

ILLUSTRATIVE LIST OF DETAILS CAN BE ASKED FOR L FAR AUDIT FROM BRANCHES

Note: Following list is illustrative only. Members can add/delete/modify the same as per their requirement/experience and according to nature of business of branch

- 1) Provide the cash retention limit of the branch.
- 2) Provide Audit Trail/list of entries raised by other branches on the branch under audit but not responded as on 31.3.2021 at the end of day.
- 3) Provide the previous year list of NPA accounts as on 31.3.2020 and MOC issued by previous year branch auditor.
- 4) Provide Audit Trail from CBS containing all the instances of modification of rate of interest on all loan accounts, time to time during the year under audit with value date.
- 5) Keep ready all the circulars relating to modification of MCLR/EBLR issued by bank during the year time to time.
- 6) Provide Audit Trail from CBS containing all the instances of regular as well as ad-hoc/short review/renewal of credit facilities during the year. (Refer to RBI circular RBI/2020-21/27 DoS.CO.PPG.BC.1/11.01.005/2020-21 August 21, 2020 on Ad-hoc/Short Review/Renewal of Credit Facilities)
- 7) Keep ready detailed Board approved policy on methodology and periodicity for review/renewal of credit facilities. (Refer to RBI circular RBI/2020-21/27 DoS.CO.PPG.BC.1/11.01.005/2020-21 August 21, 2020 on Ad-hoc/Short Review/Renewal of Credit Facilities)
- 8) Keep ready bank policy with regard to credit rating done for the credit facilities of bank's borrowers from RBI accredited Credit Rating Agencies
- 9) Provide the following details
 - a) List of accounts where branch has to obtain valid credited rating from RBI accredited Credit Rating Agencies but not obtained
 - b) Accounts where in credit rating taken but expired.
 - c) Keep ready details of all the valid rating available.
- 10) Provide list of all the borrowers, where, buy back of shares has been done during the year under audit.

- 11) Provide list of all the borrowers where any loan has been disbursed by bank for buy back of shares
- 12) Provide Audit Trail containing the data relating to all modification of drawing power done in CBS during the year under audit with value date.
- 13) Keep ready all the stock statement/financial data obtained from borrowers during the year under audit. Further keep ready the calculations, how monthly/periodically DP was calculated by branch.
- 14) Keep ready, the bank policy with regard to methodology of calculation of DP under different schemes.
- 15) Keep ready latest audited balance sheets obtained from borrowers.
- 16) Provide bank policy with regard to getting stock audit done.
- 17) Keep ready copies of all stock audit reports as required by bank policy along with documents relating to action taken by branch
- 18) Provide the limit fixed by bank for requirement of obtaining the duly audit accounts of non corporate borrower.
- 19) Keep ready all due diligence reports in the form and manner required by the Reserve Bank of India in respect of advances under consortium and multiple banking arrangements. Provide the list of cases where same is not obtained.
- 20) Keep ready latest valuation reports of securities along with earlier valuation reports in cases wherein there is substantial deterioration in value of securities.
- 21) Keep ready bank policy with regard to Red Flag Accounts.
- 22) Provide list of all the accounts declared as Red Flag by bank.
- 23) Provide list of SMA accounts (prospective NPA accounts) generated by CBS as on 29.2.2020, 30.9.2020, 31.12.2020, 31.3.2021 (or dates can be added according to requirement)
- 24) As per RBI circular dated Sept 14, 2020 on Automation of Income Recognition, Asset Classification and Provisioning processes in banks, branch has to maintain logs for all exceptions i.e. manual interventions / over-rides including, but not limited to, the date and time stamp; purpose/reason; user-IDs, name and designation of those making such manual intervention and

necessary account details. Provide all such logs for manual intervention while preparing the statements as on 31.3.2021

- 25) Provide list of all accounts restructured during the year under audit as per RBI/2015-16/101 DBR.No.BP.BC.2/21.04.048/2015-16 July 1, 2015. Keep ready all documents and files.
- 26) Provide list of all accounts where in projects are under implementation along with details of restructuring done if any. Keep ready all documents and files.
- 27) Provide the list of all accounts (preferably from CBS), where in concessions have been granted during the year under audit along with reason for the same.
- 28) Provide list of MSME cases restructured as prescribed in RBI circular no RBI/2018-19/100 DBR.No. BP.BC.18/21.04.048/2018-19 January 1, 2019, RBI/2019-20/160 DOR.No.BP.BC.34/21.04.048/2019-20 February 11, 2020 and RBI/2020-21/17 DOR.No.BP.BC/4/21.04.048/2020-21 August 6, 2020 . Keep ready all documents also.
- 29) Provide list of accounts along with documents, where benefit was given during the year under audit as per RBI/2020-21/16 DOR.No.BP.BC/3/21.04.048/2020-21 August 6, 2020 Resolution Framework for COVID-19-related Stress.
- 30) Provide the list of all cases, wherein Process under IBC has been mandated by bank but same is not initiated by the bank.
- 31) Provide the list of all cases wherein IBC process has been initiated by creditors other than bank.
- 32) Keep ready all the communications /documents ready for ECGC claims filed along the rejections if any
- 33) Provide Age-wise analysis of suit filed cases, where decrees obtained and pending execution.
- 34) Provide list of borrowers with details of LCs devolved or guarantees invoked during the year in the format as given in LFAR format.
- 35) Provide list of borrowers where the LCs have been devolved or guarantees have been invoked but not paid with amount thereof.
- 36) Provide List of all cases wherein rehabilitation/rephasing /one time settlement/compromise and write off has been done during the year under audit along with documents.
- 37) Provide List of instances where inter changeability between fund based and non-fund-based facilities was allowed subsequent to devolvement of LC / invocation of BG.

- 38) Provide Audit Trail from CBS relating to inoperative accounts activated during the year under audit.
- 39) Provide Audit Trail from CBS of all FCNR(B) deposits automatic renewed during the year. Further keep ready the evidence obtained from depositor for having satisfied that depositor is non resident.
- 40) Provide the list of saving accounts where in minimum balance has not been maintained by the depositor at year end. Keep ready the record of communication with depositor.
- 41) Keep ready the documents/files relating to legal cases filed against the bank by others.
- 42) Whether there are any software / systems (manual or otherwise) used at the branch which are not integrated with the CBS? If yes, give details thereof.
- 43) Provide the list of exception reports which are being generated by branch as per bank policy daily/periodically.
- 44) Provide list of all outstanding issues pending for compliance observed during verification of exception reports by branch officials at year end.
- 45) Provide list of various audit trails being generated by bank for manual intervention in the system. Further provide all these audit trails for the year under audit.
- 46) Provide list of all Frauds detected/classified along with confirmation of reporting to RBI by:
- a) Branch
 - b) Respective CPC/RPC or any other centralised office relating to loan accounts of branch
- 47) Provide list of any suspected or likely fraud cases are reported to higher office by following during the year along with details thereof related to status of investigation
- a) Branch
 - b) Respective CPC/RPC or any other centralised office relating to loan accounts of branch
- 48) Provide the list of high value transactions Cash/NEFT/RTGS/Transfer/Clearing during the year generated from CBS.
- 49) Keep ready following reports :
- a) Concurrent Audit report for the year under audit along with compliance certificates

- b) Latest stock audit report for all the borrowers (wherever done)
 - c) Internal audit/snap audit report along with compliance certificate
 - d) Previous year statutory audit report along with MOC
 - e) Last RBI audit report
 - f) Special audit report
 - g) Credit audit report
 - h) Revenue audit report
 - i) IS/IT/Computer audit report
 - j) Periodic returns submitted by branch
- 50) Concurrent audit reports relating to loans appearing in branch balance sheet- To be arranged from respective centralised office—If being done at RPC/CPC or any other centralised office.
- 51) Annual Internal Inspection report relating to loans appearing in branch balance sheet- To be arranged from respective centralised office- If being done at RPC/CPC or any other centralised office

Impact of Supreme Court Order

52) As per supreme court order dated March 23, 2021, “It is directed that there shall not be any charge of interest on interest/compound interest/penal interest for the period during the moratorium and any amount already recovered under the same head, namely, interest on interest/penal interest/compound interest shall be refunded to the concerned borrowers and to be given credit/adjusted in the next instalment of the loan account”.

Bank should confirm that interest on interest/compound interest/penal interest for the period during the moratorium if charged has been reversed as directed by Supreme Court. Further, bank should confirm that compounding interest if any charged on unpaid interest on interest/compound interest/penal interest (As on 31.8.2020) during the period September 1, 2020 to March 31, 2021 has also been reversed. Keep ready all these details.

Complied by: CA Ajay Kumar Jain