Annex I

(FORM B)

Eligibility Certificate from (Name and Registration Number of the Audit Firm)

A. Particulars of the Firm:

Asset Size of the bank as on 31st March of Previous Year	Number of Full-Time partners (FTPs) associated* with the firm for a period of three (3) years	Out of total FTPs, Number of FCA Partners associated with the firm for a period of three (3) years	Number of Full Time Partners/ Paid CAs with CISA/ISA Qualification	Number of Years of Audit Experience#	Number of Professional staff

*Exclusively associated in case of Payments Bank with asset size of more than ₹1,000 crore

#Details may be furnished separately for experience as SCAs / SAs and SBAs

B. Additional Information:

(i) Copy of Constitution Certificate.

(ii) Whether the firm is a member of any network of audit firms, or any partner of the firm is a partner in any other audit firm? If yes, details thereof.

(iii) Whether the firm has been appointed as SCA / SA by any Other Commercial Bank, Small Finance Bank, Payments Bank, Local Area Bank, All India Financial Institution (AIFI), RBI, Non-Banking Financial Company, or Urban Co-operative Bank in the present financial year? If yes, details thereof.

(iv) Whether the firm has been debarred from taking up audit assignments by any regulator / Government agency? If yes, details thereof.

(v) Details of disciplinary proceedings against firm by any Financial Regulator / Government agency during last three years, both closed and pending.

C. Declaration from the firm

The firm complies with all eligibility norms prescribed by RBI regarding appointment of SCAs / SAs of Payments Banks. It is certified that neither I nor any of our partners / members of my / their families (family will include besides spouse, only children, parents, brothers, sisters, or any of them who are wholly or mainly dependent on the Chartered Accountants) or the firm / company in which I am / they are partners / directors have been declared as wilful defaulter by any bank / financial institution. For the purpose of this declaration, the credit facilities availed by companies where the partner of a firm has been appointed as non-executive director in a professional capacity having no financial interest shall not be included.

It is confirmed that the information provided above is true and correct.

Signature of the Partner
(Name of the Partner)
Date:

Annex II

(FORM C)

Certificate to be submitted by the Payments Banks regarding eligibility of audit firm proposed to be appointed as Statutory Central Auditor (SCA) / Statutory Auditor (SA)

1. The bank is desirous of appointing M/s ____________, Chartered Accountants (Firm Registration Number________________) as Statutory Central Auditor (SCA) / Statutory Auditor (SA) for the financial year __________ for their 1st / 2nd / 3rd term and therefore has sought the prior approval of RBI as per the section 30(1A) of the Banking Regulation Act, 1949.

2. The bank has obtained eligibility certificate (copy enclosed) from (name and Firm Registration Number of the audit firm) proposed to be appointed as Statutory Central Auditor (SCA) / Statutory Auditor (SA) of the bank for FY_______ along with relevant information (copy enclosed), in the format as prescribed by RBI.

3. The firm has no past association / association for_____ years with the bank as SCA / SA / SBA.

4. The bank has verified the said firm's compliance with all eligibility norms prescribed by RBI for appointment of SCAs / SAs of Payments Banks.

Signature
(Name and Designation)
Date:

Annex III

Indicative Format / Coverage in the Long Form Audit Report (LFAR) by the Statutory Branch Auditors (SBAs)

Name of Bank:

Name of Branch:

Branch Code:

Zone / Circle Code:

Financial Year:

I. ASSETS			
1.	**Cash**		
(a)	Does the system ensure that cash maintained is in effective joint custody of two or more officials, as per the instructions of the controlling authorities of the bank?	:	
(b)	Have the cash balances at the branch / ATMs been checked at periodic intervals as per the procedure prescribed by the controlling authorities of the bank?	:	
(c)	(i) Does the branch generally maintain / carry cash balances, which vary significantly from the limits fixed by the controlling authorities of the bank?	:	
	(ii) Does the figure of the balance in the branch books in respect of cash with its ATMs tally with the amounts of balances with the respective ATMs, based on the year end scrolls generated by the ATMs? If there is any difference, same should be reported.	:	
(d)	Whether the insurance cover available with the branch adequately meets the requirement to cover the cash-in hand and cash-in transit?	:	
2.	**Balances with Reserve Bank of India, State Bank of India and other banks (For branches with Treasury Operations)**		
(a)	Were balance confirmation certificates obtained in respect of outstanding balances as at the year-end and whether the aforesaid balances have been reconciled? Nature and extent of differences should be reported.	:	

(b)	Observations on the reconciliation statements may be reported in the following manner:	:	
	(i) Cash transactions remaining un-responded (give details)	:	
	(ii) Revenue items requiring adjustments / write-off (give details)	:	
	(iii) Other credit and debit entries originated in the statements provided by RBI / other banks, remaining un-responded for more than 15 days:	:	
	(iv) Where the branch maintains an account with RBI, the following additional matter may be reported: Entries originated prior to, but communicated/ recorded after the year end in relation to currency chest operations at the branch / other link branches, involving deposits into / withdrawals from the currency chest attached to such branches (Give details)	:	
(c)	In case, any matter deserves special attention of the management, the same may be reported.	:	
3.	**Money at Call and Short Notice**		
(a)	Has the branch kept money-at-call and short notice during the year?	:	
(b)	Has the year-end balance been duly confirmed and reconciled?	:	
(c)	Has interest accrued up to the year-end been properly recorded?	:	
(d)	Whether instructions / guidelines, if any, laid down by the controlling authorities of the bank have been complied with?	:	
4.	**Investments (for branches outside India)**		
(a)	In respect of purchase and sale of investments, has the branch acted within its delegated authority, having regard to the instructions / guidelines in this behalf issued by the controlling authorities of the bank?	:	

(b)	Have the investments held by the branch whether on its own account or on behalf of the Head Office / other branches been made available for physical verification? Where the investments are not in the possession of the branch, whether evidence with regard to their physical verification have been produced?	:	
(c)	Is the mode of valuation of investments in accordance with the RBI guidelines or the norms prescribed by the relevant regulatory authority of the country in which the branch is located whichever are more stringent?	:	
(d)	Whether there are any matured or overdue investments which have not been encashed and / or has not been serviced? If so, give details?	:	
5.	**Other Assets**		
(a)	**Suspense Accounts / Sundry Assets**		
	(i) Does the system of the bank ensure expeditious clearance of items debited to Suspense Account? Details of outstanding entries in excess of 90 days may be obtained from the branch and the reasons for delay in adjusting the entries may be ascertained. Does your scrutiny of the accounts under various sub-heads reveal balances, which in your opinion are not recoverable and would require a provision/write-off? If so, give details.	:	
	(ii) Does your test check indicate any unusual items in these accounts? If so, report their nature and the amounts involved. Are there any intangible items under this head e.g. losses not provided / pending investigation?	:	
II.	**LIABILITIES**		
1.	**Deposits**		
(a)	Does the bank have a system of identification of dormant/ inoperative accounts and internal controls with regard to operations in such accounts? In the cases examined by you, have you come across instances where the guidelines laid down in this regard have not been followed? If yes, give details thereof.	:	

(b)	After the balance sheet date and till the date of audit, whether there have been any unusual large movements (whether increase or decrease) in the aggregate deposits held at the year-end? If so, obtain the clarifications from the branch and give your comments thereon.	:	
(c)	Is the branch complying with the regulations on minimum balance requirement and levy of charges on non-maintenance of minimum balance in individual savings accounts?	:	
2.	**Other Liabilities – *Bills Payable, Sundry Deposits, etc.***		
(a)	The number of items and the aggregate amount of old outstanding items pending for one years, or more be obtained from the branch and reported under appropriate heads. Give details thereof.	:	<table><tr><td>Year</td><td>Number of Items</td><td>Amounts</td><td>Remarks</td></tr><tr><td></td><td></td><td></td><td></td></tr></table>
(b)	Does your test check indicate any unusual items or material withdrawals or debits in these accounts? If so, give details thereof.	:	
3.	**Contingent Liabilities**		
	List of major items of the contingent liabilities (other than constituent's liabilities such as endorsements, etc.) not acknowledged by the branch?	:	
III.	**PROFIT AND LOSS ACCOUNT**		
(a)	Has the test checking of interest / discount / commission / fees etc. revealed excess/short credit of a material amount? If so, give details thereof.	:	
(b)	Has the test check of interest on deposits revealed any excess/short debit of material amount? If so, give details thereof.	:	
(c)	Does the bank have a system of estimating and providing interest accrued on overdue/matured/ unpaid/ unclaimed term deposits including in respect of deceased depositors?	:	
(d)	Are there any divergent trends in major items of income and expenditure, in comparison with corresponding previous year, which are not satisfactorily explained by the branch? If so, the same may be reported.	:	
IV.	**GENERAL**		

1.	**Gold/ Bullion / Security Items**		
(a)	Does the system ensure that gold/bullion is in effective joint custody of two or more officials, as per the instructions of the controlling authorities of the bank?	:	
(b)	Does the branch maintain adequate records for receipt, issues and balances of gold/bullion and updated regularly? Does the periodic verification reveal any excess/shortage of stocks as compared to book records and if any discrepancies observed have been promptly reported to controlling authorities of the bank?	:	
(c)	Does the system of the Bank ensure adequate internal control over issue and custody of security items (Term Deposit Receipts, Drafts, Pay Orders, Cheque Books, Traveller's Cheques, Gift Cheques, etc.)? Whether the system is being followed by the branch? Have you come across cases of missing/lost items?	:	
2.	**Books and Records**		
(a)	Whether there are any software / systems (manual or otherwise) used at the branch which are not integrated with the CBS? If yes, give details thereof.	:	
(b)	i) In case the branch has been subjected to IS Audit whether there are any adverse features reported and have a direct or indirect bearing on the branch accounts and are pending compliance? If yes give details.	:	
	ii) Whether branch is generating and verifying exception reports at the periodicity as prescribed by the bank.	:	
	iii) Whether the system of bank warrants expeditious compliance of daily exception reports and whether there are any major observations pending such compliance at the year end.	:	
	iv) Whether the bank has laid down procedures for manual intervention to system generated data and proper authentication of the related transactions arising there from along with proper audit trail of manual intervention has been obtained.	:	

	v) Furnish your comments on data integrity (including data entry, checking correctness/integrity of data, no back ended strategies etc.) which is used for MIS at HO / CO level.	:	
3.	**Inter-Branch Accounts**		
	Does the branch expeditiously comply with / respond to the communications from the designated cell / Head Office as regards unmatched transactions? As at the year-end are there any un-responded/un-complied queries or communications beyond 7 days? If so, give details?	:	
4.	**Frauds**		
	Furnish particulars of: (i) Frauds detected / classified but confirmation of reporting to RBI not available on record at branch.	:	
	(ii) Whether any suspected or likely fraud cases are reported by branch to higher office during the year? If yes, provide the details thereof related to status of investigation.	:	
	(iii) In respect of fraud, based on your overall observation, please provide your comments on the potential risk areas which might lead to perpetuation of fraud.	:	
	(iv) Whether the system of Early Warning Framework is working effectively and as required, the early warning signals form the basis for classifying an account as RFA.	:	
5.	**Implementation of KYC / AML guidelines**		
	Whether the branch has adequate systems and processes, as required, to ensure adherence to KYC / AML guidelines towards prevention of money laundering and terrorist financing?	:	
	Whether the branch followed the KYC / AML guidelines based on the test check carried out by the branch auditors?	:	
6.	**Management Information System**		

(a)	Whether the branch has the proper systems and procedures to ensure data integrity relating to all data inputs which are to be used for MIS at corporate office level and for supervisory reporting purposes. Have you come across any instances where data integrity was compromised?	:	
7.	**Miscellaneous**		
(a)	In framing your audit report / LFAR, have you considered the major adverse comments arising out of the latest reports such as: i) Previous year's Branch Audit Report / LFAR; ii) Internal audit / Snap Audit / concurrent audit report(s); iii) RBI Inspection Report, if such inspection took place; iv) Income and Expenditure (Revenue) Audit; v) IS / IT / Computer / Systems Audit; and vi) Any special inspection / investigation report?	:	
(b)	Are there any other matters, which you, as branch auditor, would like to bring to the notice of the management or the Statutory Central Auditors?	:	

Annex IV

Additional Questionnaire Applicable to Specialised Branches

A. For Branches dealing in Foreign Exchange Transactions

1. Are there any material adverse features pointed out in the reports of concurrent auditors, internal auditors, and / or the Reserve Bank of India's inspection report which continue to persist in relation to EEFC / RFC and other similar deposits accounts. If so, furnish the particulars of such adverse features.

2. Whether the branch has followed the instructions and guidelines of the controlling authorities of the bank with regard to the following in relation to the foreign exchange and, if not, state the irregularities.

   (a) Deposits
   (b) Export bills
   (c) Bills for collection
   (d) Dealing room operations (where a branch has one)
   (e) Any other area

3. NOSTRO Accounts (Obtain from the branch management, a list of all NOSTRO Accounts maintained / operated by the branch).

   (a) Whether the bank has a system of periodic confirmation / reconciliation of the balances in NOSTRO accounts maintained with each overseas bank / correspondent? Has such confirmation been received, and account reconciled at year end in each case? If not, give details.

   (b) Whether the system of the bank ensures that all entries originated by overseas banks / correspondents, have been duly responded promptly in the respective NOSTRO accounts maintained by the bank?

   (c) Are there any dormant / closed NOSTRO accounts in respect of which balances continue to exist in the books of the branch, at year end?

   (d) Have the NOSTRO balances been converted at year end at the rates of exchange as prescribed by the controlling authorities?

(e) In case, any matter deserves special attention of the management, the same may be reported

4. Does the branch follow the prescribed procedures in relation to maintenance of Vostro Accounts?

B. For branches dealing in Clearing House Operations, normally referred to as Service Branches

1. Does the branch have a system of periodic review of the outstanding entries in clearing adjustments accounts? In your view, has the system generally been complied with?

2. Whether review of the clearing adjustments accounts (inwards / outwards) reveals any old / large / unusual outstanding entries, which remain unexplained? Give year-wise break-up of outstanding in number and value.

3. Has the branch strictly followed the guidelines of the controlling authority of the bank with respect to operations related to clearing transactions? Comment on the systems and procedures followed by the branch in this regard.

Signature of the Branch Auditor