



INVITATION FOR SUBMISSION OF QUOTATION FOR
CONDUCTING CONCURRENT/EXTERNAL AUDIT OF THE BANK FOR
F.Y.2026-27

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 2026-27.

I. Job Profile:

To conduct Concurrent/ External Audit of APCOB, Head Office and its 18 branches for the F.Y.2026-27.

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. Firms should have Head Office/Branch office at Vijayawada or Guntur.
- d. Audit firms having experience in bank audit for 05 years and more.
- e. The audit firm name shall appear in the Diploma in Information System Audit (DISA) qualified list of CAs provided by ICAI.
- f. 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.
- g. 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.2026-27.

IV. Application Guidelines:

- a. Chartered Accountant firms can apply from the date of notification in the application proforma prescribed by the Bank, the hard copy of quotations should reach the Bank **on or before 21.07.2026**.
- 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) separately*** along with the duly filled-in application to the Head office of the Bank within the prescribed time limit in hard copy.

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. The allotment of the audit is the discretion of bank whether as part or whole.

Sd/-
Managing Director

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 **☎:** 0866-2429064/34 **✉:** iad@apcob.org

COOPERATIVES BUILD A BETTER WORLD

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.	Moghalraipuram	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, Krisnna District

Business Details of the Branches**(Amt in Lakh)**

		31.03.2026		
S. No.	Branch Name	Total Deposits	Total Loans	Total Business
1.	Head Office	56982.36	3544090.76	3601073.12
2.	Tirupathi	31214.38	4362.91	19358.01
3.	Governorpet	13802.89	5555.12	1102171.10
4.	Barkatpura	1052004.56	50166.54	20695.42
5.	Brundavan Gardens	16583.21	4112.21	4019.02
6.	Gannavaram	1746.38	2272.64	11167.58
7.	K R Market	6706.69	4460.89	9261.01
8.	Ramavarappadu	2964.79	6296.22	12209.46
9.	Gollapudi	8289.49	3919.96	9314.00
10.	Venugopala Nagar	4586.06	4727.94	2233.03
11.	Rayapudi	1060.93	1172.11	13058.80
12.	Kanuru	6946.29	6112.51	15334.98
13.	Currency Nagar	7989.04	7345.94	13202.19
14.	Mangalagiri	10731.83	2470.36	12344.17
15.	Moghalrajpuram	7218.50	5125.67	6895.02
16.	Chenchupet	3499.96	3395.06	9979.09
17.	AT Agraharam	4141.89	5837.21	4095.19
18.	Hanuman Junction	826.76	3268.43	3741.58
19.	Challapalli	2456.28	1285.30	1304656.96
	Grand Total	1239752.29	3665977.78	6174809.73

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 c. Category of the firm as per ICAI	
3	Names of the Partners of the Firm with Age	
4	Date of Certificate of Practice of each partner	
5	Contact Details: • 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 Andhra Pradesh, give the details of: • 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 with supporting documents	

	- No. of years as Statutory Central Auditor - 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:

//On the letter Head of the Audit firm//

ANNEXURE-III

**QUOTATION FOR CONDUCTING CONCURRENT/EXTERNAL AUDIT OF
APCOB FOR THE FY 2026-27**

To
The General Manager
Internal Audit Department (IAD)
The A P State Co-operative Bank Ltd.,
Head Office, Governorpet,
Vijayawada – 520002.

Sir/Madam,

Sub: Name of the Audit Firm – Submission of Quotation for conducting
Concurrent/External audit of APCOB for the FY 2026-27 – Reg.

We herewith submit the Quotation for conducting Concurrent/External audit
of APCOB for the FY 2026-27.

Particulars	Audit periodicity	No. of Units	Quote by _____ (Name of the Audit Firm)		
			Amount	GST	Total (including GST)
Head Office all departments as single unit	Quarterly	1			
Funds and Accounts Department (FAD) as signal unit	Monthly	1			
Branches	Quarterly	18			

Note: The quotation may be provided for all Branches and the Head Office, with any
other charges, if applicable, mentioned separately.

I/We further declare that the quoted amount submitted by me/us is the final
amount (incl of Taxes). Incase of any deviation is found, the Bank may take necessary
action, including Blacklisting of the firms/members, as it may deem fit.

Signature of the Authorized Official/Partner
(Name of the Authorized Official/Partner)

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, 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. Verify whether the Duplicate set of cash safe keys is deposited and maintained in safe custody with HO/ Vijayawada main Branch or with State Bank of India and held in the joint Names of the Branch Manager and Head Cashier as per extant guidelines.
- g. Check whether all cash remittances are were done as per the Cash Management/ Blanket Insurance policy issued by bank from time to time.
- h. Check whether TDS is deducted on cash transactions above Rs.20 lakh or Rs. 1.00 Cr where-ever applicable, in compliance with section 194N of Income Tax Act, 1961 and filing of return.
- i. Instances of Debit in accounts through cash and cheques where signatures and photo are pending for scanning.
- j. Verify voucher reconciliation is done on regular basis.
- k. Verify cash transactions report on daily basis.
- l. All transaction vouchers are subjected to audit.
- m. 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.
- n. ATM - transactions in ATMs, complaints like non/short payment, "cash-out" position, verification of working of security arrangements etc.,

- o. Verify whether there is any cash difference between Physical Cash & CBS Balance. If Yes, verify the age wise details.
- p. 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.
- q. Verify whether the Gold bags are tallied with the CBS/Register and also verify the dual custodian signature is present in the register.
- r. Verify whether the 100% cross verification of Gold loans is done periodically.
- s. Whether there are any instances reported that fake gold has pledged in the Branch during the audit period.
- t. Specify the no. of Gold Loan overdue cases present as on date of audit. Comment on whether the notices served for overdue Gold loans on time.
- u. Verify whether branch is adhering to laid down systems & procedures and adopted adequate safety measures.

2. Deposits

- a. Check the transactions about deposits received or 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. Verify whether staff declarations are obtained for offering additional rate of interest on and above card rate.
- f. Inoperative/dormant accounts shall be classified properly and operations in such dormant accounts.
- g. Verify whether fresh KYC obtained for Inoperative accounts converted to operative during the period of Audit.
- h. Verify whether PAN is mentioned whenever the cash transaction is Rs. 50,000/- & above.
- i. 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.
- j. Whether prescribed application is obtained, duly filled and kept on record.
- k. Whether the Identity proof/ Residence proof/ Photos/required documents obtained.
- l. Deduction of Tax at source from interest income on term deposits shall be done as per the laid down procedure.
- m. 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.

- n. Examination of multiple credits to single accounts.
- o. Check whether Cheque Books charges/Cheque Return charges are levied as per Service charges guidelines issued by HO.
- p. Check whether the Branch is complying with the Nomination clause.
- q. Check whether the CBS is allowing Penal interest in case of delayed installment payments.
- r. Check Whether the applications of accounts transferred to DEA Fund.
- s. Check whether the DEA Fund Claim Settled Accounts applications are filed.

3. **Advances:**

- a. Check whether the proper documentation is obtained before/after sanction of loan accounts.
- b. Verify the genuinity of the documents produced/ submitted by the borrower.
- c. Ensure that loans and advances have been sanctioned properly (i.e. after due scrutiny and at the appropriate level).
- d. Verify whether the sanctions are in accordance with delegated authority.
- e. Ensure that securities and documents have been received and properly charged/registered as per policy guidelines.
- f. 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.
- g. Ensure that post disbursement, supervision and follow-up is proper, such as receipt of stock statement, instalments, renewal of limits, drawing power etc.
- h. Verify whether there is any Misutilization of the loans and advances and whether there are instances indicative of diversion of funds.
- 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 there are any Time Barred Debts present in the Branch.
- s. Comment on followup made for Sticky/NPA loan accounts.
- t. Any OTS allowed to the NPA loans and it is done properly.
- u. Physical verification of securities charged to the Bank.
- v. Verify whether the gold bags are tallied with the CBS/Register and also verify the dual custodian signature is present in the register.
- w. Verify whether any evergreening of loans are being done by branches.
- x. Verify whether any gold loans are granted to Appraiser.
- y. Verify whether any loans sanctioned to the Directors/relatives of the directors

4. **Housekeeping:**

- 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 updating 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. Check Whether, any unauthorized debits to TDS GL Head of Account is made during inspection period.
- o. Verify whether the 15G/15H are obtained from the customers are properly fed into system for TDS exemption.

- p. Comment on scanning of specimen photo & signatures.
- q. Comment on whether CC TV backup is maintained as per RBI guidelines and working of Burglar alarm, Fire Extinguishers.
- r. Comment on Process followed for settlement of Death claims and settlement is made within the due dates as per policy guidelines.
- s. 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. Bank Guarantee issued/ amended as per the approved format/model guarantee prescribed and standard limitation clause incorporated. Whether counter indemnity obtained as prescribed.
- f. Any deviation from the terms of sanction in regard to margin, security, purpose, period, beneficiary, collection of charges, commission/ fee, etc.
- g. 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.
- h. 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.
- i. 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.
- j. If any adverse remark is required to be given, the concurrent auditors should give reasons therefore.
- k. Concurrent auditors may themselves identify problem areas at branch level/bank and offer their suggestions to overcome them.
- l. 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.)
- m. Whether balance outstanding in accounts as per Trial balance as at the end of the Inspection Period tallied with concerned GL Head.

- n. 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.
- o. Credit appraisals, credit approvals, disbursements, Documentation, Security, Post disbursement monitoring, compliance to covenants and legal audit etc.
- p. Comment on time barred debts and legal action status for NPA loans.
- q. Handling of non-fund-based credit facilities such as Bank Guarantees
- r. Income leakages as related to collection of interest, commission, exchange, processing and inspection charges.
- s. Check whether rent in respect of office premises paid to Land Lord was as per sanction.
- t. Insurance: cover for Bank's properties, also those as related to loan assets sanctioned as per guidelines prescribed by HO.
- u. 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.
- v. Verifying the statements, HO returns, and statutory returns submitted by the Branch as to their adequacy and accuracy.
- w. Adherence to KYC / AML guidelines including monitoring of transactions in accounts, reporting of CTR/STR, maintenance of records as laid down under KYC/AML norms.
- x. Areas identified as Zero tolerance – KYC norms, ROC charge creation, CERSAI registration and adherence to the bank's policy on ATM cash replenishment.
- y. Whether the loans disbursed are within the CMA guidelines of NABARD.
- z. Coverage of CGTMSE guarantee for the applicable loans.
- aa. whether the amount recorded in the share capital register is tallied and reconciled with the General Ledger Balance.
- bb. Verify whether the Branch level customer service committee is constituted and meet at least once a month.
- cc. Verify the compliance submitted by the branches/ departments pertaining to financial/ account operations/ other changes and see whether there is anything found suspicious.
- dd. Instances of debit to Income or credit to expenditure account. Comments on appropriateness of such transactions.

Head Office Departments

A. HRMD & Board Secretariat

1. Administration & Legal:

- a. Outstanding in Suspense accounts
- b. Verify whether sanction of Increments is done as per the Service Regulations.

- c. Verify whether any LTC & Leave Encashment are sanctioned during the period covered under audit as per the guidelines prescribed by HO.
- d. Submission of Periodical returns to NABARD.
- e. Appointment and Payments made towards SLC are as per agreed terms.

II. Payments & PF Trust:

- 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. Deduction of tax at source and filing of 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.

B. Information Technology Department:

- 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

C. Loans & Advances Department:

I. Refinance-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.

II. **Institutional Credit Department (ICD):**

- 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. Verify possession of goods with the bank – Physical or symbolic (like possession of godown key, title deeds, Railway receipt/Bill of lading, etc., warehouse warrant/receipt)
- s. Verify the goods pledged are not obsolete/non-saleable.
- t. Key custody register, duplicate set of godown keys.
- u. Classification of accounts
- v. Verify interest calculation, rates (fixed vs floating), hedging if applicable.
- w. Check for penalties or additional costs if borrowings are not serviced properly
- x. Whether the loans disbursed are within the CMA guidelines of NABARD.
- y. Disclosures in financial statements of the nature, terms, amount, maturity of borrowings.

III. Centralised Loan Processing Centre (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 whether the bank is sending alerts through SMS/email to customers while submitting information to CICs.
- g. Verify whether the bank has been undertaking half yearly review of DQI for all segments of the data being submitted to CICs.
- h. To check whether there is any violation in exposure norms
- i. Verify Payments made towards renewal of membership with CIC's
- j. Whether CGTMSE claims processed for the eligible accounts

D. Policy and Development Department (PDD):

I. Institutional Development Department:

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

II. Planning and Development Department:

- 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.

E. PACS Development Department:

I. PACS Computerization

- a. PACS Computerization and Payments made, if any
- b. Any payments made through System Integrator activity.
- c. Purposes for Utilization of budget under System Integrator Activity.
- d. Accounting Procedures for Utilization of budget under System Integrator Activity.
- e. Sanction and release of budget sanctioned under System Integrator Activity
- f. Monthly Review of payments by Managing Director.
- g. Any other subjects.

F. Funds and Accounts Department (FAD) (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.

I. 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.
- h. Securities lodged with other institutions for an advance or any other credit arrangement to the extent to which such securities have not been drawn against or availed of.
- i. Securities offered as collateral to the RBI for availing liquidity assistance under MSF up to the permissible percentages of the NDTL in India, carved out of the required SLR portfolio of the concerned bank.

II. 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.
- h. Whether the department is complying with the NABARD/RBI/Head Office/Board guidelines regarding Bank receipts, SGL forms, and delivery of scrips, documentation and accounting.

III. Accounts:

- a. Verification of DEA Fund transactions on Monthly basis, Generation of UDIN 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.,

IV. Income Tax & GST:

- a. Verify the filed Income tax return
- b. Verify the Notices received from Income tax authorities and replies or compliances submitted in this regard.
- c. Verify the instances of TDS reversals, before making payment.
- d. To check whether the monthly returns GSTR1, GSTR3B are filed within the due dates.
- e. To verify whether the monthly GST is remitted to government.
- f. To check whether the Input tax credit in the online and in banks books is tallied.
- g. To check the Input Tax Credit is correct on random basis.
- h. Notices – Pending and Status of the same.
- i. Any Statutory penalties, interest etc.,
- j. Reply to query any received with regard to GST
- k. Comment on implementation of internal checks/controls.
- l. Check whether the Annual returns GSTR9 & GSTR9C are filed within due date.
- m. Any Payments made to Auditor for filing of returns.
- n. GST consultant appointment and approval for fee payment of GST consultant.

V. Banking Operations & 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 Loans or ODs Sanctioned against FDs of DCCBs.
- 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.
- f. Verify whether the dept. has opened or closed any accounts with other Banks

during the Audit period and approvals for opening of accounts.

VI. Payment Channel Reconciliation

(RTGS/NEFT/Clearing/Cards/IMPS/UPI):

- a. Payment made towards CTS Fee.
- b. Whether Inward & Outward Cheques are processed within Stipulated time.
- c. Reconciliation of ACH CR/DR and NPCI CR DR amounts on monthly basis.
- d. Whether ATM Reconciliation of branches is done
- e. Whether any ATM's & Rupay cards purchased during period covered under audit.
- f. Whether Stock register is maintained.
- g. Whether the Daily Transactions of UPI, IMPS, ATM, E-Com Pass are reconciled
- h. Submission of returns to RBI/NABARD.
- i. Whether the report from NPCI portal is tallying with the amounts in CBS.
- j. Whether the failed Inward& Outward amounts are being credited to Customer A/c on Daily basis.

G. Banking and Business Development Department (BBDD):

I. Branch Business Development:

- 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 whether the appraiser security deposit is obtained as per the gold loan exposure of the branch.
- c. Verify the Blanket Insurance and Group Accident Personal Insurance.
- d. Proper accounting and availability of insurance cover for inward and outward cash remittances – Bank as a whole.
- 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. Whether any complaints received from customers and action taken thereon and settlement is done within the Turn Around Time(TAT).
- i. Conducting of committees as per frequency guidelines.
- j. Verify the status of Fraud cases occurred in Branches.
- k. Any Bank Guarantees issued by Bank.
- l. Details of Lockers, Locker rent due particulars, Locker Break open cases are monitored.
- m. Verify whether OTS/Write off of loan accounts are taken up as per the bank guidelines and check calculation of OTS/Write off amount. The account opened

for the said purpose is non-interest-bearing account and closed right after completion of OTS/ Write-off.

- n. Whether Bank submitted the Form 61 appropriately.
- o. Whether opening of new branches and shifting of existing branches are done during the period of audit and the same was as per the guidelines.

H. Risk Management Department (RMD) :

I. Risk Management Department:

- 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;
- c. Systems in the context of both current and potential future risks.
- d. Reliability, effectiveness and integrity of management information systems and processes (including relevance, accuracy, completeness, availability, confidentiality and comprehensiveness of data)
- e. Internal Auditor should comment on the adequacy of Bank' 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.
- f. 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.
- g. Verify the Advance tax calculation and intimation to Treasury Back office within time for payment as per the RBI guidelines.
- h. Capital Planning process should be verified by internal Audit of the Bank in line with policy guidelines and should meet capital targets.
- i. Manual adjustments which affect the Banks Capital Position should be identified during the audit.
- j. Credit limits should be reviewed and monitored regularly and any breaches found should be reported
- k. 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.
- l. 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.
- m. Process of Pricing must be checked and audited regularly.
- n. Indicators which act as an Early Warning system to identify the liquidity Problem should be monitored in the Internal Audit.
- o. 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.

- p. Examine the Branch viability procedure (worked on Transfer Price mechanism) and comment.
- q. Verify the compliance to IRAC norms.
- r. Examine on ALCO and RIMCO meetings periodicity.
- s. Comment on implementation of internal checks/controls.
- t. Evaluation of the accounting system and internal controls in operation and reporting on the weaknesses observed – Furnish a separate report on specific observation.
- u. Review of the adequacy of compliance with Risk Management framework of the bank.

II. Non-Fund Income Cell (NFIC), SRO Patamata:

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

I. General Administration Department (GAD):

• 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 if any.

• **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. Verify whether the procurement is made as per the indent received from department/branches and approvals from competent authority.
- f. General Observations if any.

• **Stationery Department:**

- h. 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.
- i. 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.
- j. Printing & Stationery - Quotations obtained as per DOP; Approvals from competent authority; Verification of Tax Invoices w.r.t. payments made; Any other remarks.
- k. General Observations.

I. KYC & AML:

- a. Verify the uploading the KYC Record on the Central KYC Records Registry portal of CERSAI.
- b. Verify 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 risk categorization is done on periodical basis, especially when the status of the customer changes to politically exposed person.
- e. Verify the module reports data with manual work and comment on it.
- 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.

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 2026-27 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) except gold loans	Timelines by which the credit audit should be done

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.