

**Annexure:**

**Suggested Bank Branch Audit Program / Illustrative Checklist Time & Manpower planning:**

Sr. N	Name of the person	Designation &	Estimated time for work	Initials of the Person

Sr. No	Area of Work	Person responsible at the Branch for that area	Done by whom	Date
A	General - Pre Audit Work			
1	Review of Latest available inspection reports of Internal/Concurrent/RBI/Statutory Auditors and compliance thereof			
2	Review of Closing Circular issued by Head Office			
3	Study of Significant accounting policies of the Bank & computer system			
4	Study of Business mix of the Branch & determination of the sample size and percentage of checking in each area keeping in view the LFAR requirements			
5	Compliance of Mandatory Accounting Standards / Auditing Standards and RBICirculars			
6	Intimation in writing whether given to the Branch Manager regarding requirements for audit and documents to be kept ready for audit		,	
7	Get the signing partner's Digital Signature Certificate (DSC) ready			
B	Physical Verification			
1	Physical verification of Cash (in branch and in ATM), Adhesive stamp documents and postage and cross verification of the same with GL balances.			
2	Physical verification of Investments. (if lodged at Branch)			
3	Physical verification of valuable stationery like cheque books, Demand Drafts, Pay-Orders etc.			

C	Verification of Returns and Reconciliation			
	1	Verification of returns submitted to RBI / HO / ZO ( Monthly/ Quarterly / Half Yearly / Yearly )		
	2	Verification of Annual Closing Returns		
	3	Verification of HO / Branches / Other Banks Reconciliation, Branch Adjustment Account, Suspense account etc.		
	4	Verification of Statement of Fraud		
	5	Verification of NOSTRO reconciliation		
D	Verification of Balances			
	1	Checking of opening balances in GL with previous year audited Balance Sheet and Profit & Loss Account		
	2	Cross Verification of Trial Balance, Profit & Loss Account and Balance Sheet figures as on 31' March with GL figures		
E	Balance Sheet			
	1	Advances		
		100 % coverage of advances in respect of which outstanding amount is excess of 10% of outstanding aggregate balance of fund based and non-fund based advances of the branch or Rs.10 crores, whichever is less		
		<b>a. Credit Appraisal</b>		
		<b>b. Sanctioning and Disbursement</b>		
		<b>c. Documentation - Pre-sanction &amp; Post Sanction</b>		
		<b>d. Monitoring/ Review/ Supervision by the Branch</b>		
		1. Submission of financial statements		
		2. Submission of I.T. Returns		
		3. Timely submission of stock statements		
		4. Calculation of Drawing Power		
		5. Inspection of Godowns		
		6. Operations in the account - overdue/ sticky accounts / diversion of funds/ cheques duly honoured/ limit not exceeded frequently		
		7. Renewal of documents due		
		8. Penal interest for default		
		9. Insurance coverage		
		10. Registration and Mortgage of property		
		11. Verification of data in CBS		
	2	Analysis of entries outstanding in suspense Account, Sundry Debtors, Sundry Creditors		
	3	1. Verification of assets classified as NPA. 2. Verification of Upgraded Accounts earlier classified as NPA		

	4	Review of suit filed accounts / Decreed accounts & their follow - up			
	5	Checking of additions, deductions, transfer of fixed assets with relevant supporting			
	6	Verify that all balances are shown under proper heads			
	7	Verify that credit balances in OD, CC, inoperative current accounts are not netted off with advances and are shown separately under demand deposits			
		Verify that Interest accrued but not due on loans is not included in			
	9	Deposits			
		1. After the Balance Sheet date & till the date of audit whether there have been any unusual large movements in the aggregate deposits held at the year end			
		2.Verification of Staff Accounts			
		3.Check that guidelines issued by RBI for inoperative & dormant accounts are strictly followed			
		4.Verify that overdue, matured time deposits are shown in demand deposits			
		5.Verify that interest accrued but not due is not included in deposits but shown			
	10	Analysis of entries outstanding in Bills Payable/ Sundry Deposits etc.			
	11	Obtain list of contingent liabilities not acknowledged as debts by the branch. Check for correct			
F	Profit & Loss Account				
	1	Verification of provision of interest on standard , substandard, doubtful & loss assets and appropriate accounting			
	2	Checking of proper classification of revenue and expenditure items			
	3	Ratio Analysis and comparison with previous year figures			
	4	Verify whether there is any divergent trend in major items of income & expenditure and analysis of reasons			
	5	Test checking of interest on deposits and advances			
	6	Test checking of commission and discount on bills etc.			
	7	Verification of accounts of major heads of income & expenditure Verification of			
	8	provisions for prepaid and outstanding income & expenditure			
	9	Verification of locker rent received and due and provision thereof			
	10	Verification of provision for depreciation on fixed assets			
	11	Checking of prior period expenses and income and provisioning thereof			

	12	Checking of provisions for ECGC/ DICGC claims			
G	LFAR				
	1	Checking of items as per LFAR checklist			
	2	Preparation of annexures to LFAR			
	3	Preparation of LFAR			
	4	Special emphasis on restructured accounts / NPAs			
H	Verification of Checklist of Jilani Committee Recommendations				
I	Verification of Checklist of Ghosh Committee Recommendations				
J	Collection of following certificates and statements from Branch				
	1	Physical verification of cash			
	2	Physical verification of Adhesive Stamp Documents, Postage, Security etc.			
	3	Physical verification of Investments			
	4	Physical verification of Fixed Assets carried out by Branch			
	5	NPA Statement, Profit & Loss Account, Balance Sheet, Trial Balance certified by Branch Manager			
	6	Management Representation Letter			
	7	Certificate from Branch Manager for attendance of Audit			
M	Finalisation				
	1	Preparation of Draft of the following-			
	1	1. Audit Report			
		2. LFAR & Annexures			
		3. Jilani Committee Recommendations			
		4. Ghosh Committee Recommendations			
		5. Memorandum of Changes			
	2	Discussion of Draft Report with Branch Manager			
	3	Preparation of Final Report			
	4	Generation of UDIN			
	5	Submission of Final Report along with Copies of Signed Balance Sheet, Profit & Loss Account and certificates digitally or physical as per requirements			
N	Review of work done by Audit Team				
	1	Senior			
	2	Junior			
	3	Articled Clerks			
	4	Employee			