

**NOTIFICATION**

**[FOR EXPRESSION OF INTEREST FOR EMPANELMENT OF CONCURRENT AUDITORS]**

**9<sup>th</sup> July, 2015**

**UCO Bank** invites applications from practicing firms of Chartered Accountants within India, in the prescribed format, who are willing to have their firms empanelled as Concurrent Auditors of the Bank.

**The CA firms already on the job of doing concurrent audit of branch (es) allotted to them are also requested to apply afresh for getting renewal of existing assignment of concurrent audit for the audit year 2015-16. It is made very clear that the existing assignment to concurrent auditors, based on the application submitted in response to notifications published during the previous years will not be automatically renewed and they will have to apply afresh for renewal of existing assignment of concurrent audit for the year 2015-16 i.e. from 01.10.2015 to 30.09.2016.**

**I. ELIGIBILITY CRITERIA FOR EMPANELMENT:**

- a) CA firm should preferably be a partnership concern having experience in the field. The Bank may also consider the sole proprietorship concerns and in that case they would be required to submit a declaration that they are full time practicing Chartered Accountants and are not employed elsewhere and do not have any other business interest.
- b) Audit firms should preferably have qualified Information System Auditor (CISA/DISA) with necessary exposure of system audit. Since all the branches of the Bank are fully computerized, system audit shall form an integral part of audit of the bank.
- c) Audit firm should not have been disqualified by any Bank IBA/RBI/ICAI, while taking-up audit work on earlier occasions.
- d) Weightage would be given to the CA firms where the partners themselves are ex-bankers or the firm(s) has got tie-up with ex-bankers with requisite experience and exposure.
- e) It is to be ensured that the audit firm or any sister / associate concern / network firm is not conducting the statutory audit of the Bank or any of its branches.

- f) Weightage will be given to a firm having exposure in conducting concurrent audit of the Bank branches for public sector / major private sector banks.
- g) The firm should have necessary office set up and adequate personnel to ensure proper deployment and timely completion of the assignments. The Headquarter or branch of the CA firm should be located at the place for which they wish to take up audit work. Preference would be given to CA firms which are located at the places of our Bank's Branches.
- h) The assignment should be carried out in a professional manner and in case of any misconduct or negligence; the Bank is free to report the matter at any time to ICAI / IBA/RBI. This will be in addition to the disengagement from the Concurrent Audit assignment.
- i) The firm will not be allowed to sub-contract the audit work assigned to any outside firm or other persons even though such persons are qualified chartered accountants.
- j) A declaration to be furnished by the firm that credit facilities availed by the firm or partners of firm in which they are partners or directors, including any facility availed by a third party for which the firm or its partners are guarantor/s, have not turned non performing asset or are existing non-performing assets, as per the prudential norms of RBI. In case the declaration is found incorrect, the assignment would be immediately terminated, besides the firm being liable for any action under ICAI/ RBI/IBA guidelines.
- k) The firm should execute undertaking of fidelity and secrecy on its letter head in the format prescribed by the Bank.
- l) Concurrent Auditors would have to sign Do's & Don'ts statement in order to have proper arms length relationship with the Branch/ Department of which they are conducting Concurrent Audit. Such undertaking would be submitted annually.
- m) Any other terms and conditions of the assignment as decided by the Bank from time to time.

## **II. SCOPE OF CONCURRENT AUDIT:**

01. Areas covered in the Bank's Standard format for Concurrent Audit specify the scope of Concurrent Audit. Concurrent Auditor would examine all the transactions and identify the ones which are not as per the Bank's laid down rules/circulars and guidelines/instructions received from regulators & authorities like Govt. of India, Reserve Bank of India & SEBI etc. from time to time.

02. Every quarter Concurrent auditor would also check if there is any wide variation in the cost of deposits and yield on advances as compared to the previous periods as well as Zonal average figures. A copy of the guidelines on the manner of conducting the audit will be provided to the firm at the time of allotment of branches and thereafter from time to time.
03. Concurrent Auditors will also get rectified all the irregularities identified by them during the course of the audit. Monthly Concurrent Audit reports should reach Branch/ Zonal Office /Circle Office/ Field Inspectorate by the 10<sup>th</sup> day of the month succeeding the month of reporting, pointing out the remaining irregularities/deficiencies for rectification, with reasons as to why these were not rectified.
04. Comment on Bank's policies or Evaluation of the decisions taken by Branch Managers/authorized officials are beyond the scope of concurrent audit. However, the auditor would necessarily have to see whether the transactions or decisions are within the policy parameters laid down by the Bank and whether they violate the instructions or policy prescriptions of the Bank/RBI and that they are within the delegated authority of the concerned officials.

### **III. REQUIREMENTS FROM AUDIT FIRMS:**

1. Bank would provide to the concurrent auditors a suggestive/illustrative checklist of items/areas to be checked daily/weekly/monthly/quarterly and concurrent auditors should identify the deficiencies/irregularities in accordance with the checklist.
2. Concurrent Auditors shall be required to get rectified all the irregularities identified by them during the course of Audit and report only those irregularities, which remained un-rectified, with reasons as to why the same were not rectified and submit the Concurrent Audit Report within 10 days of the month succeeding the month of reporting to Branch/Zonal Office/Circle Office/Field Inspectorate.
3. The concurrent auditor would also be required to report immediately to the Bank's higher authorities wherever any serious irregularity or transactions involving malafide, corrupt practices and gross indiscipline or any fraudulent transaction is detected by them.
4. The Monthly Audit Reports shall be required to be submitted in an approved structured format, which would be provided to the auditors by the Bank. The reports should be submitted within 10 days from the end of the month to which the report relates. Suitable penal provisions would be applicable for delayed submission of audit reports. The firms should strictly adhere to the format and the time limit.

### **III. TERMS & CONDITIONS:**

#### **(a) Empanelment:**

Applications received from the Chartered Accountant firms in response to the notification, within the given time limit and in the given format fulfilling the prescribed eligibility criteria shall be empanelled by the Bank. **The panel shall remain valid for a period of one year i.e. from 01.10.2015 to 30.09.2016 thereafter it would be automatically lapsed.**

#### **(b) Engagement of Concurrent Auditors & other conditions**

(i) Suitable firms would be identified for each assignment and be approved taking into account their experience and exposure, similar activity carried out for the Bank or other banks, availability of adequate trained resources, location of the audit unit etc. Such approved Concurrent Auditor's firms would be issued letters of engagement by the Audit & Inspection Department.

**(ii) The tenure of the concurrent auditor would be initially for one year and would be subject to fresh renewal every year and can be extended maximum up to a period of 3 years overall at bank's discretion.**

(iii) After completion of specified maximum period of three years, cooling period of one year would be observed for a firm to become eligible for engagement. This will be purely at the discretion of the Bank and no rights whatsoever accrue to the firm for such engagement.

(iv) The concurrent auditors should adhere to the audit coverage strictly as per the scope as may be decided by the Bank from time to time.

(v) The concurrent auditors should not undertake any other activities / assignment on behalf of the branch or unit, other than the activities for which they are engaged, without obtaining the concurrence of the Head Office, Audit & Inspection Department in writing.

#### **(c) Period of Audit/Assignment:**

External Audit firms empanelled/selected would be engaged for a period of one year i.e. from **01.10.2015 to 30.09.2016** for the branches/offices identified for monthly concurrent audit.

#### **(d) Performance Review:**

The performance of the empanelled firms would be periodically reviewed, at least once a year and if found unsatisfactory, the Bank may remove the name of the

Concurrent Audit firm from the panel of the bank for a minimum period of two years.

**(e) De-empanelment:**

The empanelled firms may be de-empanelled at the Bank's sole discretion. If the performance of the concurrent auditor is found unsatisfactory or any serious act of omission or commission is noticed in their working, their engagement may be cancelled at any point of time. If felt necessary, the matter may be reported to ICAI and/or RBI/IBA for necessary action.

**(f) Documents to be submitted with the application:**

CA firms shall submit the following documents along with the application.

- i) General Information as per the format given as under:
  - (a) **Format-1** – for the existing Concurrent auditors during the year 2014-15, who wish to continue their existing engagement i.e. for renewal of the old assignment.
  - (b) **Format-2** - for those Chartered Accountant Firms, which at present are not doing the concurrent audit of any of the branches/offices of the Bank and desirous to take up concurrent audit assignment of the Bank for the audit year 2015-16 i.e. **Fresh Applicants**.

**Please submit only one application either in format-1 or format-2 (as may be applicable)**

- (ii) Copies of Registration Certificate issued to the firm by ICAI.
- (iii) Copy of constitution Certificate issued by ICAI.
- (iv) Copies of certificate of experience and conduct of concurrent audit of various banks (during last 3 years only) or similar assignment performed elsewhere, if any. – **[For fresh applicants only]**

**(g) Submission of application:**

The completed application (**Hard copy only**), in the prescribed format, along with documents as specified in para (f) above, should be sent at the address given below in a properly sealed cover **so as to reach us on or before 30.07.2014**. The envelope must be superscribed with "**APPLICATION FOR EMPANELMENT OF CONCURRENT AUDITORS**" & be sent by **Registered Post/Speed Post**. **It should be carefully noted that only hard copy of the applications will be accepted.**

**Applications/scanned copies of the applications sent through e-mail or otherwise will not be considered.**

Hard copies of the applications reaching us after **30.07.2015** will not be considered for empanelment/selection. The Bank shall send engagement letters to all selected chartered accountant firms through respective Field Inspectorates having jurisdiction over the concerned branches. However, CA firms which do not get our letter of engagement are to be treated as '**not selected**' and no further correspondence shall be entertained in respect of fate of their application.

**The Dy. General Manager  
UCO Bank, Inspection Department,  
Head Office, (1<sup>st</sup> floor)  
10 B.T.M. Sarani Kolkata – 700 001**

**THE BANK RESERVES THE RIGHT TO ACCEPT OR REJECT ANY APPLICATION AND ANNUL THE PROCESS AT ANY TIME WITHOUT ANY LIABILITY AND ASSIGNING ANY REASON THEREOF.**

**(h) Evaluation of applications:**

The applications received by the Bank would be screened by a Committee of Executives constituted for this purpose, which will consider empanelment of CA firms on a scoring system based on their experience, CISA/DISA qualifications, number of staff members employed, number of partners, seniority, CA firms having tie-up with Ex-Bankers etc. and any other factor considered necessary by the Committee for which the decision of the Committee shall be final.

Merely meeting the eligibility criteria shall not automatically entitle the firm for empanelment. After empanelment, the work will be allotted as and when need arises at the sole discretion of the Bank. The empanelment will not give any right to the empanelled firms for carrying out the assignments. The Bank reserves its right to cancel any or all the offers without assigning any reason whatsoever.

**(i) Selection of Concurrent Auditors:**

Selection of Concurrent Auditors shall be made from among the applications received from the chartered accountant firms by the Audit & Inspection department **on the basis of a scoring system**. The approval of the selected concurrent auditors would be done by a committee consisting of three General Managers. The General Manager (Audit & Inspection) shall be the chairman of the committee. The list of selected concurrent auditors would be placed before the top management of the Bank i.e. Executive Directors and Chairman & Managing Director for final approval.

## V. Payment Terms:

The audit fees shall be paid to the firm as decided by the Bank from time to time and mentioned in offer letter for allotment of assignment, on submission of the relevant audit reports and the relevant bill along with supporting documents. The following schedule of fees being paid by the Bank depending on the volume of advances at the branch.

No out of pocket expenses or travelling allowance/ halting allowance would be paid to the Concurrent Auditors. However, Service Tax etc. would be paid as applicable in addition to the Audit Fees. The payment to Concurrent Auditors would be subject to TDS at the applicable rates.

**The amount of Concurrent Audit Fee payable would be as under:**

S. No	Range of Advance level of the Branch	Audit Fee ( ₹ )
<b>Monthly Concurrent Audit Branches/Offices:</b>		
1.	Advances up to ₹ 25 Crores	₹ 12,000/- (Per Month)
2.	Advances above ₹ 25 crores & upto ₹ 75 Crores	₹ 15,000/- (Per Month)
3.	Advances above ₹ 75 Crores & upto ₹150 crores	₹ 18,000/- (Per Month)
4.	Advances above ₹ 150 Crores & upto ₹ 500 crores	₹ 20,000/- (Per Month)
5.	Advance above ₹ 500 Crores	₹ 25,000/- (Per Month)
6.	Service Branches	₹ 12,000/- (Per Month)
7.	Treasury Branch	₹ 25,000/- (Per Month)
8.	Corporate Department – H.O. (For 2/3 departments)	₹ 25,000/- (Per Month)
<b>Quarterly Concurrent Audit Branches/Offices:</b>		
1	Depository Service Branch	₹ 10,000/- (Per Quarter)

## **DO'S AND DON'TS STATEMENT FOR CONCURRENT AUDITORS**

I/We \_\_\_\_\_ do hereby declare that I/We shall faithfully, truly and to the best of my/our skill and ability abide by following Do's and Don'ts while performing the duties required of me/us as an auditor of UCOBANK .

### **Do's:**

#### **I/We shall-**

1. do pre-concurrent audit study of the branch/ department for getting all relevant information and offsite surveillance reports of the auditee.
2. prepare proper audit plan based on 1 above, covering all the areas of the scope, keeping in the view the timelines.
3. have a structured introductory meeting with the auditee and seek all the information required in advance with proper time schedule. Introduce the audit team to the auditee officials.
4. ensure that audit team is accompanied by senior and experienced members as required.
5. display team spirit and avoid misunderstandings/ arguments in the presence of auditee.
6. discuss my/our findings with branch officials on daily basis and try to rectify the defects then and there itself.
7. give auditee a chance to express their opinion while discussing the issues.
8. in case of difference of opinion with auditee, we shall discuss with the leader of our team first. Further discussion on a higher level will be made, if required.
9. in case, any auditor of my/our firm comes across any information which causes him to suspect any element of fraud, gross negligence, gross incompetence or similar unfavorable actions or tendencies, we shall report the matter to the leader of the team immediately. Further discussion on a higher level will be made, if required.
10. keep utmost secrecy of the information/ audit observations/ issues etc. relating to the auditee.
11. be courteous, cooperative and professional.

### **Don'ts:**

#### **I/We shall not-**

1. have any professional or commercial relationship either direct or indirect with borrowers/ beneficiaries of the branch / department.
2. take advantage of my/our association as concurrent auditor with the branch/ department of the bank and canvas for any client/ business with the bank either directly or indirectly.
3. represent on behalf of any client/ customer of the bank for a minimum period of three years after the completion of term of the audit.



4. share/ pass on/ discuss any audit related observations/ issues/ findings with anyone other than concerned in the bank.
5. act overly reserved or unfriendly in order to maintain my/our independence as an auditing officer.
6. get involved in heated argument with auditee.
7. give orders to auditee and seek requirements from the officer assigned to assist me/us on a particular job. The concerned officer would issue the necessary orders to their employees if he accepts inspector's suggestions and recommendations.
8. delay the submission of audit report.

Signature \_\_\_\_\_

*Designation* \_\_\_\_\_

Place: \_\_\_\_\_

SEAL:

Date: \_\_\_\_\_

**[FORMAT-1 – FOR EXISTING CONCURRENT AUDITORS]**

**APPLICATION FOR RENEWAL OF EXISTING ENGAGEMENT FOR 2015-16**

**[FOR THE PERIOD 01.10.2015 to 30.09.2016]**

**APPLICABLE FOR ONLY THOSE CONCURRENT AUDITORS WHO HAD BEEN ENGAGED FOR CONCURRENT AUDIT OF BRANCH(ES) DURING THE YEAR 2014-15 AND DESIRIOUS TO CONTINUE THE SAME ENGAGEMENT DURING THE YEAR 2015-16**

Please specify the name of the Branch (es) being audited during the audit year 2014-15.	Name of the Branch	Sol ID No.	Audit Frequency (Monthly/Quarterly)
	1.		
	2.		
	3.		

1. Name of the firm :
2. Date of Establishment :
3. Registration No. of firm with ICAI (Certificate to be enclosed) :
4. Constitution of the firm (Individual/Proprietorship/Partnership) :
5. Date of Reconstitution of the firm (Copy of latest Constitution Certificate issued by ICAI to be enclosed) :
6. Registered Office, if any :
7. Postal Address (Full Address with Pin code to be given) :
8. No. of full-time Qualified Partners :
9. Staff Strength :
  - a) No. of Chartered Accountants :
  - b) Other Paid assistants :
10. Whether any partner of the firm is ex-banker or the firm has got tie-up with ex-bankers. : YES/No  
If yes, Please furnish details of partner/tie-up Arrangements.
11. Phone Nos. :
  - i) Landline(s) :
  - ii) Mobile No.(s) :
  - iii) Fax No. :
  - (iv) E-Mail ID (s) :

12. Service Tax Registration No. :
- 13 PAN No. of the Firm :
14. Details of Registration with RBI [for statutory audit of Nationalized Banks & their Branches]
- (a) RBI Unique Code No. :
- (b) Category of Firm :

15. Details of Branch/Office of CA firm with address:

Sl. No.	Name of Branch/Office CA firm	Name of Branch Head of CA firm	Address	Phone No./Fax No./Mobile No.	E-mail ID

16. Particulars of Partners/Proprietor (Only for full-time Partners):

Sl. No.	Name	Age	Designation	Qualification	Whether ACA/FCA	Membership No.	Date of Enrolment With ICAI	Date of Certificate of practice	Date of joining this firm	Whether DISA/ CISA

[Relevant Certificates to be enclosed]

17. Details of important UCO Bank Assignment including the Present One:

	Assignments	No. of years	Period		Branch/Office with Sol ID	Zone
			From (Date)	To (Date)		
A	As Central Statutory Auditor					
B	As Statutory Branch Auditor					
C	As Concurrent Branch Auditor					
D	As Stock/Income & Expenditure /Revenue Auditor etc.					
E	Treasury Management Audit					
F	Foreign Exchange Business					
G	Others – RBIA, Dealing Room etc.					

18. Details of experiences with Other Banks:

	Assignments	Name of Bank	Year	Branch/Office
i)	As Statutory Auditor			
ii)	As Concurrent Auditor			

- iii) As Concurrent Auditor for Specialized functions viz. Treasury, Forex Dealing Room IS Audit, Risk Based internal Audit etc. :

Name of Audit	Name of the Bank	Name of the Branch/Office	Year

19. Other Corporate/Govt. works handled with details for the last 3 years :
20. Name of the Chartered Accountant Firms where any of the Partner(s) is/are interested as Partner/Proprietor :
21. Whether the firm has ever been depanelled by the Bank or any other Bank for Concurrent Audit or for Any other assignment. If yes, details of such events with reasons thereof. :
22. Whether the firm or any partners have been debarred by ICAI/RBI at any time. If yes, details of such events. :
23. Any other relevant information, the firm tends to give :

**We confirm that:**

- A. The information furnished above is correct to the best of my/our knowledge and belief. In case any information or a part thereof is found incorrect, my/our application may be rejected forthwith. Further, in case our firm is engaged for any concurrent audit assignment of the Bank and subsequently any information or a part thereof is found incorrect, our engagement as concurrent auditor may be discontinued immediately.
- B. The firm and/or its associate concern and/ or network firm are not conducting the statutory audit of UCO Bank or any of its Branches.
- C. We undertake to furnish necessary evidence/proof thereof, if any as and when required by the Bank.

Place :

Signature of Partner/Authorized Signatory  
[ Please put rubber stamp of the firm]

Date :

Name :

**APPLICATION FOR EMPANELMENT OF CONCURRENT AUDITOR (2015-16)**

**[FOR THE CA FIRMS WHICH WERE NOT ENGAGED IN THE BANK DURING 2014-15 AS CONCURRENT AUDITOR OF THE BANK AND NOW SEEKING FRESH ASSIGNMENT]**

**[FOR THE PERIOD 01.10.2015 to 30.09.2016]**

1. Name of the firm :
2. Date of Establishment :
3. Registration No. of firm with ICAI  
(Certificate to be enclosed) :
4. Constitution of the firm  
(Individual/Proprietorship/Partnership) :
5. Date of Reconstitution of the firm  
(Copy of latest Constitution Certificate issued by  
ICAI to be enclosed) :
6. Registered Office, if any :
7. Postal Address (Full Address with Pin code to be given) :
8. No. of full-time Qualified Partners :
9. Staff Strength :
  - a) No. of Chartered Accountants :
  - b) Other Paid assistants :
10. Whether any partner of the firm is ex-banker  
or the firm has got tie-up with ex-bankers. : YES/No  
  
If yes, Please furnish details of partner/tie-up  
Arrangements.
11. Phone Nos.
  - i) Landline(s) :
  - ii) Mobile No.(s) :
  - iii) Fax No. :
  - iv) E- Mail ID(s) :
12. Service Tax Registration No. :
13. PAN No. of the Firm :

14. Details of Registration with RBI [for statutory audit of Nationalized Banks & their Branches]

- (c) RBI Unique Code No. :  
 (d) Category of Firm :

15. Details of Branch/Office of CA firm with address:

Sl. No.	Name of Branch/Office CA firm	Name of Branch Head of CA firm	Address	Phone No./Fax No./Mobile No.	E-mail ID

16. Particulars of Partners/Proprietor (Only for full-time Partners):

Sl. No.	Name	Age	Designation	Qualification	Whether ACA/FCA	Membership No.	Date of Enrolment With ICAI	Date of Certificate of practice	Date of joining this firm	Whether DISA/ CISA

[Relevant Certificates to be enclosed]

17. Details of important UCO Bank Assignment including the Present One:

	Assignments	No. of years	Period		Branch/Office with Sol ID	Zone
			From (Date)	To (Date)		
A	As Central Statutory Auditor					
B	As Statutory Branch Auditor					
C	As Concurrent Branch Auditor					
D	As Stock/Income & Expenditure /Revenue Auditor etc.					
E	Treasury Management Audit					
F	Foreign Exchange Business					
G	Others – RBIA, Dealing Room etc.					

18. Details of experiences with Other Banks:

	Assignments	Name of Bank	Year	Branch/Office
i)	As Statutory Auditor			
ii)	As Concurrent Auditor			

- iii) As Concurrent Auditor for Specialized functions viz. Treasury, Forex Dealing Room IS Audit, Risk Based internal Audit etc. :

Name of Audit	Name of the Bank	Name of the Branch/Office	Year

19. Other Corporate/Govt. works handled with details for :  
the last 3 years
20. Name of the Chartered Accountant Firms where any of :  
the Partner(s) is/are interested as Partner/Proprietor
21. Whether the firm has ever been depanelled by the Bank :  
or any other Bank for Concurrent Audit or for Any other  
assignment. If yes, details of such events with reasons  
thereof.
22. Whether the firm or any partners have been debarred :  
by ICAI/RBI at any time. If yes, details of such events.
23. Any other relevant information, the firm tends to give :

**We confirm that:**

- A. The information furnished above is correct to the best of my/our knowledge and belief. In case any information or a part thereof is found incorrect, my/our application may be rejected forthwith. Further, in case our firm is engaged for any concurrent audit assignment of the Bank and subsequently any information or a part thereof is found incorrect, our engagement as concurrent auditor may be discontinued immediately.
- B. The firm and/or its associate concern and/ or network firm are not conducting the statutory audit of UCO Bank or any of its Branches.
- C. We undertake to furnish necessary evidence/proof thereof, if any as and when required by the Bank.

Place :

Signature of Partner/Authorized Signatory  
[ Please put rubber stamp of the firm]

Date :

Name :