

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

21st July, 2016

UCO Bank invites online 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 required to apply afresh for getting renewal of existing assignment of concurrent audit for the audit year 2016-17. 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 audit year 2016-17 i.e. from 01.10.2016 to 30.09.2017.

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 10th 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 01.10.2016 to 30.09.2017 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 **01.10.2016 to 30.09.2017** 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) The Online application only shall be considered submitted between 26th July 2016 to 10th August 2016.

(g) Documents to be submitted with the application.

- i) Copy of Registration Certificate issued to the firm by ICAI.
- (ii) Copy of constitution Certificate issued by ICAI.
- (iii) Copies of certificate of qualification & experience

The intending candidate has to apply Online for engagement as Concurrent Auditor. The filled in application downloaded from the system along with system generated acknowledgement slip and scanned copies of aforesaid documents to be sent to Head Office, Inspection Department . The envelope must be superscribed with "APPLICATION FOR EMPANELMENT OF CONCURRENT AUDITORS" & be sent by Registered Post/Speed Post in the following address.

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

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 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 Managing Director & CEO 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 (₹)
Monthly Concurrent Audit Branches/Offices:		
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)
Quarterly Concurrent Audit Branches/Offices:		
1	Depository Service Branch	₹ 10,000/- (Per Quarter)

For any query on submission of application email to- hodit.calcutta@ucobank.co.in