

E-Book on  
**A Concise Practical Referencer for Statutory Bank Branch Audit**



**Southern India Regional Council**  
**The Institute of Chartered Accountants of India**

(Setup under an Act of Parliament)

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#### DISCLAIMER

The views expressed in this E book are those of Members who have compiled the contents. The Southern India Regional Council of the Institute of Chartered Accountants of India may not necessarily subscribe to the views expressed by the Members. For authentic guidance on the Bank Branch Audit, Members are advised to refer Guidance Note on Audit of Banks, 2020 Edition which is available at [https://www.icai.org/new\\_post.html?post\\_id=16356](https://www.icai.org/new_post.html?post_id=16356)



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## **PREFACE**

Banking sector is the backbone of any economy as it mobilises funds from the public at large and provides finances to various segments of economy and helps in sustainable socio-economic growth of the economy. The banking sector in India is one of the largest in the world as far as its extensive network of branches is concerned. As the financial intermediary, the role of the sector in the overall growth and development of the Indian economy is quite significant and laudable. Over the years, the sector has been through a long journey and has also achieved new heights with the changing times.

Like other economic activities, the banking sector is also exposed to various risks in its operations. For financial stability in the economy, it is essential that banking sector stays healthy, safe and sound. For safe and sound banking sector, one of the most important factors is reliable financial information supported by quality bank audits. The widespread use of technology has completely changed the working of banks resulting in lesser requirements for people to visit banks physically. Nevertheless, the fundamental aspects of banking i.e. trust and confidence of people on banking sector remains the same. This trust and confidence come on the back of strong quality of audit system and practices in place in India. By conducting audits of financial statements of banks, the auditors play an important role in building a resilient banking sector.

I am happy to place in hands of the Members, this e-book: **A Concise Practical Referencer for Statutory Bank Branch Audit**, which has various Checklists for Statutory Bank Branch Audit, Tax Audit, Interest Subvention, LFAR, Cash retention limit etc. The Background material also has the format for commonly used Finacle Commands, CBS Commands for Audit, how to produce template comments, letter of Engagement, KYC Verification, Reporting of fraud in LFA, Common certificate to be obtained, the modalities of Physical verification of Cash at Branch, at ATM, criteria for scrutiny of advances, NPA norms etc.

I wish to place on record my sincere thanks to CA. S. Ramesh, CA. Uttam Chand Jain, CA. Kuntal Shah, CA. Pradeep Kumar P, CA. Arunkumar K and CA. Vishal V for compiling this e-book. I also thank the Central Council Members and Regional Council Members for their whole hearted support for this endeavour. I also wish to thank the Officials and Staff of SIRC for their hard work in giving this background material its final shape.

I am sure that the members would find the background material useful while conducting the Audit of Bank Branches. Suggestions and views for further improvement of this e-books is solicited from our members through email to [sircchairman@icai.in](mailto:sircchairman@icai.in)

Chennai  
06-May-2020

**CA. DUNGAR CHAND U JAIN**  
Chairman, SIRC of ICAI

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