BANK BRANCH AUDIT PROGRAM FOR THE YEAR ENDED MARCH 31, 2014

NAME OF THE BANK			
NAME OF THE BANK BRANCH			
REGION / ZONE in which the Branch is located			
DP CODE		**BSCA No.**	
Date of Commencement		**Target Date of Completion**	
Audit Team Incharge			

Audit Team	Man Days Put In	Signatures

BRANCH MANAGER- Name, Contact Details	
OTHERS- Name, Contact Details	
Sanction Limit of Authorised Person in Branch (BM / SBM)	
Advances as on 31st March, 2014	
NPA as on 31st March, 2014	
Deposits as on 31st March, 2014	
Letter of requirements to the Branch whether given?	
Letter for NOC to previous auditors whether sent?	

Meeting and discussion with the bank branch management and understanding the profile of the bank and its business	
Review of Previous Year's Audit Report / LFAR, Current period's Internal Audit Report/ Concurrent Audit Report Revenue Audit Report / IT System Audit Report RBI Inspection Report Compliance of the branch to above and other special review report	

AREAS TO BE COVERED \ CHECKINGS TO BE DONE	CHECKING PERSON	REMARKS
PHYSICAL VERIFICATION Cash Security Papers, Valuable Securities ATM Cash Investments Fixed Assets: additions /deduction /transfers Dual custody of Cash Cash Physical Verification records Obtain Physical Verification Report Shortage of Cash appearing in Trial Balance Loss / theft of DDs reported to respected authority		
DEPOSITS Overdue deposits, matured time deposits to be shown in Demand deposits Interest Provisions A/c Opg. Forms, KYC Norms, TDS compliance on the interest paid Test checking of interest on deposits Interest on overdue FDs		

ADVANCES • Review of all large advances (lower of 5 % or Rs. 2 Crores of total advance) • Valuation of Security against advances • Classification & NPA Provisions • Checking of Documentation • Physical Verification of Security & Stock Inspections • Loans sanctioned during the year esp. by BM • Audited Statements (sanctioned limits above Rs.10 lacs) • Stock Statements • Stock Audit Report (external) every year for balance of 5 crores and above. • Adverse comments in other reports • Interest Accrual • Rate of Interest charged • Credit Balances in O/D, C/C not be netted off with advances • Penal Interest if, DP limits breached, Stock Statements not submitted • Letter of Acknowledgement / Balance Confirmation • Bills Discounted – whether accommodation bills, whether ECGC Cover taken? • Charge Registration in case of Companies, whether Insurance policies assigned to Bank • Bank Lien on FDR, NSCs • Suit Filed and Decreed Accounts with respect to provision thereon and progress of recovery • Accounts upgraded during the year from NPA to Standard • Accounts frequently exceeding limits/DP and watch-list accounts • Credit Card overdues, debit balances in SB A/cs • Accounts classified as NPA during the year		
Non-Funded Advances - Bank Guarantee • Classification: Financial, Performance • Adequate security margin, lien marking • Margin, commission recovered • Reversal of expired Guarantees • Guarantee documents returned • Repeated extensions of guarantee **Non-Funded – Letter of Credit** • Documents submitted within validity of L/C? • Description of goods • Insurance document • Invoice amount to equal the LC amount • Ports of loading and destination should be mentioned in LC		
FRAUD IN ADVANCES • Sanction without proper application / credit appraisal • Sanction beyond discretionary power and no reporting of the same • Unauthorised release of securities • Incorrect Security valuation (esp. in NPA accounts for Immovable Assets, Patents etc.) • Charging of same security to different Banks • Diversion of funds • Fake transport documents/ godown receipts • Discounting of accom. bills/ issuance/ LC		

SCRUTINY OF BALANCE SHEET		
Sundry Assets / Suspense Accounts Provisioning, why not cleared		
Sundry Liabilities Are they real, whether necessary provisions made		
Inter Branch Reconciliation		
Fixed Assets \ Fixed Assets Schedule Additions/deduction/transfers of fixed assets Depreciation		
CONTINGENT LIABILITIES Liability under Bank Guarantee/ L.C. Pending Claims, Other contingent liab.		
INCOME HEADS Interest on Advances Locker Rent Accrual, Recovery Commission On Govt. Business Processing of loan, stamping, insurance etc. Charges for late / non-submission of stock / QIS statements, non-renewal of limits, inspection, valuation, etc. Critical scrutiny of the Income Accounts		
EXPENDITURE HEADS Interest on deposits Prior Period Expr. Outstanding Expr. Provisions Vouching of General Expr. A/c Comparison With Previous Year figures Critical scrutiny of the Expense Accounts Prepaid Exps. accounting		
Statement Of Frauds- adequacy of provision, timely reporting to competent authority, recovery and movement in balances.		
Balance Sheet, P & L A\c, Schedules Checking		
LFAR		
TAX AUDIT Tax Audit annexure and preparation of Tax Audit Report.		
Service Tax collected and paid		
AUDIT REPORT Memorandum Of Changes Various Reports As Required By Bank		
CERTIFICATES TO BE COLLECTED Physical verification of the fixed assets Physical verification of Investments Physical verification of the cash & other items		
Other important Aspects		

Prepared By **Reviewed By** **Audit Team Incharge**