

SEMINAR FOR BANK AUDIT FOR CENTRAL STATUTORY AUDITORS

**CONDUCTED BY SIRC OF
ICAI AT CHENNAI ON 10-
03-2017**

SEMINAR FOR BANK AUDIT FOR CENTRAL STATUTORY AUDITORS

- CA A.MONY, B.COM, FCA, DISA
- SANKAR & MOORTHY
CHARTERED ACCOUNTANT
- CALICUT

1. **DEMONITISATION**

- Efficiency of the internal control
- SBNs transferred to the currency chest
- Certificate of bank balance
- Pipe line entries
- SBNs as on 31.03.2017
- System parameter for prudential norms
- Manual interventions

2. SALE OF ADVANCE/ASSET TO RECONSTRUCTION COMPANIES

- “With recourse” or “without recourse’.
- Policy documents by the board and its covenants.
- Amount received by the bank directly.
- Agreement of sale
- NFB exposures
- Valuation of SRs

3. RESTRUCTURING OF ADVANCES

- Terms of restructuring and reversal of interest
- FITL-Sundry Liabilities
- Diminution in the net present value
- Aggregate of NPV and NPA portion
- Default by the borrower
- Right to recompense

4. MACRO INCOME RECONCILIATION WITH CORE AND

- Interest not hit the **P&L.** respective account
- Gross interest applied by CBS
- Income credited in the profit & Loss account.
- Global Reconciliation of the difference
- Interest failure check report
- Manual debits in income account and manual credits in expense account

5. OVERNIGHT POSITIONS – CREDITS/DEBITS IN RECONCILIATION OF NOSTRO ACCOUNT, REGULARISATION OF PIPE LINE DEBITS/CREDITS IN FOREIGN CURRENCY TRANSACTIONS

- Reconciliations on NOSTRO accounts
- Two tire pipeline nature
- Eliminate these reconciliation entries
- Entries originated prior to 31st March.

6. BUCKET WISE ANALYSIS OF INTEREST ON ADVANCES/DEPOSITS.

- Interest rate buckets
- A cross matching of the product wise loan
- Micro analysis of the interest applied.
- Cost of deposits
- Yield on advances

7. INTER BANK PARTICIPANTS NOTES.

- Policy of the bank to lend under IBPC
- Risk of asset underlying the IBPC
- Periodical monitoring
- Delinquency of performance
- IBPC as on 31.03.2017
- Rollover of IBPC

8. GLOBAL RECONCILIATION OF PPF, SCSS, TAXES A/C, OLTAS, PENSION FUND A/C, SUBSIDY UNDER

PMRY/IRDP SCHEMES.

- Deposit holder sub ledger
- Nodal branch/centre
- Reconciliation of the balance of fund
- Trial balance (code wise)
- Subsidies received
- Transfer of subsidies
- Reduction of NPAs

9. SUBVENTION CLAIMS.

- Subvention against Export Credits, Education Loans, Agricultural Loans etc...
- Rejection / resubmission of claims
- Loss if long pending claims
- CA certificates

11. DOCUMENTATION, WORKING PAPERS, AUDIT EVIDENCES

- Working papers
- RBI-AFI
- Quality Review Board of the ICAI
- H.O allocation among CSAs.
- Minutes of all meetings
- Branch audits
- Observations of branch audits
- Work allocation of list among the partners

THANK YOU