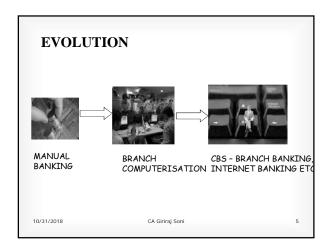
Usage of CBS System for Concurrent Audit Seminar on Concurrent Audit BY – CA GIRIRAJ SONI 10/31/2018 Session Objective OB □ Discussion on how to utilize the CBS information systems to their fullest to conduct Concurrent audit of banks' branches; effectively 10/31/2018 CA Giriraj Soni Disclaimer These are my personal views and can not be construed to be the views of the ICAI or my firm. R No representations or warranties are made by the WIRC with regard to this presentation. $\ensuremath{\text{ca}}$ These views do not and shall not be considered as a professional advice. or in whole, in any manner or form, without our written permission.

Contents C3 C4 C8 Basic Introduction of CBS including Modules Features, Assumptions C8 General Audit Procedures in Computerized Environments C8 Detailed Audit Procedure C8 Case Studies C8 Screen Review



☐ Unique cu ☐ All retail f	unction combined ation as per requirement tion access	_
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Advantages - CBS □Anywhere / anytime banking □Enhance security features □ Back office functions centralized ☐Effective MIS □Data duplication is avoided 10/31/2018 CA Giriraj Soni ASSUMPTIONS/MYTHS Computerized system is full proof ${\ensuremath{\bowtie}}$ Audit in computerized environment required more technical knowledge ∞ No need for control review as control are in built Staff / operators have full knowledge of operations ∞ NPA are System generated 10/31/2018 CA Giriraj Soni

CBS Commands CG Ledger Verfification Finacle "ACLI" - Account Ledger Inquiry "ACLPCA" - Customer Ledger Account Print "PSP" - Pass Sheet Print

BaNCS DL / TL Accounts & Services - Print Option

Deposit / CC / OD Accounts & Services - Print Option

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Audit Approach



- Gentify Audit Areas as per Bank Format
- □ Identify Date Entry Points / Documentation / Physical Check
- ⇔ Check Source of data CBS / Manual / Both
- ${\it CR}$ Check available report/ reports if any
- ™ Reportable observations

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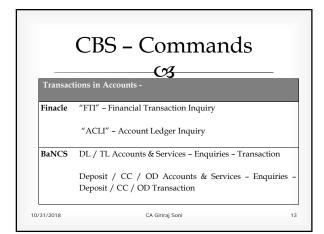
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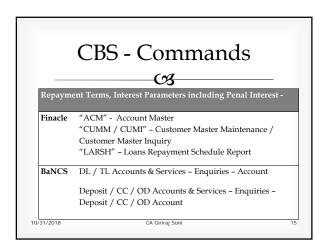
KYB

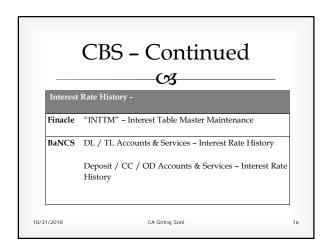
$\mathcal{O}_{\mathcal{S}}$

- $\ensuremath{\text{ca}}$ As per Report So many areas / 100% coverage What to do \ref{loop}
- Business Mix Deposit Base / Advances Concentration
- $\ensuremath{\bowtie}$ Function handled extent of services –ARMB KYC LCB Service Branch
- ৰে Advances Retail other
- Advance Concentration
- ∞ Deposit Structure



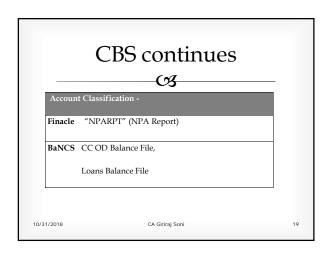
CBS - Commands C3 Sanctioned Limit / Drawing Power Finacle "ACLHM" - Account Limit History Maintenance BaNCS DL / TL Accounts & Services - Enquiries - Account Deposit / CC / OD Accounts & Services - Enquiries - Deposit / CC / OD Account

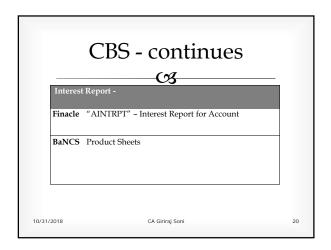


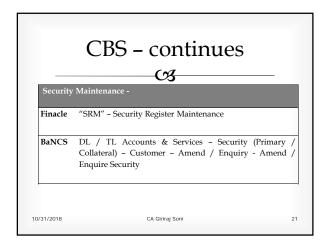


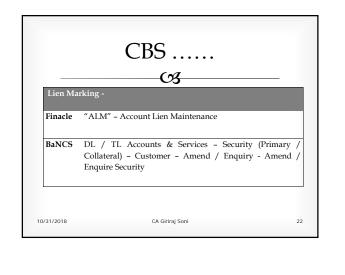
CBS continued CGS Turnover in an account or Debit & Credit Summation Finacle "ATOR" - Account Turnover Report "ACTI" - Account Turnover Inquiry BaNCS DL / TL Accounts & Services - Enquiries - Long Deposit / CC / OD Accounts & Services - Enquiries - Long 10/31/2018 CA Giriraj Soni 17

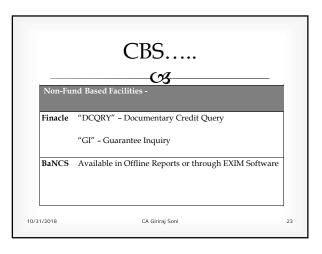
Account Classification Finacle "ACS" - Account Selection or "ACSP" - Account Selection Print BaNCS DL / TL Accounts & Services - Enquiries - Short - Select Option 1 - DL / TL {Date of NPA is available under Long Inquiry} Deposit / CC / OD Accounts & Services - Enquiries - Short - Select Option 2 - CC / OD {Date of NPA is available under Long Inquiry} AC/31/2018 CA Girling Soni 18

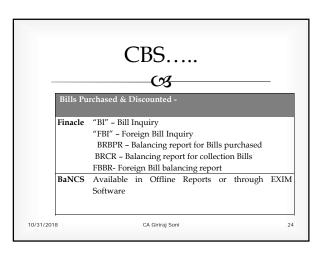


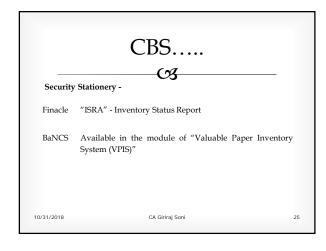


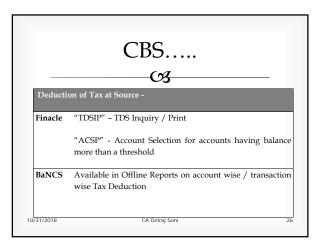


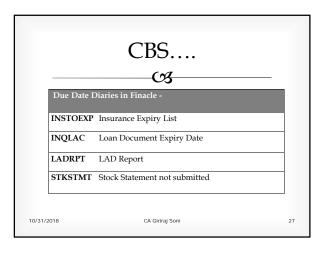


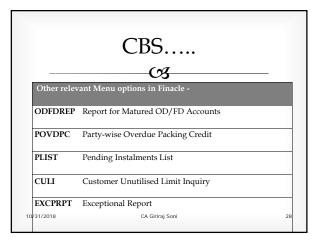












Some issues / Limitation

OB

- $\ensuremath{\bowtie}$ Checking on sample basis or 100% ?
- Checking of DP and updation in the system
- ™ Integration of data in CBS and other software
- ∇erification of interest on advances Computation sheet
- Reversal of interest on NPA
- № Delay in review / renewal in CC
- $\ensuremath{\bowtie}$ Interest subvention and accounting

- ${\it c}{\it x}{\it CST}$ accounting and Input Tax Credit
- ™ Pool Account purchase and entries thereof

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Issues/Limitation



- ⇔ Balancing of Books
- ™ Master data check specially repayment schedule
- Security value updation − correctness of data
- Consortium advances and DP working
- □ Transaction on behalf of other branches
- ™ Review of Trial balances / GL
- $\ensuremath{\bowtie}$ Data migration and updation of data

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Issues / Limitation

OB

- © Updating of data like dates of last inspection, review, documents etc. is not done. Also installment amount, date of first installment etc. are not fed. Thus, CBS may not be used to its fullest.
- $\ensuremath{\bowtie}$ CBS does not generate most of the closing returns.
- ca CBS has made our work difficult to the extent that now anybody e.g. central statutory auditor may review branch's data and thereby our work sitting in Z.O. / H.O. of the bank.

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Revenue Leakages

OB

- © Focus on areas where charges are not automatically applied by the software or where a particular module is not computerised
- Omission in charging penal rate of interest e.g. for non-submission of Financial Statements, Stock Bookdebts Statements, Ext. Credit Rating etc.

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Revenue Leakages

(A

- $^{\text{CQ}}$ Rate of interest in case of irregular advance related accounts

- Cash Handling Charges
- $\ensuremath{\mathsf{c}} x$ Charges for use of Locker exceeding the permissible limit etc.

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Revenue Leakages

(%

- ca See "Interest Failure Reports" for CC/OD and Loans to detect leakage of revenue. 'Interest Rate History' may also be referred.
- Calculate the control of th
- ⇔ Sanction letter of Top 10 or 20 accounts (Especially accounts where a 'Minimum Rate of Interest' is being stipulated and Account Master to be checked.

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Shortcuts



∝ F1 - HELP

○ F2 - LIST OF ITEMS FOR SELECTION

 \bowtie SHIFT + F4 - SELECTING THE ITEM FROM LIST

 \bowtie F10 - COMMIT

 \sim CTRL + D - PAGE DOWN

ca CTRL + U - PAGE UP

○ CTRL + E - EXPLODE DETAILS

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