

Audit Rectification Report

Introduction

❖ You are aware that Audit Rectification report is expected to be submitted by branch / concerned department as soon as audit is concluded.

Type of Bank Audits.

- ❖ **Various Audits are conducted in the Bank depending upon the purpose, namely-**
- ❖ Statutory Audit.
- ❖ Internal Audit.
- ❖ Concurrent Audit.
- ❖ Revenue Audit.
- ❖ Spot audit / surprise inspection.
- ❖ Inspection Audit by department.
- ❖ Security Audit.
- ❖ Tax Audit.
- ❖ RBI inspection.
- ❖ Customer Service Audit.
- ❖ System Audit.

General approach followed by branch for Audit Rectification

- ❖ As soon as audit is concluded, audit report is handed over to concerned officer/ Sr. clerk for rectification.
- ❖ Follow up is done with said officer as to when rectification report will be sent to HO.
- ❖ If query is not raised by Inspection department, the said reports are filed.

What is expected from branch?

- ❖ Branch should depute officer/ Sr. clerk to coordinate with Auditors for submission of relevant records, files, statements, reports etc. for their audit.
- ❖ Queries should be discussed in the evening with the Auditor. Preferably Xerox copy of said query list may be taken.
- ❖ Next day, the concerned staff should be requested to look into the queries and keep the explanation ready by late afternoon for discussion with the Auditor in the evening. This process will reduce number audit observations.
- ❖ Draft report should be discussed after audit is completed.
- ❖ If you do not agree with any audit observation, you should firmly but politely inform the Auditor.
- ❖ Auditor is your friend & guide. You should not look at the Auditor with apprehension that he has come only to find faults.

Classification of Queries.

- ❖ Queries due to not observing laid down procedures.
- ❖ Queries for which branch is responsible.
- ❖ Queries for which HO is responsible.

Why Audit queries are raised?

- ❖ Auditor is forced to raise the query because work is not carried out as per procedure.
- ❖ Reason: Non-involvement with the work, lack of supervision, attitude to postpone the work, attitude to keep the work pending, Laziness etc.
- ❖ Is it due to ignorance of knowledge?

Suggested Approach to Audit Rectification.

- ❖ Your approach should be 'Prevention is better than cure.'
- ❖ No doubt that audit rectification report has to be sent, but branch is now expected to take serious look at the Audit report.
- ❖ Discuss the Audit report in the meeting of branch staff.
- ❖ Analyze the reason as to why query was raised? Accordingly take the corrective steps such as staff rotation, training, increased supervision etc.
- ❖ Fix the branch target of Clean Audit report without any material queries.

Benefits of Clean Audit report.

- ❖ Raising of Staff moral.
- ❖ Gainful utilization of time by avoiding audit query instead of time and energy wasted in finalization of audit rectification report.
- ❖ Improve the enjoyment level at work.