Foreign Exchange returns etc. Whether record of penalties/fines/punitive actions taken against the branch is maintained?</p> <p><b>TDS:</b> Whether deductions of Income Tax, on different items, eg. Salaries, contractors, rent, professional fee, interest on term deposits etc. are computed by the system? Whether system generated reports are checked for correctness of various fields eg. TDS rates. Submission of Form 15G/H etc. and authenticated copies on such reports held?</p> <p>If deductions carried out manually, whether duly checked worksheets/computations documented?</p>	
---	--	--

## Annexure II

### On site procedures

For Instance:

- i. All statements/returns to be audited, along with supporting records/ worksheets/ computations
- ii. Pre-closing and post-closing weekly statements/GL Balances Reports.
- iii. Year-end adjustment entries
  
- iv. Comprehensive information on advances accounts. Eg. Details of securities, date of review/renewal, date of loan documents, date of Inspections of securities, date of insurance, date of ROC chare registration/search etc.
- v. Copies of various analysis/special reports, generally available in all computerized environments eg.
  - a) Transaction turnover in advances accounts.
  - b) Debit balances in savings and current accounts.
  - c) Over-limits report.
  - d) Out of order account
  - e) Potential NPA account
  - f) Stocks/Book-Debts/financial statements/operating data due.
  - g) Audited financial statements due from non-corporate borrowers etc.

**ANNEXURE III**

**SUMMARY SHEET AND AUDIT PROGRAMME – BRANCH AUDIT OF BANKS**

**INDEX SHEET FOR ARRANGING WORKING PAPERS**

		PARTICULARS	ANNEX No.
	<p>Name of the Bank</p> <p>Branch &amp; Address</p> <p>Phone No.</p> <p>Fax No.</p> <p>Date of receipt of appointment letter</p> <p>Date of writing to previous auditor and his address, proof of delivery</p> <p>Date of receipt of letter from previous auditor</p> <p>Date of acceptance &amp; Other declarations</p> <p>Date of discussion with Branch Manager or a person on his position</p> <p align="center">Amount                  No.of A/c.s.</p> <p>Advances</p> <p>Deposits</p> <p>Audit Plan</p> <p>Partner appointed for the audit</p> <p>Assistants appointed for the audit</p> <p>Tentative date of commencement of audit</p> <p>Tentative date of completion of audit</p> <p>Date of meeting of the partners &amp; minutes</p> <p>Allocation of work among partners and assistants</p> <p>CPE on Bank audit whether attended</p>		

	Name of the partner in charge of audit Name of other partners Name of assistants Date of commencement of audit Date of break in audit if any with reasons Date of completion of audit Books and records produced: (Also fill up Tax audit format) Copy of bank audit programme/checklist received by the group Whether all working papers are numbered and serially filed Whether all certificates required to be obtained from Manager done Date of discussion with the Manager Whether all copies of attested papers available on file Date of dispatch of reports Whether their file was reviewed by another partner		
--	--	--	--

Signature of the Partner In-charge

Other Partners

Signature of reviewing Partner

Other Assistants

## **ANNEXURE IV**

**Call for the following information / records / details / evidences for the purposes of audit:**

1. Closing circular issued to the branch / reference in their website to download the same
2. The extent, size and specialization of the branch
3. The profile of the branch and performance in the past two years
4. Comparative analysis of movement of interest income and expenses vis a vis advances and deposits respectively for two years
5. List of top borrowers accounts accounting for 5% of the advances of the branch or Rs.2 crore whichever is lower
  
6. Copies of last three months Concurrent Audit Reports (if covered under Concurrent Audit)
7. Copy of the summary sheet of the last Inspection Report.
8. Copy of Revenue Audit Report, if any
9. Copy of Information Systems Audit Report, if any
10. Copy of vigilance enquiry or any special investigation reports
  
11. Details of fresh advances made during the year
12. Details of major weaknesses, if any, persisting in the branch
13. List of Potential NPA Accounts – For quarter ending December
14. Details of loan accounts restructured during the year
15. Details of advances which are pending renewal for more than 3 months
  
16. Details of advance accounts wherein stock statements are not received for 3 months
17. List of NPA accounts wherein the valuation reports are older than 3 years
18. List of non-corporate entities with working capital limits in excess of Rs.20 lakhs
19. List of borrowers accounts which underwent CDR during the year.

- 20.**List of accounts where recoveries are made, where DICGC / ECGC claims have been received.
- 21.**Details of expired Letters of Credit / Guarantees.
- 22.**Details of Invoked Guarantees / Letters of Credit and treatment thereof.
- 23.**List of off balance sheet items and contingent liabilities, if any.
- 24.**Details of suspense and sundry entries beyond 1 year.
- 25.**Details of fraud by employee or outsiders, against the bank during the year.
  
- 26.**List of recoveries in NPA accounts and appropriation thereof.
- 27.**Details of legal expenses incurred and accounting in the books.
- 28.**Details for Long Form Audit Report, including Annexures for advances above Rs.2 crore or 5% of the Total Advance, whichever is lower
- 29.**Details for Tax Audit under section 44 AB of Income Tax Act, with specific reference to additions to fixed assets.
- 30.**Details of section wise tax deducted and remitted including date of deduction, date of remittance and delay if any. TDS mapping for deduction and remittance.
  
- 31.**Certificate from branch management that TDS has been duly deducted and remitted as per provisions of Income Tax Act, 1961
- 32.**Details for furnishing various certificates.
- 33.**Date when the audit could be commenced.
  
- 34.** Management Representation Letter to be obtained for the management's assurance that the financial statements and other information produced for furnishing certificates are truly and correctly prepared and presented by the branch management to the branch Statutory auditors.