

GUIDELINES FOR CONCURRENT AUDIT ASSIGNMENT

The following norms shall be applicable for appointment of firms of Chartered Accountants as Concurrent Auditors:

- I. *Applicant firm should be a Member of ICAI and should be either a partnership firm or proprietary firm having Chartered Accountant(s) as partner(s) / proprietor, **duly empanelled with RBI**(RBI panel 13-14);*
- II. The firm or its partner(s) / proprietor **have not been subjected to inquiry(s) in the past** by the Institute of Chartered Accountants of India as per the provisions of Section 21 of the Chartered Accountants Act, 1949, **and no such inquiry is pending, initiated, or contemplated** by the Institute as on the date of application as well as date of acceptance of assignment;
- III. The firm or its partners are duly qualified as auditors in terms of Section 141 of the Companies Act. 2013
- IV. Where there are group of firms of Chartered Accountants having common partners, only one of the firms in the group will be eligible for assignment of Concurrent Audit;
- V. The Firm would be allotted Concurrent Audit of only one branch of the Bank under normal circumstances;
- VI. Besides Chartered Accountants, the firm should have other qualified and experienced staff, infrastructure and office within an approachable distance from the location of the auditee branch /office to undertake Concurrent Audit;
- VII. **The firm which conducted Statutory Audit of *any branch of* Central Bank of India during 2012-13 & 2013-14 shall not be considered for appointment as Concurrent Auditor by the Bank.**
- VIII. **The firm which has partner / proprietor who is also a partner / proprietor of the firm entrusted with the Statutory Audit of Central Bank of India shall not be considered for appointment as Concurrent Auditors in Central Bank of India. In other words, associate concerns of the firm carrying out Statutory Audit of Central Bank of India shall not to be considered for appointment as Concurrent Auditors as in (VII) above;**
- IX. **The firm should not have any professional or commercial relationship either direct or indirect with borrowers/beneficiaries of the branch / department under audit and also shall not have in future, as far as possible, for a minimum period of three years;**
- X. **If any of the Directors of Central Bank of India is a partner / proprietor in a firm, such firm shall not be considered for appointment as Concurrent Auditor;**
- XI. In case the performance of the Concurrent Auditor falls short of the expectation, the Bank shall have discretion to replace the Concurrent Auditor at any time. The performance shall be evaluated on adequacy of coverage and quality of report, attendance of assistant & visits of partner/proprietor, timely submission of reports & **inspection of units** etc.
- XII. Ideally the Partner/Proprietor should get the concurrent audit conducted under their direct supervision on daily basis. It may be desirable that *the Proprietor/partner/CA employee of the firm, who will attend the proposed Concurrent Audit Assignment, has attended the Certificate course on Concurrent Audit of the banks, conducted by the ICAI.*

XIII. Depending on the size of the branch eligibility criteria will be as under:-

Sr. No	Branch Category	Category of the CA Firm, assigned by RBI
1	CFB / Treasury branch	I
2	MCB / ELB	I & II
3	VLB/SSB/GAD/CBS & other branches located at Metro & Dist. HQ	I, II & III
4	All branches not covered above	I, II, III & IV

XIV. *The assignment of concurrent audit cannot be given to others on sub-contract basis;*

XV. Mere submission of application for Concurrent Audit & fulfilling the criteria thereof does not, in any way, constitute guarantee for assigning any type of audit of the Bank;

XVI. The online applications only shall be considered. Allotment will be considered for the listed branches in the area of applicant's choice, prioritizing and selecting from the online applications. The Bank reserves the right to add / delete name of branch(s) from the list. No correspondence shall be entertained in the matter.

XVII. **If firm or partners are availing any credit facility(s) from any branch of Central Bank of India or have guaranteed any credit facility in favour of a third party exceeding `10000/-, the same shall be a disqualification;**

XVIII. Concurrent Auditors shall provide various Certifications done earlier by Branch Statutory Auditors, covering NPA provisioning, Insurance coverage, P&L Account, ALM, CRAR, DICGC, LFAR etc. Similarly, certification regarding Tax Audit shall also be provided by the Concurrent Auditors. It is pertinent to note that the Concurrent Auditors are carrying out all the verifications on a continuous basis which the Branch Statutory Auditors, at year end, are giving as Certificates. These Certificates, as a part of the Concurrent Audit assignment, would be given by the Concurrent Auditors on their letter head without any additional certification fee;

XIX. The Concurrent Audit should be conducted on daily basis (on all working days). The scope of concurrent Audit shall encompass guidelines from Regulator, DFS besides Bank's requirement.

XX. Monthly Concurrent Audit fee ranges from `13500/- to `55000/- based on the business figures of the branch as on 30/09/2014. Service Tax, if applicable, shall be paid separately provided the firm furnishes the Service Tax registration number. TDS shall be deducted as per rules. The monthly fee shall be paid through electronic mode by the branches. All concurrent auditors shall submit details to the auditee branch for payment by NEFT; The Concurrent Auditor shall not be entitled for any additional benefits or perquisites;

XXI. Concurrent Auditors shall submit findings every week to auditee branch, & submit monthly/Quarterly reports within 7 days of the close of the month/quarter on **prescribed formats**. *Failure to submit report in time will attract penalty of 10% of fees payable.* The Bank reserves the right to change the reporting formats, at any time.

The Bank is in process of procuring Audit Software for conducting Concurrent Audit and reporting therein. Selected firm will have to conduct the concurrent audit and submit

reports as per provisions of the software, once the same is made alive. Separate login ID shall be provided to the concurrent Auditors.

- XXII. The Partner/Proprietor shall have to attend meetings as & when called by the Executives of Regional Office/ Zonal Audit Office or Central office, at their own cost.
- XXIII. **CA Firm should not have business dealing with any borrower of the branch for which concurrent audit assignment is sought.**
- XXIV. *CA firm, conducting Concurrent Audit of the branch, will not canvass credit proposals directly or indirectly.*
- XXV. *Bank reserves the right to modify / alter any terms of selection process at any point of time. Selection process will be at Bank's absolute and sole discretion. No representations /claims will be entertained whatsoever.*
- XXVI. ***The CA firm should not have refused any assignment allotted by the Bank in the past.***
- XXVII. *The CA Firm, while accepting assignment, should execute an undertaking of fidelity and secrecy on its letterhead in the prescribed format provided by the Bank.*
- XXVIII. *The CA Firm getting concurrent audit assignment will have to carry out short inspection / unit visit and submit the report along with regular report. No separate fee will be paid for carrying out the unit visit.*

Important:

1. The online application may be considered even for another branch at same or nearby station, even though not opted by the applicant depending on exigency.
2. If we do not receive complete set of documents in a single lot as mentioned in assignment letter within 15 days of receipt of the mail, assignment shall stand cancelled automatically, without giving any reason thereof, and no correspondence shall be entertained in the matter.
3. If above terms and conditions are acceptable to you, then only file your application 'On-line'. Please do not send hard copy of the On-line application to our office.
4. Please furnish address for communication only in the 'on-line' application.
5. Online Applications can be submitted up to 12.12.2014 only.(up to 6.00 pm)
6. Selected firms for assignment of concurrent audit shall be informed on or before 25/12/2014 by e-mails only on email address provided in online application. No separate letter shall be issued for this purpose. *A printout of the mail duly signed & stamped by the firm is to be sent to respective Zonal Audit Office along with other annexures.*
7. Bank reserves the right to change/ delete/ add any term and condition at any stage regarding assignment of Concurrent Audit and Bank's decision in this regard will be final.
8. ***The Proprietor / Partner (s) of CA Firms should not be defaulter (s) of any Bank for any liability / loan or obligation. An undertaking to this effect is to be submitted to the concerned Zonal Audit Office.***
9. *The proprietor / partner (s) of CA Firm to disclose whether they have been debarred by ICAI / RBI / Central Bank of India or any other Bank.*

X-X-X-X-X-X