

EOI for Selection & Empanelment of Chartered Accountant Firms for Concurrent Audit of Bank's Branches for FY 2024-2025.

Last Date of Submission of Application: 16.09.2024

Applications should reach at the address mentioned below:-

The Assistant General Manager,
Compliance & BRCTL Section, Head Office,
The H.P. State Cooperative Bank Ltd.
1st Floor, SDA Complex, Block No. 18,
Kasumpti, Shimla-171009 (H.P.)

The envelope should be superscribed with **"APPLICATION FOR
EMPANELMENT FOR CONCURRENT AUDIT"**.

Contact No: 0177-2622100

Email : brctl@hpscb.com

SELECTION AND EMPANELMENT OF CHARTERED ACCOUNTANT FIRMS FOR CONDUCTING CONCURRENT AUDIT OF BANK’S BRANCHES DURING THE FINANCIAL YEAR 2024-25

The H.P. State Cooperative Bank Ltd. desires to invite applications 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 2024-25 i.e. from 01.10.2024 to 31.03.2025. 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) **The audit firm has not been conducting the Statutory Audit of the Bank or any of its branches consecutively for the last three years.**
- iv) The firm must have 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 Bank’s Branches to be allotted for concurrent audit.**
- 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 non-performing asset or are existing non-performing assets**, as per the prudential norms of RBI. In case such 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:

Details of **20 branches** identified for Concurrent Audit during 2024-25 is as under:

Sr No	District Name	Branch Name
1	Bilaspur	Dangar, Jhandutta
2	Chamba	Banikhet , Salooni
3	Kinnaur	Kalpa, Katgaon
4	Mandi	Dharampur, Nagwain

5	Rohru	Khaltunala, Saraswati Nagar
6	Shimla	Suni, Totu
7	Sirmour	Badri Nagar, Sarahan-Sirmour
8	Sunder Nagar	Rewalsar, Chailchowk
9	BO Rohru	
10	BO Shimla Main	
11	BO Sunder Nagar	
12	BO Mandi	

III. REQUIREMENT FROM AUDIT FIRMS:

- i) Bank will provide suggestive/illustrative checklist/guidelines of items/areas and the concurrent auditors would be identifying the deficiencies/irregularities in accordance with the aforementioned checklist/proforma/format.
- 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 needs to report the Bank immediately in case 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, staff strength, number of partners, seniority etc. 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 STAGE 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:

The fee structure would be as under:

Sr. No.	Business level of branches	Fee per month
1.	Up to ₹25 crores	₹12000+ 18% GST
2.	Above ₹ 25 crores	₹15000+ 18% GST
3.	Above ₹ 500 crores	₹24500+ 18% GST

GST as admissible under the relevant Rule shall be paid.

- i) 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 Fee. The payment to Concurrent Auditors would be subject to TDS at the applicable rates.

VI. SUBMISSION OF APPLICATION:

Hard copy of complete application in the prescribed format be sent at the following address in a sealed cover by 16.09.2024 after the publication of notice in the newspaper:-

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

The envelope should be superscribed with **"APPLICATION FOR EMPANELMENT FOR CONCURRENT AUDIT"**. Only hard copy of the application will be accepted and the applications reaching us after 12 days of the publication of notice in the newspaper will not be considered for empanelment/selection.



FORMAT OF APPLICATION

APPLICATION FOR EMPANELMENT OF CONCURRENT AUDITOR (2024-25)

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 CISADISA 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.

Signature of the applicant with seal

Place:

Date:

CHECKLIST FOR CONCURRENT AUDIT

TYPES OF ACTIVITIES TO BE COVERED:

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 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) Compliance of clean note policy.

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

- g) Verify whether the classification of advances has been done as per Head Office instructions issued from time to time.
- h) 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.
- i) 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.
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