



# THE KADAPA DISTRICT COOPERATIVE CENTRAL BANK LTD.

R.S.ROAD, KADAPA-516001.

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Rc.No.DCCB/Concurrent Audit /2023-24

Date:17.05.2023.

To

**The Chartered Accountants,**

**Sir,**

**Sub:** Kadapa DCCB – Conducting of Internal/Concurrent Audit for the year 2023-24 – Quotations called for – Reg.

**Ref:** 1.NABARD letter Np.N.B.APRO Hyderabad/IDD Co-operative 2007/ C-40/ 2008-09, dated.30.07.2008.

2. Bank PIC Resolution No.53, dated.03.05.2023.

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Vide reference 1<sup>st</sup> cited, The National Bank for Agricultural and Rural Development, Regional Office, Hyderabad has advised the Bank to appoint Internal/Concurrent Auditors.

As per reference 2<sup>nd</sup> cited, it is called for quotations for appointment of Chartered Accountants to conduct Internal/Concurrent Audit to the following 24 (Twenty Four) Branches of **Kadapa Division, Rajampeta Division, Proddatur Division and Rayachoti Division** for the year 2023-24.

S.No.	Name of the Division	No. of Branches	Name of the Branches	Total Business for FY 2022-23 in Lakhs.
1	Kadapa	6	1. H.O. All Departments 2. H.O. Main Branch, Kadapa. 3. R.K.Nagar Branch, Kadapa. 4. G.R.R.Street Branch, Kadapa. 5. NGO Colony Branch, Kadapa. 6. Vempalli Branch. 7. Pulivendula Branch.	86786.02
2	Rajampeta	7	1. Rajampeta Branch. 2. Kodur Branch. 3. Pullampeta Branch. 4. Chitvel Branch. 5. Badvel Branch. 6. Sidhout Branch. 7. Porumamilla Branch.	51896.75

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S.No.	Name of the Division	No. of Branches	Name of the Branches	Total Business for FY 2022-23 in Lakhs.
3	Proddatur	6	1. Mydukur Branch. 2. Duvvur Branch. 3. Y.M.R.Colony Proddatur Branch. 4. B.S.Colony Branch Proddatur. 5. Jammalamadugu Branch. 6. Kamalapuram Branch.	68809.97
4	Rayachoti	5	1. Rayachoti main Branch. 2. Kamsali Street Branch Rayachoti. 3. T.Sundupalli Branch. 4. L.R.Palli Branch. 5. Galiveedu Branch.	47231.43

Therefore, we request you to send sealed quotations to the Chief Executive Officer, DCC Bank Ltd., Kadapa on or before **25.05.2023** for conducting of Internal/Concurrent Audit for the year 2023-24. The terms and conditions are as follows:

**Terms & Conditions:**

1. One firm is allowed to conduct Audit only to the Branches of single division.
2. The Audit should conduct on monthly basis and to submit the reports on quarterly basis before 15<sup>th</sup> of subsequent month.
3. The Concurrent Auditors should incur their own expenses to travel to the Branches.
4. The quotation should be clear i.e., Fees per Branch, TDS & GST.
5. The Bank's terms and conditions are applicable in selection of firms and may change from time to time as per Bank's need.

The Scope of Audit is attached herewith for your reference.

Yours faithfully,



**Chief Executive Officer.**

## SCOPE TO BE COVERED DURING THE INTERNAL AUDIT OF KADAPA DCCB BRANCHES AND HEAD OFFICE DEPARTMENTS

S. No	Name of the department/ Branch	Scope to be covered under Audit
1.	Branches	<ol style="list-style-type: none"> <li>1) Checking of all the transactions including Pay-in-slips /vouchers /cheques with scrolls and also comment on the checking of scroll with vouchers by the Branch.</li> <li>2) Verification of all deposit &amp; loan account opening forms with reference to KYC Compliance and adherence to the policy guidelines.</li> <li>3) Examine &amp; Comment on insurance coverage up to date with regard to vehicle loan, &amp; other loans wherever applicable.</li> <li>4) Verification of correctness of various accounts transacted by branches and reconciliation of pending items with regard to Head Office Account &amp; Anywhere Branch Banking account.</li> <li>5) Verification of: <ul style="list-style-type: none"> <li>• Cash on hand (including cash in ATM), in the branches &amp; HO branch.</li> <li>• Verification of extra cash and unauthorized cash transaction.</li> <li>• Verification of cash retention limit.</li> <li>• Movement of locker register and customer signature and time in locker register.</li> <li>• Reconciliation of Bank A/cs.</li> <li>• Whether 15G/15H, TDS are properly filed or not. Verify &amp; report.</li> <li>• Whether Gold Appraiser appointed as per norms and prescribed deposit/security against appraiser obtained or not. Verify &amp; report.</li> <li>• Whether Supervisor of PACS conducting regular inspection of PACS or not. Verify &amp; report.</li> <li>• Whether required Registers maintained or not. Verify &amp; report.</li> </ul> </li> <li>6) Examine &amp; comment on the coverage of legal action in respect of jewel loans, personal loans, housing loans, vehicle loans &amp; other loans.</li> <li>7) Verification of system of issue of cheque books, withdrawal slips, maintenance of demand draft books, Bankers cheques, cheque books, term deposit receipts and stock register along with the other security items. Furnishing of a certificate to the Head Office confirming the up-to-date maintenance of the same.</li> <li>8) Verification of collection of proper commission on Demand Draft / Bankers cheques issued and other services rendered as per the circulars issued by Head Office to avoid Income Leakage, comment on Income leakages, if any.</li> </ol>



		<p>9) Violation of interest rate directives, if any, on payment of interest on deposits particularly payment of deposits before maturity, advance against deposits etc. Ensure correctness of interest paid/payable on deposits and correctness of interest charged/collected on L&amp;A.</p> <p>10) Verification of transactions under Sundry Debtors / Sundry Creditors and differences under clearing house, Cheque return account etc.</p> <p>11) Examine &amp; comment on the proper maintenance of Inward and Outward registers for clearing cheques and also clearing settlement sheet, etc.</p> <p>12) Examine &amp; comment on delay in collection of outstation cheques and also to verify collection of proper commission/service charges.</p> <p>13) Examine &amp; comment on instances of allowing drawals against unrealized cheques if any.</p> <p>14) Examine &amp; comment on heavy withdrawals from inoperative SB / Current Accounts and further to report instances of payments from inoperative accounts without the knowledge of the Branch Manager.</p> <p>15) Verification of documents / collection of rent etc. in respect of safe deposit lockers / safe custody and comment on operational aspects of the lockers.</p> <p>16) Verification of payment of rent to land-lord deduction &amp; payment of TDS / Service Tax etc wherever applicable.</p> <p>17) Verification of expenditure incurred under different capital and revenue heads with reference to authority, budget allocations, accuracy, deduction &amp; payment of TDS / Service Tax etc wherever applicable.</p> <p>18) Verification of correctness of trial balance with the balances in the concerned product once in a month and report.</p> <p>19) Status of compliance to audit /Nodal/Branch Inspections observations pertaining to the previous period.</p> <p>20) Position of NPAs and Comment on Recovery of NPAs Management strategy.</p> <p>21) Comment on viability of the branches once in a year and make suggestions to improve the branch performance.</p> <p>22) Any other item of work that may be required as per the instruction/direction of RBI/NABARD etc.</p> <p>23) Documentation pertaining to renewal of all OD loans should be verified and comment.</p> <p>Any other subjects which required Concurrent Auditors verification/assistance.</p>
2.	<b>Human Resources Department (HRD)</b>	<p>Human Resources Management Department</p> <p><b>1. Policy:</b></p> <p>Examine &amp; Comment on rotation of duties among all cadres of employees as per Bank transfer policies, trainings and other payments</p>

		<b>2. Payments:</b> Monthly salary bills, calculation of TA & DA, Gratuity leave encashment, Legal fees, budget and other payments E-TDS
3.	<b>INVESTEMENT S- BKG</b>	a) Certification of holding of securities in Banks Investment Portfolio on Quarterly basis b) Call / Short Term Investments made by the Bank – once in a month c) Investment in Govt and other securities – once in a month d) Certification of all investment portfolios of monthly basis e) Comment on Service Tax / GST and other payments  <b>Comment whether the investment made in call/ST/TMB/G-Sec/Non SLR is on par with RBI Guidelines or not.</b>
4.	<b>ITSD</b>	a) Verification of Inventory of system and other hardware items b) Purchases and expenditure bills c) Payments of AMCs d) Purchase of new ATM's, Software & Hardware  <b>Comment on depreciation percentages on each capital asset on par with NABARD circular.</b>
5.	<b>Loans and Advances – ST &amp; LT &amp; Retail</b>	a) Implementation of policies b) Operational guidelines – Seasonal Loans – Kharif, Rabi, Weavers, ST Others c) Government Schemes – Interest subvention, interest rebate, subsidies d) Reconciliation e) APCOB Borrowings/Lendings – Interest calculation, repayments, defaults if any f) Weavers, ST others, SHGs/JLGs/Petty Traders etc. application scrutiny / required documentation observations g) NABARD/APCOB guidelines & Statutory returns h) Certification of GoI Interest subvention / subsidy / rebate claims.  i) Initial Documentation for the limit allocated for the financial year. Application scrutiny/required documentation observations for the drawls allowed during the period.  j. Refinance under various purposes (SHGs/JLGs/Non – Agri Gold Loans)  Elections to PACS: Election expenditure, correspondence with CC & RCS- Recovery of election expenditure etc.
6.	<b>Development</b>	a) CDF – Policy implementation b) Any other schemes

7.	<b>Premises</b>	<p>a) Fixed assets verification of availability of ECs and valuation report for the Banks buildings once in a year</p> <p>b) Inventory list of items</p> <p>c) Expenditure and purchase on monthly basis.</p> <p>1.To Check whether the department is charging depreciation on par with Income tax act rules.,1961.</p> <p>2. Comment whether the incurred expenditure is within the allocated budget of the GL Head concerned.</p> <p>3. Comment on maintenance of Dead Stock Register.</p>
8.	<b>RMD -BKG</b>	<p>a) ALM meetings, consolidated reports</p> <p>b) Review of the adequacy of compliance with Risk Management framework of the Bank.</p> <p>1. Comment on system generated NPA is on par with RBI/IRAC norms</p> <p>2. To Check whether mismatch in 1<sup>st</sup> 2 buckets of Maturity pattern is in line with RBI guidelines</p> <p>3. Comment on Market risk, Operational risk and credit risk.</p> <p>4. Comment on net worth and CRAR which are in line with the RBI prescribed limits.</p>
9.	<b>Legal &amp; Vigilance</b>	<p>1. Comment on uploading of FMS returns in ENSURE portal within the prescribed time lines.</p> <p>2. Comment on Status of existing fraud/disciplinary cases.</p>
10.	<b>General:</b>	<p>1. To verify whether the defects pointed out in the observations of the previous month are rectified in the HO Dept. during the subsequent monthly audit.</p> <p>2. GST, IT returns &amp; TDS.</p> <p>3. Any other subjects which required Concurrent Auditors verification/assistance.</p>



  
**Chief Executive Officer.**