

ANNEXURE

Terms and conditions applicable for the audit of Urban Cooperative Banks in the State of Goa.

1. It is at the discretion of Annual General Body Meeting of the concerned Bank to select the Auditor from the panel of certified Auditors and the department of cooperation does not have any scope for allotment of audit, unless and until the society is notified under Section 74(2) of the Goa Coop. Societies Act, 2001.
2. It is mandatory on the part of every Auditor to finalize the audit and release the audit report within the time limit as fixed by the Annual General Body Meeting of concerned Cooperative Bank or the Registrar of Coop. Societies.
3. The Auditor shall examine the proceeding book of AGM/SGM and BOD/MC and offer his comments on the policies and programmes formulated by the management and its effective implementation.
4. An auditor is required to acquaint himself with the latest norms prescribed by RBI and directives issued by RBI from time to time before undertaking the audit of the Bank. It is the duty of the auditor to go through the provisions of Goa Cooperative Societies Act, 2001, Rules made thereunder, Byelaws of the Bank and all other circular issued by the Registrar from time to time while undertaking the audit and comment suitably in the audit report in case of violations.
5. The Auditor appointed by a Cooperative Bank shall be responsible to highlight the deviations by the management in respect of SLR, CRR, CD Ratio, Capital Adequacy norms etc. as per the guidelines prescribed by RBI.
6. The Auditor shall also ascertain the cost of deposits and pass detail comments with regard to sustainability. Whether there is any such unserviceable liability in the absence of scope for judicious employment of funds and need to be examined from the point of profitability.
7. The Auditor appointed to undertake the audit of a Cooperative Bank must scrutinize exposure norms as prescribed by RBI in respect of maximum limit on advances to a single borrower/connected group and shall offer his comments in case if there are violations/deviations.

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8. Bifurcation of lendings into priority sector, non-priority sector etc. and suitable comments on the same.
9. Percentage of loans and advances to Builders /contractors as against total amount of outstanding loans.
10. Loans and Advances to Directors/Relatives and firms/concerned in which they are interested and suitable comments on the same.
11. The Auditor shall also requires to verify bill discounting/bills rediscounting scheme with its clients and with other Banks/Financial Institutions and offer suitable comments in the audit report in case if irregularities/mal-practices are observed during the course of audit.
12. Rephasal of loan a/cs during the period under audit and to verify the purpose of such Rephasal of loan.
13. Age wise classification of the overdues, No. of cases /disputes filed against the chronic defaulters, No. of execution cases pending, amount recovered etc. during the period under audit.
14. Dual financing-To verify whether the loans are granted to the prospective buyers of the same, Building for which concerned Builder/contractor has already availed from the same bank.
15. Whether bank has dealt in trading of any government securities, shares and debentures? If so, whether such shares registered with recognized stock exchange.
16. Whether the lending to non-banking financial companies is as per the restrictions stipulated by RBI.
17. Whether any OTS Scheme is launched during the period under audit. If so, No. of beneficiaries and other details.
18. Income recognition, asset classification and NPA provisioning strictly as per the guideline issued by RBI.
19. The Bank reconciliation statement in respect of branches and other banks/financial institution needs to be obtained and enclosed to the audit report with suitable comments in case if the entries pertaining to the cheques beyond 6 months are appearing in the statement.

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20. The returns which are required to be filed shall be signed by the Chartered Accountant as required by the Income Tax Authorities under Section 44 AB for the relevant year.
21. Whether any irregularities involving financial funds of the Bank are observed? If so, detail report in this regards and filing of FIR with the Concerned Police Station against the person involved in such financial irregularities and also filing of Special Report to that effect before the Registrar as provided under section 82 of the Goa Cooperative Societies Act, 2001.
22. Brief performance of Branches and their ratings.
23. The remuneration of the auditor shall be fixed by the Registrar in terms of Sub-section 4 of Section 74 of the Goa Cooperative Societies Act, 2001 and the same shall be paid by the concerned Bank.
24. The draft audit report shall be invariably discussed in the Board of Director's Meeting of the concerned Institution before the same is released.
25. Awarding of classification as per RBI guidelines.
26. The Auditor shall give an undertaking stating that he or his relatives have not obtained any loan from the Cooperative Bank which has been allotted to him for purpose of audit.

I, hereby accept all the terms and conditions stipulated herein above and undertake to abide by the same.

Place:-

Dated:-

(Signature of the Applicant).