



DCCB- VZM

THE DISTRICT CO-OPERATIVE
CENTRAL BANK Ltd.,
VIZIANAGARAM-535002

Phone No 08922 224615

Mobile no.9989773059

Website:- www.dccbvizianagaram.com Email:- ceo_vzm@apcob.org

Head office:-18-2-9, Kaspā, Raja Bajar, Vizianagaram - 535002

C.O./DoS./2025-26

Date: 11-07-2025.

1. Eligibility Criteria/Minimum qualification:

i) Minimum qualification to apply for appointment of internal auditor of the Bank for the financial year 2025-26

- a) Certified in chartered accountancy
- b) Certified in concurrent/internal audit of Banks
- c) RBI Category of the partnership firm should be Category 2 or Category 1 Firms.
- d) Partners of the audit firm should have minimum of experience 5 years in conducting of audit of Banks
- e) Audit firm should be registered and should have membership with ICAI

ii) Desired qualifications/certification by the audit firm/partners of the audit firm for giving due weightage in selection

- a) Technical qualification is desired for MS Office and tally
- b) At least one partner of the applicant firm should have DISA (ICAI) Qualification.
- c) At least one partner of the firm should have Certificate on concurrent audit issued by Institute of Chartered Accountants of India (ICAI)
- d) At least one partner of the firm should have Certificate on Forensic Accounting and Fraud Detection (FAFD) issued by Institute of Chartered Accountants of India (ICAI)
- e) Certification in Goods and Services Tax
- f) Certification in Tax audit.
- g) At least one partner of the firm must hold the DISA (Diploma in Information System Audit) certification issued by ICAI.

2. Documents should be submitted along with application form:

- a) Application form (format as given below)
- b) Profile of the audit firm
- c) Documents supporting to Certifications, Qualifications and Experiences as mentioned in the Application
- d) Photo copies of Registration, PAN and GST of the audit firm.
- e) Audit Fee details (should mention briefly for 24 branches and head office) in letter head of the audit firm.
- f) All documents should be signed by the head of audit firm along with seal of the firm.
- g) Incomplete or partial filling of applications will not be considered for evaluation and disqualified without any reasons.

3. Terms and Conditions:

- I. The Internal/ concurrent Audit fee will be paid on completion of the assignment in timely manner & on submission of the bill.
- II. The Internal/ concurrent Audit for the FY 2025-26 shall be completed on or before 15.04.2026 and the report is to be submitted positively by 20.04.2026.
- III. Audit should be conducted on quarterly basis and shall be reported in ending with June, September, December & March.
- IV. The Internal/concurrent Audit of the Bank consists of all transactions from 01.04.2025 to 31.03.2026. Internal audit report for each quarter is to be submitted before the end of next month of every quarter.
- V. The Internal/Concurrent Audit of the Bank shall *comprise* all items of transactions both at Central Office and its 25 Branches.
- VI. The Internal/concurrent Audit shall be made basing on the Vouchers & Day book, General Ledger available at Head Office and all Branches.
- VII. Scope of Internal/ concurrent Audit will be given after appointment.
- VIII. All payments shall be made either through NEFT/RTGS or A/C payee cheque only.

4. Submission of application and last date for submission:

- a) Application/s should be submitted to The Chief Executive Officer and should reach to the following registered address of the Bank.
*"The District Co-operative Central Bank Ltd, Vizianagaram
Door No: 18-2-9, A.G. Road,
Raza Bazar, Vizianagaram – 535001"*
- b) Applications should be submitted through sealed covers and closing time for submission of application/s – 05:00PM, 19th July, 2025.

You may contact undersigned for any queries/clarification on the above notification details.

Contact person: Sri. P. V. Ramana

Designation: Deputy General Manager

Contact number: 9885716070

5. SELECTION PROCESS:

- a. Applications received as complete in all respect and within the prescribed time, will be scrutinized on the basis of the basic eligibility criteria as prescribed and Applications not accompanied by all the required details and supporting documents would be liable for rejection.
- b. The Bank reserves the right to disqualify any or all applications on the basis of their responses without assigning any reasons, whatsoever. Those applicants who satisfy the requirements and specifications as determined by the Bank as per the terms and conditions of this document shall be short-listed.
- c. Those applicants who fulfill all the basic eligibility criteria will be evaluated based on other factors as the Bank may deem fit for its requirements.

- d. Only selected CA firms will be intimated by email.
- e. Bank also reserves the right to make query with the firm or any other agency, ask for additional information, particulars, and submission of one, some or more undertakings from any firm at any point of time. None of such act shall be deemed as selection of Auditor by the Bank to the firm unless and until Bank intimates in writing to the firm regarding allocation of any branch / unit for audit.

6. DISCLAIMER:

There is no commitment or obligations, whatsoever on the part of the issuer of this process, or officials associated with it within the Bank, regarding the implementation for any future plans. Any assumptions made by bidders, on the basis of information shared herein, will be at their own risk and responsibility.

Scope and Detail coverage of audit

1. Scope of Audit:

Audit covers all the Branches and Departments at the Head Office.

The Auditor shall have to see whether the transactions or decisions are within the policy parameters laid down by the Head Office/ Board of Directors, they do not violate the instructions or policy prescriptions of the Reserve Bank of India and that they are within the delegated authority and in compliance with the terms and conditions for exercise of delegated authority.

2. Detailed Coverage of Audit:

The main role of the concurrent audit is to supplement the efforts of the bank in carrying out simultaneous internal check of the transactions and other verifications and compliance with the procedures laid down. In particular, it should be seen that the transactions are properly recorded/ documented and vouchered. The concurrent auditors may broadly cover the following items (*The list is illustrative only*):

2.1 Cash

- a. Daily cash transactions with particular reference to any abnormal receipts and payments.
- b. Proper accounting and availability of insurance cover for inward and outward cash remittances.
- c. If cash holdings are beyond the prescribed cash retention limits, the same shall be reported.
- d. Short or excess cash, that needs to be reported.
- e. 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.
- f. Ensure that there is no accumulation of large stocks of heavy cash and cut/mutilated/soiled notes, which otherwise needs to be reported.
- g. Check All cash transactions of Rs. 10 lakhs and above are reported in CTR.
- h. Check whether Reporting of counterfeit notes/currency is being done.
- i. Proper accounting of currency chest transactions (if any), its prompt reporting to Reserve Bank of India.
- j. Expenses incurred by cash payment involving sizeable amount.
- k. Check whether TDS is deducted on cash transactions above Rs. 20 lakh, in compliance to section 194N of Income Tax Act.
- l. Instances of Debit in accounts through cash and cheques where signatures and photo are pending for scanning.
- m. Verify voucher reconciliation is done.

2.2 Deposits

- a. Check the transactions about deposits received and repaid and report if anything found suspicious.
- b. verify interest paid on deposits and calculation of interest on large deposits.
- c. Receipt/Payment of term deposit beyond Rs.20,000/- is made only through current /savings bank account or by A/c payee cheque.
- d. Inoperative/dormant accounts shall be classified properly and operations in such dormant accounts are authenticated by the competent authority.
- e. 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.
- f. Deduction of Tax at source from interest income on term deposits shall be done as per the laid down procedure.
- g. Settlement of claims of deceased customers and payments of TDRs against lost receipts and obtention of indemnities etc. has to be as per prescribed guidelines.
- h. Examination of multiple credits to single accounts.

6.3 Advances:

- a. Verify the genuinity of the documents produced/ submitted by the borrower.
- b. Ensure that loans and advances have been sanctioned properly (i.e. after due scrutiny and at the appropriate level).
- c. Verify whether the sanctions are in accordance with delegated authority.
- d. Ensure that securities and documents have been received and properly charged/registered as per policy guidelines.
- e. Master data relating to limit, rate of interest, EMI, moratorium period details have been correctly entered and updated/ modified in the system. Check review and renewal of loans. Check for all loans and advances issued and renewed during the period.
- f. Ensure that post disbursement, supervision and follow-up is proper, such as receipt of stock statement, instalments, renewal of limits, drawing power etc.
- g. Verify whether there is any Misutilization of the loans and advances and whether there are instances indicative of diversion of funds.
- h. 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.
- i. Compliance of prudential norms on income recognition, asset classification and provisioning pertaining to advances.
- j. Verify whether the classification of advances has been done as per RBI guidelines.
- k. 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.

6.4 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 day book 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 updation 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).

6.5 Other items (HO & Branches):

- a. Verify the compliance submitted by the branches/ departments pertaining to financial/ account operations/ other changes and see whether there are any thing 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/internal auditors may conduct percent check.
- e. Letter of Credit/ 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. 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.
- n. All transaction vouchers are subjected to audit within a period of one week of its occurrence.
- o. 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.
- p. ATM - transactions in ATMs, complaints like non/short payment, "cash-out" position, verification of working of security arrangements etc.,
- q. Credit appraisals, credit approvals, disbursements, Documentation, Security, Post disbursement monitoring, compliance to covenants and legal audit etc.
- r. Handling of non-fund-based credit facilities such as Bank Guarantees / Letters of Credit etc.
- s. Income leakages as related to collection of interest, commission, exchange, processing and inspection charges.
- t. Insurance: cover for Bank's properties, also those as related to loan assets sanctioned.
- 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. Transfer of amounts in Inoperative account for more than 10 years to DEAF account.

- w. Verifying the statements, HO returns, and statutory returns submitted by the Branch as to their adequacy and accuracy.
- x. Inspection of borrowal units / godowns / fixed assets / stocks under pledge / hypothecation shall be done in such manner so that all the accounts are covered at least once in six months and reports are to be submitted in the prescribed formats. The inspection shall cover maintenance of stock register, insurance register, realisability of assets, operation in units etc.
- y. Adherence to KYC / AML guidelines including monitoring of transactions in accounts, compliance with Foreign Account Tax Compliance Act (FATCA) and Common Reporting Standards (CRS), reporting of CTR/STR, maintenance of records as laid down under KYC/AML norms.
- z. Operations and functions of Treasury Department including investments, funds managements, inter-bank borrowing and operational functions of Service branch are also subjected to concurrent audit.
- aa. Areas identified as Zero tolerance – KYC norms, ROC charge creation, CERSAI registration and adherence to the bank's policy on ATM cash replenishment.
- bb. Whether the loans disbursed are within the CMA guidelines of NABARD.
- cc. Whether quotations obtained as per SOP before purchasing the Software/Hardware.

6.6 Loans and Advances Department: The Auditor should check whether:

- a. The department is sanctioning limits and drawls as per Policies.
- b. Verify whether PACSs are drawing within the sanctioned limits. In case additional limits are sanctioned to PACSs, verify the parameters that has been considered for renewal and if the auditor feels there is a need for additional parameters to be considered, the same should be pointed out by the auditor.
- c. Lending disbursements, outstanding, NODC values submitted to APCOB, values furnished during submission of drawl to APCOB etc should be verified with CBS. Check the genuinity of the transactions/ values that have been furnished.
- d. Scrutiny of proposals (Borrowing & Lending), interest rate application (Borrowing & Lending), share capital collection etc. are as per the policy guidelines and as per bank bye-laws.
- e. Repayment of drawl amount (Principle & Interest) both borrowing and lending should be checked.
- f. Ensure Submission of NODC statement, Interest Subvention claims, Ground level credit (GLC) statement to APCOB/NABARD within the timelines.
- g. Sugar Finance – Legal coverage, Interest subvention, Subsidy/rebate.
- h. Verification of Stock statements / book debts of the financed agencies and verify the limits are sanctioned/ revised as per stock statements submitted.
- i. Finance is being done within the exposure limits set by NABARD.
- j. Applying penal interest on overdue amount is being done.

- k. Taking Prior approvals from the Competent authority for approval of limits, sanction, disbursement etc.,
- l. Verify DP Notes & TP notes and other Securities etc.
- m. Government Schemes – verification of Interest subvention claims calculations, interest rebate, Subsidies.
- n. Submission of statutory returns, other returns, if any, to NABARD within the timelines.

6.7 Vigilance Department:

- a. Submission of periodical returns on Frauds and Embezzlements to NABARD.
- b. New Frauds cases identified and course of action.
- c. Pending queries in RTI (Right to Information Act) and furnishing our response/ replies within the timelines mentioned in the RTI Act.
- d. Payments to Advocates and prior approvals from the competent authority are taken before paying the Advocate Fee and as per Advocate fee rules.

6.8 Information Technology department:

- a. Ensure there are no deviations regarding procurement of IT equipment and selling of IT assets and process is within the policy guidelines.
- b. Ensure expenditure in the department is within the budget allotted.
- c. Ensure taking prior approvals from the competent authority before commencement of work in the department and before making payments to the suppliers and facility providers.
- d. Verify the bulk payments made in CBS.
- e. Verify Transaction disputes are resolved within the timelines.
- f. Verify whether Tax invoices are filed properly.
- g. Verify Whether the dept. is maintaining sufficient insurance cover for all IT equipment.
- h. Verify whether a committee for Cyber Security Framework is formed.
- i. Whether the dept. has received items from the vendor as per the Purchase Order (PO) issued by the Bank, kindly verify the same.
- j. Whether the **stock register** at HO is maintained and updated periodically.
- k. Whether the dept. is maintaining the details of Network and Internet Connectivity at HO, Branches.
- l. Whether the periodical updation and renewal of Antivirus and Firewall protection is done.
- m. Whether the AMC agreements are properly executed/ renewed on timely basis.
- n. In case, if any deviations observed in the reports provided by the service vendor, check whether
 - The same is escalated to higher management.
 - The same are recorded in the register
 - Action taken thereon for rectification

- o. Specify the List of the modules present in the CBS which are completely functional.
- p. Verify whether the Dept. is updating Parameters, service charges and interest rates as per HO guidelines for all the loan products as and when required.
- q. Verify whether the Dept. is verifying the application of return charges on Cheque and ECS & commission on BC's /DD's and OBC's etc., in accordance with the circulars issued by HO in CBS.
- r. Verify whether the application of monthly, quarterly, half yearly and yearly interests on deposits/ loans is done properly. Interest accruals and interest demand are set as per sanction terms and conditions.
- s. Verify whether the Dept. is setting up test environment for interest application on loans/deposits on dummy platform.
- t. Verify whether MIS reports are generated on daily basis.
- u. Verify the accuracy of MIS reports generated is cross-checked on regular intervals.
- v. Specify the amount of expenditure incurred towards CBS service during the Inspection Period and also verify whether the same is debited from the concerned GL and is within the Budget allotted for the current Financial year.
- w. Verify whether the payments to CBS vendor is made on obtaining approval from the competent authority, as per the Purchase Order (PO)
- x. Specify the amount of Expenditure incurred towards of **purchase of Office Equipment viz. UPS, Batteries etc.** during the Inspection Period and also verify whether they are debited from the concerned GL and is within the Budget allotted for the current Financial Year.
- y. Specify the amount of Expenditure incurred towards **FMS charges** during the Inspection Period and also verify whether they are debited from the concerned GL and is within the Budget allotted for the current Financial Year.
- z. Specify the amount of Expenditure incurred towards **CTS Fee** and also verify whether they are debited from the concerned GL and is within the Budget allotted for the Current Financial year.
- aa. Specify the amount of Expenditure incurred towards **charges for Antivirus** and also verify whether they are debited from the concerned GL and is within the Budget allotted for the current Financial year.
- bb. Specify the amount of Expenditure incurred towards **Internet Broad/Leased Lines Connectivity** and also verify whether they are debited from the concerned GL and is within the Budget allotted for the current Financial year.

6.9 Clearing: Verify:

- a. Whether CTS cheque return charges are being debited in CBS.
- b. Whether the GST Invoices created in the name of Clearing Section Income are tallying with actuals.
- c. Whether the amounts CR/DR from NPCI b/w APCOB & DCCBs are reconciled on regular basis.

- d. Whether the dept. is deducting TDS before making the payments, as and where required.
- e. Specify the amount of Expenditure incurred towards Clearing during the Inspection Period and check whether the expenditure is debited from the concerned GL and within the Budget approved by the Management for the current financial year.
- f. Check whether the agreements are properly stamped and executed by the authorized officials of Bank & Vendor. Verify the terms and conditions.
- g. Whether the dept. is verifying the system generated vouchers and actual amounts.
- h. Whether system is generating vouchers for the ACH DR Destination Bank transactions.
- i. Whether the Sponsor Mandates are processed/ uploaded to NPCI regularly within stipulated time.
- j. Whether the Dept. is processing **Outward cheques** within stipulated time.
- k. Whether the monthly charges remitted to NPCI for cheque clearing tallied with actuals.
- l. Whether the Dept. is processing **Inward cheques** within stipulated time

6.10 Rupay cards:

- a. Whether the dept. is reconciling the ATM cash differences in branches on periodical basis.
- b. Specify the Un-reconciled ATM Cash difference amount as on date of audit/inspection and no. of branches where the difference is present.
- c. Verify the Necessity of Rupay cards in branches, demand from branches, expenditure incurred, budget allocation etc.
- d. Whether the dept. has obtained approvals as per DOP.
- e. Whether the Daily Transactions of UPI, IMPS, ATM, E-Com Pass are reconciled.
- f. Whether the dept. is reconciling ATM retraction issues on regular basis.
- g. Whether the dept. has incurred any expenditure for any other purposes.
- h. Whether Tax Invoices of all expenditures are filed properly.
- i. Whether the dept. obtained approvals as per DOP before making the payment in connection with the Purchase Order (PO).
- j. Whether the dept. has obtained BCO clearance for making payments exceeding Rs.10,000/-.
- k. Whether the dept. deducted TDS before making the payments, as and where required.
- l. Verify whether the department is maintaining transaction reports as per NPCI norms.
- m. Verify Whether DR drills are performed on periodic basis.

6.11 RTGS/NEFT:

- a. Verify whether the dept. is tallying the SFMS report and CBS report on daily basis, regarding NEFT/RTGS Transactions.
- b. Verify Whether the report from NPCI portal is tallying with the amounts in CBS
- c. Verify whether the failed Outward amounts are being reccredited to Customer A/c on Daily basis.
- d. Verify whether the failed Inward amounts are being credited to Customer A/c on Daily basis.
- e. Specify the amount of Expenditure incurred towards Network connection (SFMS, LOTUS, ALTA SIGMA MAPPLE) & Digital Signature certificate during the Inspection Period and the same is debited from the concerned GL and is within the Budget approved by the Management for the FY.
- f. Verify whether the dept. is passing necessary vouchers in APCOB Mirror A/c towards Interbank charges for NEFT/RTGS transactions.

6.12 Human Resource Management:

Payments:

- a. Check the genuinity of the documents produced.
- b. Verify whether the sanctions are in accordance with delegated authority and within the budget allocated.
- c. Ensure that securities and documents have been received and properly charged/registered.
- d. Verify Monthly salary bills, calculation of TA & DA, Gratuity leave encashment, Domiciliary Bill, Festival Advances, budget, allowances, and other payments.
- e. Verify whether E-TDS return is filed.
- f. Verify whether the staff salaries pertaining to branches are reconciled within 30 days.
- g. Verify the no. of Staff Sanctioned CoDs and Amount sanctioned, during the current Inspection Period. Verify Proper Insurance Coverage is available for the CoDs sanctioned till the end of the current Inspection Period.

Policy:

- a. Examine whether rotation of duties among all cadres of employees as per Bank transfer policies, Trainings, and other payments are being done as per policies and procedures.
- b. Examine Recruitments and promotions are taken up as per service regulations (SR) and proper approvals obtained or not.
- c. Comment on Common recruitments taken up for DCCBs.
- d. Recruitment of Professional Consultants etc.,
- e. Comment of Compassionate appointments made during the period.
- f. Examine Sanction of Allowances and Perks to Employees of the Bank.

- g. Examine Budget Allocated and Utilization.
- h. Verify staff accountability studies conducted and comment on the risk posed (regarding financial loss), if its proven.

6.13 General Administration:

- 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; Maintenance; 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. House keeping 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 on New initiatives.
- k. 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.
- l. Printing & Stationery - Quotations obtained as per DOP; Approvals from competent authority; Verification of Tax Invoices w.r.t. payments made; Any other remarks.

- m. Gifts & Novelties - Quotations obtained as per DOP; Approvals from competent authority; Verification of Tax Invoices w.r.t. payments made; Any other remarks.
- n. Expenditure incurred under various GL Heads viz. Newspapers, Library etc. by obtaining approvals from competent authority. Any other remarks.
- o. 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.
- p. 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.
- q. Printing & Stationery - Quotations obtained as per DOP; Approvals from competent authority; Verification of Tax Invoices w.r.t. payments made; Any other remarks.
- r. Verify All procurement processes and payments are being done as per the policy guidelines.

6.14 Banking Operations Department (BOD):

- a. Verify Rate of Interest amendments, LTV calculation, cross verification, gold auction calendar etc., are as per the guidelines issued by the Bank.
- b. Verify the Blanket Insurance and Group Accident Personal Insurance.
- c. Examine Nodal officer reports and comment on it.
- d. Comment on implementation of internal checks/controls.
- e. Verify all applicable returns filed within due date in portal. (RBI and NABARD).
- f. Examine the Department initiatives for improvement of Branches performance in coordination with Branches.
- g. Verify the Death claim settlements, Death claim policy, any fraud cases found in Branches.
- h. 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.

2. GST:

- a. To check whether the monthly returns are filed within the due dates.
- b. To verify whether the monthly GST is remitted to government.
- c. To check whether the Input tax credit in the online and in banks books is tallied.
- d. Check the Input Tax Credit is correct on random basis.
- e. Verify Notices – Pending and Status of the same.
- f. Any Statutory penalties, interest etc.,
- g. Comment on implementation of internal checks/controls.

3. Credit/Loan processing

- a. Verify CIBIL payments, legal opinion payments, TDS deduction and any other payments made by the department.
- b. Verify whether the borrower's and Surety's data are uploaded in credit information companies (CIC).
- c. Verify all the returns filed within the due date in the concerned portal.
- d. Examine periodical Inspection of securities are being done at least 2/3 times in a year. Such inspection should cover both primary and collateral securities.

4. Reconciliation:

- a. Verify the Inter Branch Reconciliation i.e., HO account tallied with Branches account with BGL, current accounts with other banks.

5. KYC & AML:

- a. Verify the uploading the KYC Record on the Central KYC Records Registry portal of CERSAI.
- b. Verify CTR, 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.
- 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.

6. Non – Fund Income sources :

- a. E-Stamping commission
- b. Examine Corporate Agency Services.
- c. Verify Renewal of Insurance policies, Reconciliation process.
- d. Verify whether returns are submitted within the timelines.

6.15 Risk Management :

- a. Verification of the Advance tax calculation done in every quarter and intimation of same to the concerned department for payment as per the RBI guidelines.
- b. Examine the Branch viability procedure (worked out on Transfer Price mechanism) and comment.
- c. Verify the compliance to IRAC norms.
- d. Examine on ALCO and RIMCO meetings periodicity. Whether the meetings are conducted as per policy guidelines, whether review of previous meeting action points is being done, whether the proceedings are placed before the Board of Management on Quarterly basis.
- e. Verify the calculation of CRAR, Net worth and other ratios and check whether tallied with actuals presented by the department.
- f. Verify the Structural liquidity statement and Interest rate sensitivity statement and comment.

- g. Examine whether the department is monitoring of off- balance sheet items.
- h. Evaluation of the accounting system and internal controls in operation and reporting on the weaknesses observed and furnish a separate report on specific observation.

6.16 Development Department :

- a. Cooperative Development Fund (CDF) (NABARD & APCOB) & Common Good Fund (CGF) - Policy implementation and prior approval from competent authority as per extant guidelines.
- b. Special Category Staff Assistant (SCSA) – Gratuity implementation as per guidelines.
- c. PAIS scheme. Whether the bank is implementing the scheme as per the guidelines.
- d. Any calendar activities taken up by the Department.
- e. Verify whether the department is issuing guidelines on opening of new branches by DCCBs.
- f. Bye Law Amendment as per extant guidelines.
- g. Verify the grants given and ensure that the department is ensuring the same are properly utilized.
- h. Verify whether CCB Development Fund proposals scrutiny is as per guidelines issued by the bank and prior approvals are taken before making Payments.
- i. Membership fee/Subscription Charges made by the Department
- j. Verify Returns submitted to RBI/NABARD, SLBC and CC&RCS etc.
- k. Verify whether Developmental Action Plan (DAP)-MoU submitted to NABARD within the timelines.
- l. Verify whether the department verified/ examined the end use of funds at Bank level.
- m. Verify whether any payments were made towards annual subscriptions of magazines of IBA, IIBF, NAFSCOB or any other institutions.
- n. Verify whether any review meetings conducted on achievement of Targets mentioned in DAP- MoU.
- o. Examine on imbalances.

6.18 PACS Development Cell:

- a. Examine PDC establishment, Development.
- b. Examine the schemes are implemented as per policy guidelines.
- c. Whether Returns are submitted within the timelines.
- d. Verify any payments made by the Department and prior approval from competent authority has been taken.
- e. Verify all payments and budget related aspects.

6.19 Trainings:

- a. Trainings conducted and comment on the same.
- b. Verify vouchers passed.

- c. Reimbursement claimed and Received from APCOB CTI/Other Institutions.
- d. Maintenance of Capital items Like (Buildings, Vehicles, Furnishers and Fixtures).

6.20 Funds and Accounts:

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 Investments, Money market like Call/ Overnight SDF/FDs
- e. Whether investments made are within exposure limits prescribed by RBI.
- f. Verify the Payment of Advance tax.
- g. Comment on implementation of internal checks/controls.

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.

Accounts:

- a. Verification of DEA Fund transactions on Monthly basis.
- b. Comment on implementation of internal checks/controls.
- c. Status of compliance to audit observations pertaining to the previous period.
- d. Review of long pending items under the head of account "Sundry Debtors", "Sundry Creditors", "Outstanding Liabilities", "Prepaid expenses", etc.
- e. Review of statutory returns and DICGC premium paid, HO TDS payment and return filing, etc.
- f. Review of compliance with applicable laws, regulations, guidelines/ instructions from regulatory authorities and report on violations, if any.
- g. Evaluation of the accounting system and internal controls in operation and reporting on the weaknesses observed – Furnish a separate report on specific observation.
- h. Verify all applicable returns filed within due date in portal (RBI and NABARD).
- i. Verify the filed Income tax return
- j. Verify the Notices received from Income tax authorities and replies, or compliances submitted in this regard.
- k. Verify whether the submission of claims to DICGC is in time.

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. Whether periodical inspections are being done.
- f. Whether documents submitted are as per policy and procedures.
- g. Verify security is legally enforceable.
- h. 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.,
- i. Examine the quality of credit & investment portfolio.
- j. Quantitative analysis and trend analysis of credit portfolio is periodically carried out in terms of geographical spread/ industry/ sector/ activity/ Nonperforming 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.

6.22 Management Aspects:

It is an essential tool that is used to determine the efficiency, functions, accomplishments and achievements of the Bank. The examination is done on the organization's structure, departments, plans, policies and methods relating to process, operation and controls including human resources.

It reviews the system, accountability, procedure, quality of generated data, quality of personal etc. it shall be conducted as part of concurrent audit.

The following are to be covered:

- 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.

6.23 Revenue aspects:

Checking the revenue aspects in the audit helps in identifying the income & expenditure leakages in the bank and shall be conducted as part of concurrent audit.

Aspects to be covered are as follows:

- 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.
- h. Verify TA/DA paid to the employees and check whether any excess amounts have been paid.
- i. Verify all procurement activities done by the bank and expenditures incurred by the bank towards the same.
- j. Verify the rent paid on assets/ premises leased by the bank.
- k. Verify tax payable by the bank.
- l. Verify insurance charges that bank has to pay.
- m. Verify sitting fee paid to person-in-charge of the bank, Board members and other.
- n. Verify the expenditure incurred towards training to employees, recruitment and promotion process.
- o. Verify the expenditure incurred towards arbitration fee, notice charges, payments to auditors, legal advisors etc.
- p. Verify budget allocation in the bank and additional budget allocated, if any.
- q. Verify expenditures are within the budget allocated to that particular work.

Note: Any other items will be included by the Bank as per regulatory requirements from time to time.

Sd/- Ch. Umamaheswara rao
Chief Executive Officer

APPLICATION FOR APPOINTMENT OF INTERNAL AUDITOR OF THE BANK

1. Name of the Firm :

2. Date of Establishment :

3. Address with PIN Code :

4. Contact Details :

Land line no:

Mobile no:

Email Id:

5. PAN of the Audit firm :

6. GST No. of the Audit firm :

7. Registration No. with ICAI :

8. RBI Category of audit firm :

9. RBI Unique Code no :

10. No. of Partners of Audit firm:

Name & Contacts Details of Partners of the audit firm:

11. Experience of Audit firm :

Name of the institution	From	To	Duration (in Years/Months)
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(Note: Present engagement of audit or other assignments of the audit firm should be mentioned)

12. Additional Qualifications possessed by Partners: (Mention in details)

13. Any other relevant data, if you wish to provide:

(Note: All relevant supporting documents should be enclosed with this application)

I do hereby agree to do the Internal Audit to the 24 Branches and Head Office as per the SOP and other instructions issued by the Bank on time to time for an amount of Rs. _____ (In words _____).
_____).

I/We confirm that the information furnished above is true and correct and we have not been de- paneled / Blacklisted by any organization in the past and we fulfill all the conditions of eligibility to appoint as Internal Auditor of DCCB Vizianagaram. I/We have read the terms and conditions stipulated for appointment of Internal Auditors of the Bank and I/We also understand that the Bank has reserved its right to accept or reject the application without assigning any reasons. If selected as Internal Auditor of the Bank and the offer is accepted, I/We will execute Service Level Agreement with the Bank. If Bank finds the details provided by us above are incorrect / not true at a later date, then the appointment may be cancelled.

Place:

Date: