



UTKAL GRAMEEN BANK
INSPECTION AND AUDIT DEPARTMENT
ENGAGEMENT OF CHARTERED ACCOUNTANT FIRMS
AS CONCURRENT AUDITORS

1. SELECTION AS CONCURRENT AUDITORS:

Applications are invited from eligible Chartered Accountant Firms for empanelment as Concurrent Auditors in the Bank branches / HO/RO's.

2. ELIGIBILITY CRITERIA:

Those firms which satisfy the following eligibility criteria are eligible to apply:

- a) Grade 1, 2 and 3 firms as per RBI Grading as on the date of application.
- b) CA Firms having at least one year of experience of Concurrent Audit in any Commercial Bank.
- c) CA Firms which have sufficient number of articled Clerk trained by ICAI on Concurrent Audit, Retired Officers of commercial Banks, qualified Chartered Accountants as Partner or Associate or as Staff, who will be available on all working days to attend to the Concurrent Audit.
- d) The firm which conducts Statutory Audit / IS Audit of the Bank shall not be considered for appointment as Concurrent Auditors (CCA) by the Bank during that year and the next year.

3. SUBMISSION OF APPLICATION:

The duly filled in application form in a sealed cover super scribed as "Application for Empanelment of Chartered Accountant Firms for Concurrent Audit" should reach the Head Office on or before **07.12.2024 by 5.00 P.M.**

- i. The application and all correspondence and documents relating to this process must be written in English. The applicant must provide individual and factual replies to specific questions asked in the application. Documents submitted should be complete in all respects as required.
- ii. Application as per **Annexure-A** needs to be submitted duly filled in with required particulars accompanied by copies of supporting documents i.e. Constitution of the Firm (Company / Partnership/ Proprietorship firm), RBI Grading certificate, Experience certificate etc. All supporting documents to Application must be self-



attested by the authorized signatory for the applicant firm.

- iii. Incomplete application and application without required supportive documents will not be considered by the Bank.

4. LAST DATE FOR SUBMISSION OF APPLICATION.

i. The last date for receipt of application is **07.12.2024**. Please note that no application shall be accepted after 5.00 p.m. of the above date. Application submitted after due date or after the stipulated time of the due date or incomplete in any respect are liable to be rejected summarily without assigning any reason. The dully filled application along with the supporting documents should be submitted to the Head Office, Utkal Grameen Bank, Bolangir.

ii. Utkal Grameen Bank is not responsible for non-receipt of completed application within the specified date and time due to any reason including postal delays or otherwise.

5. MODIFICATIONS AND / OR WITHDRAWAL OF APPLICATION

Application once submitted will be treated as final and no further correspondence will be entertained. As no subsequent modification of application/documents are permissible, the firms are advised to exercise utmost care in preparation and submission of application / documents.

6. OFFERS BY A THIRD-PARTY

The applicants are not permitted to authorize their Agents/brokers etc. (including individuals and/or third-party firms/companies) to either collect or submit the application/documents on their behalf. The Bank will summarily reject such requests and arrangements. No sub-contracting of the engagement is permissible.

7. SELECTION PROCESS:

- i) Applications received, complete in all respect and within the prescribed time, will be scrutinized on the basis of the basic eligibility criteria as given above at Point No 2 by a Selection Committee formed for the said purpose. Applications not accompanied by all the required details and supporting documents would be liable for rejection.
- ii) The Bank reserves the right to disqualify any or all applications either 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.
- iii) Those applicants who fulfill all the basic eligibility criteria will be evaluated based on location of firm, residential status of partners, experience, reputation, availability of sufficient trained personnel (ICAI Trained article clerks/ retired commercial bank officers) with the firm and such other factors as the Bank may deem fit for its requirements.



- iv) The prima facie scrutiny of the applications will be done by the Screening Committee.
- v) The final selection of the CA firms will be approved by a Selection Committee at HO.
- vi) 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 an offer of engagement as Concurrent Auditor by the Bank to the firm unless and until Bank intimates in writing to the firm regarding allocation of any branch / unit for concurrent audit.

8. SCOPE OF AUDIT:

The broad areas to be covered in the Concurrent Audit are as indicated in **Annexure-D** and shall be revised from time to time based on the requirements of the Bank. Concurrent audit will be online as well as any other method / process to be adopted by the Bank.

9. TERMS & CONDITIONS:

Details of Terms and Conditions in respect of empanelment are as per **Annexure-C**.

10. VALIDITY OF OFFER

The successful applicants have to execute the Contract within 10 days of issuance of letter of selection by the Bank. The tenure of CA firms engaged as Concurrent Auditors shall not be more than 1 years on continuous basis, subject to satisfactory performance as reviewed periodically. Period of contract during the currency of the contract can be varied by the Bank based on its requirement.

11. DELIVERY, REPORTING AND REVIEWING SYSTEM

The Concurrent Audits should be conducted in the branches as per the agreed time frame as per WEBCAS / Bank's Concurrent Audit Manual, a copy / soft copy of which will be made available to selected firms after allotment of a branch / HO/RO's

The Concurrent Auditor has to prepare Audit reports as per specified standards/formats as given in the said manual and as will be required by the Bank from time to time.

12. REMUNERATION:

A Consolidated Remuneration of Rs.7000/- per Branch per month will be paid to the Concurrent Auditors.

13. PAYMENT TERMS:

- i) The payment for the audit work carried out will be made on submission of invoices with required particulars on completion of each calendar month. No payment is to be made



unless all the monthly / periodical concurrent audit reports are submitted by the firm. Payment will also be subject to recovery if any penalties, damages etc. from the firm.

ii) TDS as applicable will be deducted from the bill amount while making payments and Form-16 will be issued as per law. In case of omission of any TDS by Bank, the same must be brought to the notice of the Bank and the firm has to return the amount to Bank towards TDS.

14. SECRECY ISSUES:

i) The empaneled firm and its employees will strictly undertake not to record by any means or to communicate or allow to be recorded by any means or communication to any person or divulge in any way any information relating to the conversations, events, ideas, concepts, know-how, techniques, data, facts, figures and all information, howsoever concerning or relating to the Bank and its affairs to which the audit firm /their employees etc. have access in the course of performance of the contract. The successful applicants will on award of contract will execute a non-disclosure agreement and declaration of fidelity and secrecy as per the Bank's standard format. All personnel of the Concurrent Auditor, before commencing the Audit have to execute a declaration of fidelity and secrecy as per the format prescribed by the Bank and submit valid KYC documents at allotted branch / BC's / Unit.

ii) No data in any name can be transferred or converted to any other media by the representative of firms under any circumstances. No public platform or social media or any media whatsoever name it may be known can be used for any matter and issues relating to concurrent audit and relation, rights, responsibilities and obligations of the firm or Bank.

iii) All the information contained in this document is solely for the purpose indicated in this process. Reproduction of all or any part of this process by any person for any purpose other than for the purpose of responding to this or for any other purpose expressly permitted by this shall be treated as unauthorized and illegal and the Bank reserve the right to take appropriate action in such circumstances.

15. TERMINATION OF CONTRACT

i) The performance of the selected empaneled firms will be continuously reviewed by the Bank in terms of various requirement specified in **Annexure-D (Scope of Audit)** of this document, appointment letter, SLA, Concurrent Audit Manual/processes and RBI directives/notifications on concurrent and various communications by the Bank to the firms. Based on the review, if the selected firm fails to satisfy / maintain their commitment with respect to timely conduct of the audit, quality and content of the audit reports, the contract may be terminated by Bank by giving one month's written notice to the firm. Regarding quality and content of the audit reports, banks decision is final and binding on the firm.



ii) Bank may terminate the contract by giving one months' notice in case of deletion of any branch from coverage of concurrent audit when relocation of the firm to another branch is not feasible.

iii) Firm has to give one months' prior written notice to bank to accept any assignment requiring relinquishing the present assignment.

iv) In case of any suppression of fact which the firm is required to disclose or intimate to the Bank within stipulated time during the period of contract, it will be treated as unethical act and the Bank can terminate the contract without giving any advance notice and the firm will be reported to RBI and ICAI for blacklisting. In addition, Bank will be entitled to indemnity and recovery of damages from the outgoing firm.

v) In additions to this, other circumstances leading to termination of contract, periodicity of notice, compensations have been incorporated in the Service Level Agreement (SLA) to be executed by the firms before taking up the concurrent audit at allotted branches.

In all other circumstances, contract may be terminated by either party giving one months' notice or payment of full amount of remuneration including service tax to the other party. Under no circumstance the one month periodicity for termination can be reduced.

vi) Utkal Grameen Bank's decision in this regard will be final. In case of termination of this contract, the Utkal Grameen Bank shall have the right to avail services of any other Audit firm to continue the process without any let or hindrance from de-paneled firm, whose services are to be terminated and outgoing firm also has to provide all necessary help, at their own cost, for smooth switchover.

vii) Any work done till such time, working papers and should be handed over to the Bank, without any demur. The work should not be disclosed to any other organization/bank.

16. DEPLOYMENT:

The allotment of branches to the selected firms will be based on the suitability of the firm vis-a-vis the size, volume of business and criticality of the operations of the branches to be decided by Head Office. The list of tentative Centers where the Concurrent Auditors are proposed to be engaged is provided under Concurrent Auditor Appointment Notification.

17. 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.

18. ADDRESS FOR COMMUNICATION:



Utkal Grameen Bank, Head Office, Doorsanchar Bhawan, Po/Dist-Bolangir, Odisha, Pin-767001, Phone No. 9801048865.

Last date for submission of application is 5.00 pm on 07.12.2024.

Jankar
General Manager III



ANNEXURE – A

**APPLICATION FOR EMPANELMENT OF CHARTERED ACCOUNTANT FIRMS
AS CONCURRENT AUDITORS**

1	Name of the Firm	
2	Constitution	
3	Address with PIN Code	
4	Contact Nos. Mobile + Landline + Email	Mobile: Landline: e-Mail:
5	Date of Establishment	
6	PAN No. of the firm (Copy to be attached)	
7	Registration No. with ICAI (copy to be attached)	
8	Unique Code No.RBI (copy to be attached)	
9	Firm's RBI Category (copy to be attached)	
10	Service Tax Regd. No. of the firm	
11	No. of Partners & Chartered Accountants	
12	Branches of C.A. firm, if any	



13	Experience of Concurrent Audit with Utkal Grameen Bank (Please give details with supporting documents)	No. of Brs.	No. of years
14	Experience of Concurrent Audit with PSBs (Please give details with supporting documents)	No. of Banks	No. of years
15	Additional Qualifications (i.e. CISA/DISA/Con. Audit Course from ICAI) (Please give details with supporting documents)		
16	Whether Statutory Auditor for Utkal Grameen Bank		
17	Preferred Region		
18	Any other relevant data		

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 for empanelment with Utkal Grameen Bank as a Concurrent Auditor.

I/We have read the terms and conditions stipulated for empanelment as Concurrent 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 for empanelment as Concurrent Auditor of the Bank and the offer is accepted, I/We will execute Service Level Agreement with the Bank.

Place:

Date:

Signature of the applicant with seal



As per Concurrent Audit Policy of Bank.

Annexure - D

Scope of Audit

Minimum Audit Program for Concurrent Audit System in Regional Rural Banks

Sl. No.	ITEMS
A	Cash transactions – Verify
1	Daily cash transactions, particularly any abnormal receipts & payments
2	Whether Surprise verification of cash by an officer other than the joint custodian is done or not.
3	All cash transactions of Rs. 10 lakh and above reported in CTR
4	That all cash transaction of Rs. 50,000 and above invariably indicate Pan No./Form 60.
5	Whether TDS on Cash withdrawal is being deducted as per extant guidelines
6	Excess Cash Retention Report is being submitted to RO on same day.
B	Clearing transactions - Verify
1	Reconciliation with bank's account at Clearing House and review of old outstanding entries for reconciliation.
C	Remittances/Cheques for Collection - Verify
1	Time taken in credit of proceeds of cheque to concerned A/C
2	Any abnormal delay observed in clearing of cheque
3	Any pendency for realization of cheque
4	Branch clearing Schedule-3 are being responded immediately.
D	Deposits - Verify
1	Adherence to KYC/AML guidelines in opening of fresh accounts and monitoring of transactions in such accounts.
2	Accounts opened and closed within a short span of time i.e. accounts with quick mortality.
3	Activation and operation in operative accounts.
4	Value dated transaction.
5	Settlement of claim of deceased customers and payment of TDRs against lost receipts and obtention of indemnities, etc. To check revival of dormant accounts and accounts with minimum activities.
6	Examination of multiple credits to single accounts.
7	Proper rate of interest applied on TDR/STDRs



8	Savings Bank & Current Account opening forms are being sent to LCPC on weekly basis & proper record maintained at Branch.
9	Staff IDs are linked with their respective CIF in CBS in case of all Staff Deposit Accounts.
E. Loans & Advances - Verify	
1	Loans and advances (including staff advances) have been sanctioned properly and in accordance with delegated authority.
2	Control returns submitted to higher authorities in time and duly controlled copy kept on record.
3	Pre sanction and Post sanction visits are conducted and record maintained properly.
4	All loan documents are properly filled up and adequately stamped.
5	Verify Register
a	Application & disposal register
b	Security register
c	Inspection register
d	Stock statement / DP register
e	PDC Register
f	Mortgage Register
h	Any other
6	Securities have been properly charged/registered and valued by competent person. Whether the same has been entered in the bank's system.
7	Lien, Hypothecation, Mortgage, Assignment CERSAI, ROC, RC etc. are prepared and recorded.
8	All stipulation of sanction have been complied with.
9	Master data relating to limit, rate of interest, EMI, moratorium period details have been correctly entered and updated/modified in the system.
10	Post disbursement supervision and follow-up is proper, such as timely receipt of stock and book debt statements, QIS data, analysis of financial data submitted by borrower, verification of securities by third parties, renewal of limits, insurance, etc.
11	Whether there is any misutilisation of the loans and whether there are instances indicative of diversion of funds.
12	No cash disbursement allowed in Term Loan Accounts.
13	Whether monthly updating of drawing power in the computer system on the basis of stock statements/book debt statement/other financial data received from the borrowers.
14	Compliance of prudential norms on income recognition, asset classification
15	Value dated entries passed in advances accounts.
16	To check review and renewal position of loans including KCC Accounts
17	To check income leakage in advance/other e.g. interest rate processing charge – up front free etc. and recover the same during audit and detail note down in report to HO for follow– up.
18	Irregularity Reports are being submitted on time.



19	Proper follow up is being done in NPA & write off Accounts
20	Recovery in compromise cases is in accordance with the terms and conditions of the compromise agreement.
F LC/BG - Verify	
1	Any deviation from the terms of sanction in regard to margin, security, purpose, period, beneficiary, collection of charges, commission/fee etc.
2	Whether payment is made to debit of party's account on due date without creating overdraft/debiting suspense, in case of deferred payment guarantee
G House Keeping - Verify	
1	Exceptional transaction reports are generated and verified by branch staff on daily basis.
2	Scrutiny of daily vouchers with more emphasis on high value transaction including high value expenses and debit entries are pending for scanning.
3	Review of all balance sheet heads and outstanding entries in accounts, e.g., suspense, sundry and inter- bank accounts. Review of follow up of entries pending for reversal.
4	Checking of Outstanding balances in Suspense, Sundry credit A/C. Any unauthorized debit in Suspense A/C. Reconciliation in suspense A/C. Details of entries outstanding over three months.
5	Branch clearing & System Suspense accounts are being responded/reversed on daily basis
6	CC/OD Balance file checked and irregularities if any are pointed out
7	Loan balance file checked and irregularities if any are pointed out.
8	GLCNTR & GLCOMP entries are attended on daily basis.
9	CCTV system & Alarm system are working properly.
10	No pending A/C opening forms, Social security product applications are pending at Branch level.
H Verification of Credit Card/Debit Card - Verify	
1	Physical verification of ATM cards, debit cards, passwords and PIN, control over issue & delivery, safe keeping. Report loss of any such items.
I Audit Report Compliance Status	
1	All irregularities pointed out in RFIA Audit have been rectified.
2	All irregularities in previous Concurrent Audit Report have been rectified.
J Others - Verify	
1	Compliance of provisions relating to tax Deducted at Source, service tax, trade tax, other duties and taxes.
2	Physical verification of inventory, control over issue of inventory, safe keeping and custody of security forms. Report any loss of such items.



3	Physical verification of other deliverable items, control over issue, safe keeping and custody.
4	Custody and movement of branch keys.
5	Locker keys and locker operations- linking of FDR as security for locker/operation of locker/inoperative lockers/nomination/other issues.
6	Safe custody of branch documents like death claim cases, issuance of duplicate DD/PO/FDR, checking of indemnities, etc. and verification of documents executed during the period under audit.
7	Reporting of frauds
8	Certification of documents / claims/ Pre-disbursement check, compliance certificate etc.
9	Branch premise lease agreement is in force.
10	All mandatory boards stipulated by RBI / NABARD are displayed on Branch premises permanently.
11	Income Leakage Identify and Recover
K	Audit of Customer Service Points (CSPs)
1	Audit of CSPs of the allotted Branches, if any have to be done on half yearly basis.
2	The concurrent auditor, who has been assigned for concurrent Audit of AMH, will audit the CSPs of all the spoke branches attached to the AMH, provided there is no separate Concurrent Auditor is attached to the particular spoke branch.

Note: As per NABARD circular no.131/Dos-08/2017 date 24.05.2017(copy enclosed Annexure-A),Circular no.55/Dos-09/2012 date 12th March 2012(Copy enclosed as Annexure-B) and also as per RBI circular issued from time to time.



UTKAL GRAMEEN BANK
INSPECTION AND AUDIT DEPARTMENT, HEAD OFFICE, BALANGIR

**TERMS & CONDITIONS FOR EMPANELMENT OF CHARTERED ACCOUNTANT
FIRMS AS CONCURRENT AUDITORS**

- 1) Preference will be given to those firms which have ICAI trained Concurrent Auditors and those firms which have concurrent audit experience in Commercial Bank/RRBs.
- 2) Concurrent Auditors shall normally be positioned at the location where the allocated Branches are Located.
- 3) Concurrent audit to be done on daily basis. Trained representative of the firm (Articled Clerk trained by ICAI on concurrent audit) / retired commercial banks officers /qualified Chartered Accountants to be available on all days.
- 4) One of the Principal Partners or senior partner to visit the branch at least 2/3 times a week, minimum 8 times every month, depending on the business and risk profile of the branches. Number of visits may be increased depending upon the volume and need at the branch under concurrent audit.
- 5) Bank will impose financial penalty for unauthorized absence, non-detection of income leakage, major lacunae in conduct of account including reporting to RBI/ ICAI (as per **Annexure-B**).
- 6) Bank may impose non-financial penalty leading to termination of contract for instances of failure to comment on fraud, misappropriation of funds, any other serious irregularities which result in loss to the Bank.
- 7) If there is any change in the constitution of firm or the firm suffer from any statutory disqualification, the firm must inform the Bank immediately.
- 8) CA firms to furnish personal details / comply with KYC norms, viz., proof of identity and address proof / contact numbers / contacts in case of emergency, etc., of all the representatives of the firm who visit the Branch, for security reasons.
- 9) The partners / representatives of CA firms who visit the Branch shall make their presence in a register maintained for the said purpose.
- 10) CA firms shall liaise with the Branch on a regular basis and provide their periodic audit plan and enable the Branch to furnish / provide documents without affecting loss of audit man days for CA firms and / or customer service is not affected in the Branch.



- 11) The representatives of the CA firms shall not enter prohibited / restricted areas, viz., IT server room, record room, strong room, locker room and / or any other security related areas without the prior approval from the Branch Manager.
- 12) CA firms shall not hold any documents overnight in their custody. Hence, all vouchers / books/ registers/ security documents / title deeds / any other documents / vital correspondence etc., are to be returned to the officials of the Branch on each day.
- 13) Branch shall be advised to provide applicable " Enquiry" rights / access to the Bank's Core Banking System to the representatives of the CA firm.
- 14) CA firms shall not seek copies (hard / soft /Photostat) of Bank's instructions / circulars / Vital correspondence / study materials etc.
- 15) Branch will provide the reasonable required stationary.
- 16) CA firms shall submit their bill / invoice on a monthly basis.
- 17) CA firms to furnish their bank account details along with IFSC code to enable the Bank to credit the audit fee to the credit of their account on a monthly basis.
- 18) CA firms shall endeavor to maintain continuity of their Assistant / Articled clerk in the Branch, so that there will not be any compromise on the quality of assigned tasks due to frequent change of Assistant / Articled clerk.
- 19) The Concurrent Auditor will be fully responsible for the quality of the audit, timely completion of audit and submission of the audit reports and reporting to controllers.
- 20) Subject to the other provisions of this document, firm allocated to any branch can be reallocated to any other branch for any period as per the requirement of the Bank.
- 21) Documents will be executed by all the partners before taking up the assignment of current audit of allotted branch.
- 22) The auditors engaged by the CA are authorized to have access to any documents and records considered necessary for the performance of their functions within the auditee unit. He can also request members of the staff and management of the auditee unit to supply such information and explanations as may be needed in carrying out his work, which is to be provided within a reasonable period of time.
- 23) Any change in the name, address, constitution and partnership deed must be reported to bank within 15 days of such change with necessary supporting documents. Failing which, it will be treated as deliberate suppression of facts by the firm and thereby making them liable to compensate the bank for such change. In such eventualities, the bank also reserves its right to terminate the contract with such firm without notice.



- 24) New partners are to sign documents within 15 days of joining and not doing so will attract the provision relating to deliberate suppression of facts.
- 25) Outgoing partner will remain liable to Bank to the extent and period as determined by the Bank on case-to-case basis
- 26) Firm, when engaged as concurrent auditor cannot assign/subcontract the job in any sense of the term and in any form whatsoever it may be to any other person. Any assignment/subcontract of the job in some others favor either through operation of law or otherwise will deem the original contract as terminated.
- 27) In case any information furnished during the application process is found at any point of time, to be incorrect, Utkal Grameen Bank will not only summarily reject the application / terminate the contract without any notice, but also the applicant may be blacklisted from any future suchprocess with the Bank.
- 28) Utkal Grameen Bank may share such information with ICAI, Reserve Bank of India (RBI) or Indian Bankers' Association (IBA) which is the voluntary representative body of all banking institutions in the country or any other organization, who, in turn, may share the information among its member institutions.
- 29) Any terms and conditions beyond the scope of this process added by the bidder, whether implicitly or explicitly stated in any of the responses, will be ignored.
- 30) Notwithstanding anything contained herein above, the Bank reserves its right to terminate the contract by giving 30 days prior notice to the other side without assigning any reason.
- 31) It is the responsibility of the CA Firm to inform the Bank immediately in case they are selected as statutory auditor.
- 32) The firm which conducts Statutory Audit / IS Audit of the Bank shall not be considered for appointment as Concurrent Auditors (CCA) by the Bank during that year and the next year.

Place:

Date:

Signature of the applicant with seal



ANNEXURE- B

PENALTY CLAUSES

SN	Coverage Area	Scope of work expected from Service Provider /CA Firm	Quantum of Measurement	Penalty to be imposed (For Service Provider / CA Firm)
1.	Attendance at the Work Area.	Attending branch/unit on daily basis, by Representative of the Service Provider / CA Firm , and 2-3 times a week by the Partner of the Firm.	Days of Absence in a month in attending the branch/unit. (i) by the representative of the Service Provider / Firm or (ii) by the Partner of the Firm	Twice the proportionate remuneration of the month on a pro-rata basis for the days of absence. <i>Eg.30 days in a month;</i> <i>Remuneration of Rs.7000/-p.m. with an absence of 2days: Penalty to be charged: Rs.233x2= Rs.466.</i>
2.	Detection of Income Leakage	On a day-to-day basis income leakage, if any detected, to be reported.	Non-detection/ non-reporting / short recovery of income leakage from the date it becomes due within a period of 2 weeks. The penalty to be levied is on account of opportunity loss for the Bank.	For Non-detection/ non-reporting: 1% of the amount, in the area of income Leakage not detected/ reported. i.e. (i) Processing Fee (ii) Upfront Fee (iii) BG/LC Comm. (iv) Locker rent etc., (Overall cap for both not to exceed 20% of monthly remuneration). <i>Eg. Processing Fee of Rs. 1 lac. is identified by an</i>



				<p>Auditor other than CA. after 2 weeks of its becoming due. Penalty will be Rs.1000 for one instance.</p> <p>If such instances are more, then overall cap of 20% of remuneration i.e.Rs.1400 (20% of 7000) to be charged.</p>
3.	Detection of Major lacunae in the conduct of the account, systems & procedures etc.,	Timely detection of major lacunae.	Non detection of major lacunae as enumerated in the CRM Value Statements of WEBCAS.	Rs.250/- per major lacunae in an account with a maximum penalty of 5% of monthly remuneration.
4.	Failure to comment on Frauds, which may cause loss to the Bank.	Detection/ Reporting of Fraud.	Non detection/ not reporting of Fraud arising on account of failure in implementation of systems & procedures and security lapses.	10% of monthly remuneration per instance, with a cap of 25% of monthly remuneration.
5.	Detailed Scrutiny of Accounts and submission of observations.	Detailed Scrutiny of Accounts within a reasonable time and submission of observations online on a daily basis.	Detailed scrutiny of accounts by commenting as per Value Statements mentioned in WEBCAS, if not done: Eg. All accounts within 3 months and thereafter once, at the time of renewal/ review/ new sanction;	Rs.250/ per account with an overall cap of 5% of the monthly remuneration.



6.	Submission of Monthly / Qly. Concurrent Audit Reports (Annexure-V, VI & VII) to the Branch Manager & Regional Office.	Monthly Reports to be submitted within a week of the succeeding month to the BM/Regional Office with their remarks within 2 nd week of the succeeding month of report.	Non submission as per schedule.	Non-Submission: 10% of Audit Fee p.m. Non submission by over 3 months: Termination of the Contract giving one month's notice. Delayed Submission: Rs.250/ per day till submission. (With an overall cap of 10% of monthly remuneration p.m.)
7	Overall Performance of the Concurrent Auditor	Should adhere to the Bank's instructions while performing Audit duties and function in accordance with the Concurrent Audit Policy and manual.	Nodal Officers from the ROs and RFIA Auditors perform surprise checks by visiting the Concurrent Audit Branches once in a Half Year and verify the performance of Concurrent Auditors by selecting some sample Accounts. Based on the reports by the visiting officials RM will rate the CAs.	If the performance of the Concurrent Auditor is rated "Average" or "Below Average" for TWO consecutive Half Years, the Contract Agreement shall be reviewed/ reconsidered, and Contract may also be terminated as per the terms and conditions in the SLA. ICAI will also be advised in this regard.



8	Unacceptable delay in the performance of obligations.	Should be done in accordance with the time schedule specified in the Agreement.	Identified areas of deficiency in performance: (i) Partner's not attending branch/unit 2-3 times a week; (ii) Non-deputation of representative every day; (iii) Non-submission of Reports; (iv) Non-detection of Income leakage in time, resulting in opportunity loss; & (v) Non-detection/reporting of Frauds. (vi) Poor Quality of Reports.	Termination of Contract, by giving a month's notice, as per Service Level Agreement (SLA).
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