



**Selection of Concurrent Auditors for 2019-20**  
**Information for applicants**  
**(Please read the following information before submitting the application)**

**1) Important Dates**

Particulars	Date
Commencement of receiving applications	04.01.2019
Last date for submission of application for the year 2019-2020	20.01.2019
Link for submission of application	<a href="http://www.syndicatebank.in">www.syndicatebank.in</a>

**2) Eligibility Criteria**

The following basic criteria shall be satisfied by the Applicant/ Firm for submitting application for conduct of Concurrent Audit assignments: -

- i. The Applicant/ Firm shall be preferably a practising partnership firm of Chartered Accountants (in case, if partnership firms are not available, currently practising proprietary concerns may also be appointed on case to case basis at the discretion of the Bank).
- ii. The Applicant/ Firm should have been registered with the ICAI for practice as well as, with RBI.
- iii. Audit firms engaged by the Bank for Audit work shall have qualified Information System Auditor (CISA/ DISA) with necessary exposure to Systems Audit since all branches/ offices are fully computerized and IS Audit should form an integral part of RBIA. Weightage shall be given to the firms where the partners themselves were ex-bankers or the firm has got tie-up with ex-bankers with requisite experience and exposure.
- iv. Weightage shall be given to a firm having exposure in conducting Concurrent Audit of the Bank branches of Public Sector/ Major Private Sector Banks.
- v. The partnership/ Audit firm should not have been disqualified by any Bank/ IBA/ RBI/ ICAI while taking-up audit work on earlier occasions.
- vi. The Applicant/ Firm should not be in the defaulters' list of the Bank.
- vii. The partnership/ Audit firm engaged by bank for audit work of Forex Branches/ Offices should have partners qualified in "Certificate Course on Forex and Treasury Management" by ICAI with necessary exposure to Forex/ FEMA audit.

- viii. Ideally the partner/ proprietor should get the Concurrent Audit conducted under their direct supervision on daily basis. It is desirable that the proprietor/ partner/ CA employee of the firm, who will attend the proposed Concurrent Audit Assignment, has passed the certificate course on concurrent audit of the banks, conducted by the ICAI.
- ix. The partnership/ audit firm should preferably be situated locally. Besides Chartered Accountants, the partnership/ audit firm should have other qualified and experienced staff, infrastructure and office within an approachable distance from the location of the Auditee Branch/ Office to be audited.
- x. Firms with common partners should not submit application separately. Such Firms should submit application on behalf of only one Firm.
- xi. It shall be ensured that the Audit firm or any sister/ associate concern/ network firm is not empanelled as Statutory Auditors of the Bank.
- xii. Wherever any of the partner of the Firm is related to any staff or director of the bank such relationship shall be specially mentioned in the application.
- xiii. If any of the directors of our Bank is a director/ partner in a partnership/ Audit firm, such firm shall not be considered for appointment as Concurrent Auditor.
- xiv. A declaration shall be furnished by the firm that credit facilities availed by the firm or partners or firms 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 or are existing as non-performing assets as per the prudential norms of RBI. In case the declaration is found incorrect, the assignment would get terminated besides the firm being liable for any action under ICAI/ RBI guidelines.
- xv. The Bank reserves the right to amend or modify the eligibility criteria as deemed fit to suit its requirement.
- xvi. **Due diligence:** The applications received by CO: Audit & Inspection Department: Manipal Wing / Zonal Inspection Centres (ZICs), will be scrutinized and Due Diligence exercise of the Applicants/ Firms, will be undertaken.

During due diligence exercise, the following documents shall be submitted:

- a) System generated Application form, duly signed by the Applicant/ Firm
- b) Self-Certified copies of the CISA/ DISA certificates
- c) Self-Certified copies of the “Course on Concurrent Audit of Banks” Conducted by ICAI
- d) Copy of registration certificate of the firm
- e) Copies of the Experience in the conduct of Audit work

### 3) Nature of work to be carried out by Concurrent Auditors

Concurrent audit is an examination which is contemporaneous with the occurrence of transactions or is carried out as near there to, as possible at the branches and other entities. It attempts to shorten the interval between a transaction and its examination by an independent person. There is an emphasis in favour of substantive checking in key areas rather than test checking. This audit is essentially a management process integral to the establishment of sound internal accounting functions and effective controls and setting the tone for a vigilant internal audit to preclude the incidence of serious errors and fraudulent manipulations.

A Concurrent Auditor may not sit on judgment of the decisions taken by a Branch Manager or an authorized official. This is beyond the scope of the Concurrent Audit. However, the audit will necessarily have to see whether the transactions or decisions are within the policy parameters laid down by the Head Office/ Corporate Office, they do not violate the instructions or policy prescriptions of the RBI, and they are within the delegated authority.

In Very Large Branches which have different divisions dealing with specific activities, Concurrent Audit is a means to the in charge of the Branch to ensure on an ongoing basis that the different divisions function within the laid down parameters and procedures.

In view of the significant developments in the banking sector during the past decade, it is required that new areas posing risk may be brought under the purview of Concurrent Audit. A large number of activities/ operations are being carried out in a centralized manner at various units set up for that purpose and the scale of transactions/ operations undertaken at these units is large. With a view to ensure the functioning of these units as per internal as well as regulatory guidelines and to mitigate the risk associated with large scale operations, such non Branch units are also brought under the purview of Concurrent Audit.

The main role of Concurrent Audit is to supplement the efforts of the Bank in carrying out simultaneous internal check of the transactions and other verifications to comply with the procedures laid down.

The scope of Concurrent Audit shall be wide enough/ focused to cover certain fraud prone areas such as handling of cash, deposits, advances, foreign exchange business, off balance sheet items, credit card business, internet banking, etc.

In determining the scope, importance is accorded to checking High Risk transactions having large financial implications as opposed to transactions involving small amounts.



The detailed scope of Concurrent Audit determined and approved by the Bank, also contain certain minimum items of coverage detailed in Annexure II of the RBI Circular DBS:CO:ARS.No.BC.2/ 08.91.021/ 2015-16 dated 16.07.2015. In addition to the above, the items where RBI has specifically advised Banks to be covered under Concurrent Audit also form a part of the checklist of the Concurrent Audit.

The Concurrent Auditor shall adhere to the audit coverage strictly as per the scope decided by the Bank from time to time.

#### **4) Remuneration**

The Concurrent Audit fees to be paid to the firms will be based on the size and business of the branch where the audit work is allotted and is not negotiable.

#### **5) Allotment**

The Bank will short list audit firms based on the criteria devised by the Bank and branches will be allotted audit to the firms that are shortlisted.

#### **6) Terms and Conditions**

Terms and conditions of the audit for selected firms will form part of the appointment/allotment letter and should be accepted before commencing of audit work.

#### **7) Please note that,**

- Applicants are not allowed to modify their applications once submitted. However, they are allowed to withdraw their applications any time before the last date.
- The bank is under no obligation to allot the audit work to any applicant and reserves its right to reject the applications, including incomplete applications without assigning any reason whatsoever.
- Any canvassing, influencing by audit firms will render the application invalid.
- The firms that are already empanelled with the bank are required to apply afresh through this process.

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