

Branch		Circulation	
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02-Final Internal Audit Report for the year ended 31-03-200

1.0 I have audited the Balance Sheet of your _____ Branch as at 31-03-200 and the Profit & Loss A/C for the year ended on that date and have to report as under. This report is submitted in addition to the reports already submitted from time to time.

2.0 Balance Sheet Scrutiny: (Major items)

2.1 Deposits: Rs. _____ Lacs / Increase decrease of Rs. _____ Lacs or _____ % over P.Y.

- a) Balances as per personal ledger and balance register are in agreement with General ledger. All O.K. statement was reviewed.
- b) Deposit Mix is given below: Rs'000
- c)

	31-03-200	%	31-03-200	%
Term deposit				
Savings deposits				
Current deposits				
Total		100.0		100.0

- d) The Bank should obtain Balance confirmation certificates from CA holders on sample basis.

2.2 BRBC: Rs.

Following cheques sent for clearance prior to February 200 have not been cleared till date

BC	Sent on	Rs.	Reminder	BC	Sent on	Rs.	Reminder

2.3 Bank Guarantees issued: Rs.

Expired BGs: NIL BG expiring shortly is mentioned below.

BG No.	Rs.	Date of expiry	BG No.	Rs.	Date of expiry

2.4 Pay orders: Rs.

- Balance as per PO list is in agreement with GL.

2.5 Outstanding expenses: Rs.

Expense head	Rs.	Expense head	Rs.
Telephone		Closing Allowance	
Electricity		Medical allowance	

2.6 Cash on hand: Rs.**ATM: Rs.**

- Cash was physically verified by branch on 31-03-200 & found correct as per Cash book /GL.

2.7 Advances: Rs. _____ Lacs / Increase of Rs. _____ Lacs or _____ % over P.Y. Advances of Rs. _____ Lacs.

- a) Balance as per personal ledger and balance registers are in agreement with General ledger. All O.K. Statement was reviewed.
- b) Balance confirmation certificates should be obtained from CC & OD borrowers at least on test check basis.

2.08 Bank balance: Rs. _____/- is in agreement with bank balance certificate as on 31-03-200 . Bank balance certificate as on 31-03-200 has not been obtained.**2.09 Furniture & fixtures/ Office equipment:**

a)

	Premises	Furniture & Fixture
Opening WDV as on 31-03-200		
Add: Additions		
Sub-total		
Less: Depreciation		
Less: Sold		
Closing WDV as on 31-03-200		

- c) Excess depreciation has been provided on
- d) Agreement, share certificate etc. of Branch Premises are not in the possession of Branch. HO to confirm and send xerox copies to branch for their records.

2.10 Stock of Printing & Stationery: Rs.

	Rs.
a) Printing stock	
b) Stationery stock	
Total	

2.11 Debit Balances in Deposit A/Cs.: Rs.

2.12 Head Office A/C: Rs. _____ Debit

- a) The said balance has been reconciled with HO A/Cs.
Balance as per HO books is Rs. _____ Credit.
- b) HO has not submitted Branch Balance confirmation certificate as on 31-03-200

2.13 TDS Rs. _____/- has been paid on _____. Token no. _____ was produced for our verification.

2.14 FD SRY: Rs. _____/-The said entry was adjusted on _____

3.0 Profit & Loss A/C:

- 3.1 The total revenue amounted to Rs. _____ Lacs vis-à-vis Rs. _____ Lacs for the year 200 -200 showing the increase decrease of Rs. _____ Lacs / _____ % over p.y.
- 3.2 Profit for the year amounted to Rs. _____ Lacs. (P.Y. Profit Rs. _____ Lacs.)
- 3.3 Staff bonus / Exgratia provision for the year has not been made.
- 3.4 Interest has been accounted on Cash basis except CC interest, interest on secured housing loan & staff housing loan.
- 3.5 The Branch has not compiled statement of effective (weighted) rate of interest paid and received.
- 3.6 Interest receivable on NPA A/Cs (Not accounted by the Branch) amounts to Rs. _____ Lacs. HO should account the same and should make corresponding Provision for overdue Interest Reserve as per RBI guidelines.
- 3.7 Provision for Bad & Doubtful debts as on 31-03-200 works out to Rs. _____ Lacs. HO should make the necessary provision.
- 3.8 The Branch has made provision for Overdue Interest Reserve Rs. _____ Lacs.
- 3.9 Interest on matured Term deposits has been provided @ _____ % as on 31-03-200 . No such provision was made last year.
- 3.10 Refer separate Annexure regarding Review of Interest/Service Charges recovery and Review of expenses.

4.0 Overdue, Asset Classification & Provisioning:

- 4.1 Overdue advances amount to Rs. _____ Lacs. / _____ % of advance. The said statement should be reconciled with computer report " Defaulters list."
- 4.2 Classification of Advances and Provision for Bad & Doubtful Debts.

Rs.'000

	Advance	%	Provision
Standard			
Sub-standard			
Doubtful			
Total		100.0	

5.0 Other Important observations / comments:

1. HO has given interest @ _____ % on Branch balance in HO books for the year ended 31-03-200 . (P.Y. _____ %)

2. Gross block, Net block and Accumulated depreciation has not been disclosed as required by Accounting Standard-6 & 10 of ICAI.
3. Tax deducted at source from interest has not been paid in time. Delay was observed in few months.
4. It was informed that Service tax on charges & commission earned has been paid by HO after considering the service tax paid by branch along with certain payments such as Telephone, security charges etc. In view of this, profit of the branch is overstated. (HO has not informed net Service tax paid by HO on behalf of branch.)
5. Dates of valuation reports of securities hypothecated, mortgaged to bank by borrowers were not readily available with branch. Branch is hereby requested to compile the statement and submit to us for our reference.
6. Details of loan cases settled under OTS / through consent of the board were not available with branch. Branch is hereby requested to compile the statement and submit to us for our reference.
7. Branch is not having any papers pertaining to branch premises. Ho should provide copy of agreement and other papers pertaining to premises to branch.
8. Term wise classification of Advances as on 31-03-200 is tabulated below: Rs'000

Term	Advance	%
Short Term		
Medium term		
Long Term		
Total		100.0

6.0 Internal Audit Reports:

- a) Internal Audit was conducted on regular basis and various reports were submitted from time to time for action and rectification.

Chartered Accountant

M. No: