PARM & SMRN, CHARTERED ACCOUNTANTS
PRESENTED BY: - KRISHAN KUMAR SAINI
E-MAIL – cakrishansaini@icai.org Mob. No. 09873868741

Bank Audit Program for the year ended March 31, 2009

Name and Address of the Bank Branch ► ……………….
……………….
……………….

Name of Branch manager ►
Name of other person in Branch ►

Date of Commencement ► …………………………….
Date of Completion ►

Audit Team ► …………………..

Audit Aspects	**Covered By Whom**	**Extent of Check**
General		
1. Review of Previous Year Documents • Statutory Audit Report • LFAR & Tax Audit Report		
2. Review of Current Year Documents • Concurrent Audit Report last month or last quarter. (If not available , then February month or December quarter) • Revenue Audit Report • Internal Audit Report • RBI Inspection Audit Report • H.O. Inspection Report • Income and Expenditure Audit Report • Any Other Inspection Report		
3. Internal Circular of H.O. • Interest Circulars • Other Circulars		
4. To Collect the following Certificates • Cash balance Certificate as on 31.03.2009 • No fraudlent activity certificate • Balancing confirmation		

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Audit Aspects	Covered By Whom	Extent of Check
• Certificate for Cash expenses not more than 20,000.00 • Investment Certificate • Physical verification of the fixed assets carried out on March 31, 2009 • Physical verification of cash periodically by officers of Bank • Certificate from the Branch for the Persons attended the audit • Management Representation Letter		
5. Physical verification of cash		
6. Physical verification of Investments		
7. Verification of Security		
8. Checking of G\L and P\L		
9. All TDS Return and Challan		
10. FBT Calculations		
11. Other Statutory dues		
12. Get the list of books of accounts maintained and details in volume regarding the Advances and Deposits		
13. Compliance of Mandatory Accounting standards/ Auditing standards & RBI circulars		
14. Verification of new Accounts opened and closed		
15. Verification of Suspense Accounts		
16. Checking of KYC Norms		
17. Preparation of LFAR		
18. Preparation of Tax Audit Report		
19. Verification of foreign currency transaction		
20. Checking of outstanding foreign currency rates as per rates prescribed by FEDAI (copy to be taken)		
21. Checking of various returns		
22. Verification of Information System		
23. Verification of some Vouchers		
<u>Checking of Balance Sheet Items</u>		
1. Checking of the advances:		
i) Detailed checking of all classifying the advances		
Critical review of all large advances		
Classification of advances		
Latest valuation of security given against advances		

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Audit Aspects	Covered By Whom	Extent of Check
Provisions on NPA as per RBI guidelines		
ii) Loan Accounts – • Review of all large advances with balance of lower of 5 % or Rs.2 crore of total advance as per LFAR • Verification of Loan Documents • Review of loans sanctioned during the year • Review of other advances on test check basis • Review of adversely commented by Concurrent auditors, RBI/internal inspectors • Review of suit filed and decreetal accounts and provision and progress thereof and Classification		
2. Checking of fixed Assets • Addition • Deletion • Transfer of fixed Assets • Fixed assets Schedule • Statement of assets Received		
3. Reconciliation of accounts with other banks, head office and inter branch adjustment accounts		
4. Detailed checking of Suspense accounts – credit as well as debit schedules. i.e. Nominal ledger		
5. Details of Bills Rediscounted/ Refinance obtained from IDBI, SIDBI, etc		
6. Shares/ Bonds/ Securities held in safe custody on Banks Investment account		
Balance Sheet Finalisation		
1. Verifying Balance Sheet figures with General Ledger		
2. Casting of Balance Sheet and cross–checking with Balance Sheet schedules		
3. Scrutiny of Balance sheet, particularly –		
i) that all the balances are shown in proper heads		
ii) check in case of advances: • that interest accrued but not due on loans is not included in advances • that credit balances in O/D, C/C in–operative current accounts account's should not be netted off with advances and the same should be shown under demand deposits		
iii) Check in case of deposits:		

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Audit Aspects	**Covered By Whom**	**Extent of Check**
• that overdue deposits, matured time deposits, cash certificates and certificates of deposits are shown in Demand deposits • Interest accrued but not due should not be included in deposits but, should be shown under other liability		
4. Checking, • Liability under Bank Guarantee/ L/C • Reconciliation of General Ledger and Subsidiary Ledger		
5. Inter Office Reconciliation Accounts • Verify Inter Branch Items In Transit (IBIT) account for old entries • Compare on test Check basis, the balance and the entries in IOR Accounts with the copies of the statements submitted to the IOR department/s • Critically verify the daily enquiry memos received from the respective IOR department/s for any old and odd items and action taken by the branch for the same		
Checking of Profit and Loss Items		
1. Test checking of interest on deposits, (particularly, Interest checking should be done on Test basis for the period subsequent to the period of revenue/ concurrent audit)		
2. Test checking of interest/ commission on various advances, bills, L.C., Guarantees etc		
3. Verification of Locker rent and Other Misc. Income		
4. Verification of Other income Like Loan proceding charges, Commission etc.		
5. Test checking of discount/ commission on bills discounted and others		
6. Critical scrutiny of the Expenses/ Income accounts and checking of important vouchers		
7. Provision For Expenses, Accrued interest on deposits and advances. (Particularly check whether or not interest has been provided/ charged on all types of deposits/ advances		
8. Checking of interest in NOSTRO Accounts debit balances		
9. Verification of recovery on account of Locker Rent, Staff Accommodation etc with details of arrears, if any		
10. Commission income on account of Government Business i.e. collection as well as remittance of Income Tax, Sales Tax, Excise Duty, etc		
11. Details of Prior Period items of Income as well as expenses and complete details of provisions to be made, if any		

Audit Aspects	Covered By Whom	Extent of Check
12. Rebate on Bills discounted		
13. Checking of Depreciation on Fixed Assets		
14. Booking of Interest Income on account of partial recovery in NPA's		
Profit & Loss Account Finalisation		
1. Verification of P/L with Profit And Loss Ledgers		
2. Casting of Profit and Loss Booklets and cross checking with Profit and Loss Account schedules		
3. Profit & Loss Account Scrutiny		
4. Ratio Analysis with Previous years Figures		
Others		
1. Checking of statement of claims against the Bank not acknowledged as debt		
2. Checking of Foreign Currency forward exchange contracts showing sales and purchase separately. Review of NRE and FCNR accounts, if any		
3. Checking of Guarantees given on behalf of Constituents		
4. Checking of Acceptance, endorsements and other obligations i.e. L/C and Bills accepted by the Bank on behalf of customers		
(Particularly check in case of clause 4 and 5 above, whether the above Guarantees and L/C issued are within the powers of the authorised person and proper procedures have been followed for issuing the same. Review the position of the above as at the year–end)		
5. Other contingent liability, if any		
6. Checking of and preparation of Interest Subsidy		
7. Checking of write off proposal and DICGC claims, sharing of recovery, etc		
8. Checking of Annual returns on Protested Bills/ Recalled Debt Accounts (PB/ RD)		
9. Checking of LFAR schedules		
10. Checking of Tax Audit schedules		
Final Audit and Reporting		
1. Preparation of Audit Report		
2. Preparation of Memorandum of changes for changes to be made in classification of Advances and in any item of Asset/ Liability and profit and loss account with other remarks and/ or information which requires further attention at Regional/ Zonal Office level		
3. Obtain detailed notes on above accounts		

Audit Aspects	Covered By Whom	Extent of Check
Verification of following certificates • Certificate of Ghosh & Jilani committee recommendations • Cash on 12 odd dates • Commitment Charges payable to IDBI/ SIDBI • Subsidy claims for Nov.'94 Riot affected borrowers • Interest Claim on FOCNA (FCNR) Deposits • Risk Weighted Assets as per the Capital Adequacy Report • Certificate for treating an account as bad or doubtful of recovery as per the requirement of DI&CGC • Average month end Rural branch Advances • Subsidy Claim under Prime Minister Rojgar Yojna		