

“शेड्यूलड बैंक”

दि हिमाचल प्रदेश
राज्य सहकारी बैंक मर्यादित
दि माल, शिमला - 171 001 (हिमाचल प्रदेश)
टेलीफोन : 0177 - 2804490, 91, 92 फेक्स : 2804491, 93
ई-मेल : info@hpscb.com



“SCHEDULED BANK”

**THE HIMACHAL PRADESH
STATE COOPERATIVE BANK LTD.**
The Mall, Shimla - 171 001 (Himachal Pradesh)
Phone : 0177 - 2804490, 91, 92 Fax : 2804491, 93
E-Mail : info@hpscb.com

EMPANELMENT OF CHARTERED ACCOUNTANT FIRMS FOR CONCURRENT AUDIT.

The Himachal Pradesh State Cooperative Bank Ltd., Head Office, Shimla intends to outsource Concurrent Audit function of selected branches to Chartered Accountants Firms within Himachal Pradesh.

For application, eligible criteria and other details please log on to bank website www.hpscb.com. The duly filled in application form in a sealed cover super scribed as “Application for Empanelment for Concurrent Audit” should reach this office on or before 20.12.2021.

General Manager (Banking)

SELECTION AND EMPANELMENT OF CHARTERED ACCOUNTANT FIRMS FOR CONDUCTING CONCURRENT AUDIT OF BANK'S BRANCHES DURING THE FINANCIAL YEAR 2021-22 - GUIDELINES THEREOF.

The H.P. State Cooperative Bank Ltd. desires to invites application from practicing firms of Chartered Accountants within Himachal Pradesh, in the prescribed format, who are willing to have their firms empanelled as Concurrent Auditors of the Bank for the FY 2021-22 i.e. from 01.01.2022 to 31.03.2022.

Concurrent Audit is to be done on daily basis.

I.ELIGIBILITY CRITERIA FOR EMPANELMENT:

- i) Preference shall be given to the Chartered Accountant firms having qualified Information System Auditor (CISA/DISA).
- ii) Audit firm should not have been disqualified by any Bank IBA/RBI/ICAI, while taking-up audit work on earlier occasions.
- iii) **It is to be ensured that the audit firm is not conducting the Statutory Audit of the Bank or any of its branches.**
- iv) The firm should have necessary office set up and adequate personnel to ensure proper deployment and timely completion of the assignments. **Preference would be given to CA firms which are located at the places near to allotted Bank's Branches.**
- v) A declaration to be furnished by the firm that credit facilities availed by the firm or partners of firm or partners of firm in which they are partners or directors, including any facility availed by a third party for which the firm or its partners are guarantor/s, **have not turned nonperforming asset or are existing nonperforming assets**, as per the prudential norms of RBI. In case the declaration is found incorrect, the assignment would be immediately terminated, besides the firm being liable for any action under ICAI/RBI/IBA guidelines.
- vi) Any other terms and conditions of the assignment as decided by the Bank from time to time.

II. IDENTIFICATION OF BRANCHES FOR CONCURRENT AUDIT:

The Bank stipulates to cover the following branches of the Bank under concurrent audit for financial year 2021-22:

- i) Branches having high volume of business.
- ii) Branches having high voucher average.
- iii) The branches which are continuously getting poor rating in the bank's annual inspection/audit.

Details of branches identified for Concurrent Audit during 2021-22 is as under:

Sr. No.	Name of District	Name of branches
1.	Mandi – II at Sunder Nagar	1. Churag
		2. Nerchowk
2.	Shimla – I at Kasumpti	1. HP Secretariat
		2. Shogi
3.	Bilaspur	1. Barmana
		2. Ghumarwin
4.	Chamba	1. Chamba
		2. Chowari
5.	Sirmaur	1. Paonta Sahib
		2. Nahan
6.	Kinnaur	1. R.Peo
		2. Sangla
7.	Mandi-I	1. J. Nagar
		2. Pandoh
8.	Shimla-II	1. Rampur
		2. Theog

Total Branches: 16

III. REQUIREMENT FROM AUDIT FIRMS:

- i) Bank would provide to the concurrent auditors suggestive/illustrative checklist/guidelines of items/areas to be checked and concurrent auditors should identify the deficiencies/irregularities in accordance with the checklist.
- ii) The idea behind the Concurrent Audit is to effect on the spot rectification of the irregularities in the operations of the branch. The deficiencies or lapses in the normal working shall be intimated to the branch. Since the stress is on spot

rectification, a register shall be maintained at the branches to record the irregularities observed and the date on which the same have been rectified by the branch. Irregularities observed should be recorded on daily basis and the signature of the branch head should be obtained in token of the irregularities brought to his notice. The register should be maintained in the custody of the branch head and he should register the rectification of the irregularities with date and obtain signature of the concurrent auditor after bringing the same to his notice. The irregularities recorded in the particular month and not rectified within a period of one month will be reported to Head Office. However, Concurrent Auditor should make maximum efforts for removal/rectification of irregularities on the spot.

iii) If any Extension Counter (s) is/are functioning under the branch, checking of such Extension Counters should also be done at least once in a week.

iv) The concurrent auditor should report immediately to the Bank's higher authorities wherever any serious irregularity or transactions involving malafide, corrupt practices and gross indiscipline or any fraudulent transaction is detected by them.

v) The Monthly Audit Reports should be submitted within 10 days from the end of the month.

IV. TERMS & CONDITIONS:

i) The applications received by the Bank would be screened by a Committee constituted for this purpose under the chairmanship of General Manager Bank. The committee will consider empanelment of CA firms based on their experience, CISA/DISA qualification, number of staff members employed, number of partners, seniority etc. and any other factor considered necessary by the Committee for which the decision of the Committee shall be final.

ii) The list of selected concurrent auditors would be placed before Managing Director for final approval.

iii) THE BANK RESERVES THE RIGHT TO ACCEPT OR REJECT ANY APPLICATION AND ANNUL THE PROCESS AT ANY TIME WITHOUT ANY LIABILITY AND ASSIGNING ANY REASON THEREOF. FURTHER,

CONCURRENT AUDIT PROCESS AND ITS OBSERVATION SHALL BE REVIEWED AT REGULAR INTERVALS IN THE BANK.

- iv) In case any serious act of omission or commission is noticed in the working of the concurrent auditors, the Bank may consider terminating their appointment. If felt necessary, it may be reported to Institute of Chartered Accountants of India (ICAI) for such action under intimation to RCS.

V.PAYMENT TERMS:

- i) The audit fees shall be paid to the firms as decided by the Bank and mentioned in the offer letter for allotment of assignment, on submission of the relevant audit reports and the relevant bill along with supporting documents.
- ii) No out of pocket expenses or travelling allowance/halting allowance would be paid to the Concurrent Auditors. However, GST would be paid as applicable in addition to the Audit Fees. The payment to Concurrent Auditors would be subject to TDS at the applicable rates.

The fee structure would be as under:

Sr. No.	Business level of branches	Fee per month
1.	Up to ₹25 crores	₹12000+ GST
2.	Above ₹ 25 crores	₹15000+ GST
3.	Above ₹ 500 crores	₹25000+ GST

GST **as admissible under the relevant Rule** shall be paid.

VI.SUBMISSION OF APPLICATION:

The hard copy of complete application in the prescribed format should be sent at the following address in a properly sealed cover so as to reach us **on or before 20.12.2021:**

The Assistant General Manager
The H.P. State Cooperative Bank Ltd.
Head Office, SDA Complex, Block No. 18,
Kasumpti, Shimla-171009 (H.P.)

The envelope should be super scribed with "**APPLICATION FOR EMPANELMENT FOR CONCURRENT AUDIT**" and it should be noted that only hard copy of the application will be accepted and the applications reaching us after 20.12.2021 will not be considered for empanelment/selection.

FORMAT OF APPLICATION

APPLICATION FOR EMPANELMENT OF CONCURRENT AUDITOR (2021-22)

1. Name of the firm
2. Date of Establishment
3. Registration No. of firm with ICAI
(Certificate to be enclosed)
4. Constitution of the firm
(Individual/Proprietorship/Partnership)
5. Detail of CISA/DISA qualified person
6. Postal Address (Full Address with Pin code to be given)
7. Number of Partners:
8. Staff strength
9. Phone Nos.
 - i) Landline(s)
 - ii) Mobile No.(s)
 - iii) Fax No.
 - iv) E-mail ID(s)
10. GST Registration No.
11. PAN No. of the Firm
12. Details of Registration with RBI
 - i) RBI Unique Code No.
 - ii) Category of Firm
13. Details of experiences with other banks as Concurrent Auditor

14. Any other relevant information, the firm tends to give

I/We confirm that:

- A. The information furnished above is correct to the best of my/our knowledge and belief. In case any information or a part thereof is found incorrect, my/our application may be rejected forthwith. Further, in case our firm is engaged for any concurrent audit assignment of the Bank and subsequently any information or a part thereof is found incorrect, our engagement as concurrent auditor may be discontinued immediately.
- B. The firm and/or its associate concern and/or network firm are not conducting the Statutory Audit of the H.P. State Cooperative Bank or any of its Branches.
- C. I/We undertake to furnish necessary evidence/proof thereof, if any as and when required by the Bank.

Place:

Date:

Signature of the applicant with seal

CHECKLIST FOR CONCURRENT AUDIT

TYPES OF ACTIVITIES TO BE COVERED:

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/documentated and vouched. The concurrent auditors may broadly cover the following items:

A. Cash

- a) Daily cash transactions with particular reference to any abnormal receipts and payments.
- b) Proper accounting of inward and outward cash remittances.
- c) Expenses incurred by cash payments involving sizeable amount.
- d) Clean note policy is properly followed.

B. Deposits

- a) Check the transactions of deposits received and repaid.
- b) Check the interest paid on deposits, including calculation of interest on large deposits.
- c) Check new accounts opened. Operations in new Current/Saving 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.
- d) Interest payable accounts.

C. Advances

- a) Ensure that loans and advances have been sanctioned properly (i.e. after due scrutiny at the appropriate levels).
- b) Verify whether the sanctions are in accordance with delegated authority/powers.
- c) Ensure that securities and documents have been received and properly charged/registered.
- d) Ensure that post disbursement, supervision and follow-up is proper, such as receipt of stock statement, installments, renewal of limits, etc.
- e) Verify whether there is any misutilisation of the loans and advances and whether there are instances indicative of diversion of funds.

- f) Check the bank guarantees issued, whether they have been properly worded and recorded in the register of the bank. Whether they have been promptly renewed on the due dates.
- g) Ensure proper follow-up of overdue bills of exchange.
- h) Verify whether the classification of advances has been done as per Head Office instructions issued from time to time.
- i) Verify that instances of exceeding delegated powers have been promptly reported to Controlling/Head Office/Board by the branch and have been got confirmed or ratified at the required level.
- j) Verify the frequency and genuineness of such exercise of authority beyond the delegated powers by the concerned officials.

D. Housekeeping

- a) Ensure that the maintenance of balancing of accounts and registers.
- b) Ensure prompt reconciliation of entries outstanding in the inter-branch and inter-bank accounts, Suspense Accounts, Sundry Deposits Accounts, Draft Accounts, etc. Ensure early adjustment of large value entries.
- c) Carryout a percentage check of calculations of interest, discount, commission and exchange.
- d) Check whether debits in income account have been permitted by the competent authorities.
- e) Check the transactions of staff accounts.
- f) 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 in case the difference persists.
- g) Detection and prevention of revenue leakages through close examination of income and expenditure accounts/transactions.
- h) Check cheques returned/bills returned register and look into reasons for return of those instruments.
- i) Check of inward and outward remittances (DDs. MTs and TTs).

E. Other items

- a) Ensure that the branch gives proper compliance to the internal inspections/audit reports besides verifying the Head Office Statements and statutory returns.
- b) Ensure that customer complaints are dealt with promptly.

- c) Concurrent auditors should point out instances where job rotation of all the employees has not been done.
- d) Concurrent auditors may themselves identify problem areas at the branch level/bank and offer their suggestions to overcome them.
