

# Long Form Audit Report (LFAR)



# Introduction

---



Long Form Audit Report (LFAR) is a questionnaire is prepared by RBI in consultation with stakeholders including ICAI, which an auditor has to answer



It was introduced by RBI in 1985 and has been revised in 1992-93, 2002 and latest on 05.09.2020



LFAR includes questionnaires for specialized branches also—

For branches dealing in *foreign exchange transactions*

For branches dealing in *very large advances*

For branches *dealing in recovery of NPA*

For branches dealing in *clearing house operations (service branches)*

As per RBI circular No.  
DOS.CO.PPG./SEC.01/11.01.005/2020-21 dated  
**05.09.2020** on revision of Long Form Audit Report (LFAR).

1. Need for Revision : large scale changes in the size, complexities, business model and risks in the banking operations, a review of the LFAR format was undertaken and it has been decided to make the following changes.

2. The format of LFAR, as mentioned below, have been revised:

Annex I for Statutory Central Auditors (SCA)

Annex II for Branch Auditors

An Appendix as part of Annex II for the specialized branches and

Annex III on Large / Irregular / Critical accounts for branch auditors.

3. Applicability : From 2020-21 and onwards.

# Objectives of LFAR

Internal Control Report

Focus **not only on advances** but also on operational areas in the branch

Covers operational Risk extensively

A tool for early warning signals

## I. ASSETS

### 1. Cash

Point No.	Revised Clause	Comments/Views
1 (b)	Cash balances at the branch/ <b>ATMs</b> been checked at periodic intervals as per the procedure of the bank?	<ul style="list-style-type: none"><li>- ATM attached with the branch only</li><li>- ATM includes CDM (Cash Deposit Machine)</li></ul>
1 (c) (ii)	Does the figure of the balance in the branch books in respect of cash with its ATM(s) 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	<ul style="list-style-type: none"><li>- To verify ATM balance report</li><li>- To report on reconciliation with GL balance</li></ul>

## 2. Balance with RBI, SBI and other banks (For branches with Treasury Operations)

Point No.	Revised Clause	Comments/Views
2 (iii)	<b>Other credit and debit</b> entries originated in the statements provided by RBI/other banks, remaining un-responded for more than 15 days	<ul style="list-style-type: none"><li>- Review Reconciliation Process followed through out the year</li><li>- Report un-responded entries for more than 15 days</li><li>- Review large transactions mainly at the year end to ensure there is no <b>window dressing</b></li></ul>
2 (iv)	Branch maintains an <b>account with RBI</b> ? If yes, 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	<ul style="list-style-type: none"><li>- Review the reconciliation items compelling MoCs and special attention items</li></ul>

### 3. Money at Call and Short Notice

Not observed in branches (Applicable to branch dealing with treasury)

### 4. Investments (for branches outside India)

Not Applicable as SBAs are appointed locally for Branches outside India



## 5. Advances

### General Instructions :

(i) The answers to the following questions may be based on the auditor's examination of all large advances.

- For this purpose, large advances are those in respect of which the outstanding amount is in excess of 10% (earlier 5%) of outstanding aggregate balance of fund based and non-fund based advances of the branch or Rs.10 crores (earlier 1 Crore), whichever is less.

**Care-** For all accounts above the threshold, the transaction audit/account specific details to be seen and commented, whereas below the threshold, the process needs to be checked and commented upon. Comments of the branch auditor on advances with significant adverse features, which might need the attention of the management / Statutory Central Auditors, should be appended to the LFAR.

5 (a) List of  
accounts  
examined for  
audit (as per new  
LFAR format)

Account No.	Account Name	Balance as at year end - Funded	Balance as at year end – Non - funded	Total
Total		A	B	$C = A + B$
Total Outstanding of the branch		X	Y	$Z = X + Y$
% Examined		A as % of X	B as % of Y	C as % of Z

## (b) Credit Appraisal

Point No.	Revised Clause	Comments/Views
5 (b) (i)	What, in your opinion, are the major shortcomings in credit appraisal etc.	<ul style="list-style-type: none"><li>- To report on the basis of review of appraisal reports of loan sanctioned / reviewed / renewed</li><li>- Special attention to restructuring / fresh loans / ad-hoc loans in view of COVID packages by RBI. Compliance of suitable circulars to be ensured</li></ul>
5 (b) (ii)	Any cases of quick mortality in accounts? Details of such accounts may be provided in following manner:- Account No. Account Name Balance as at year end	<ul style="list-style-type: none"><li>- To find out such accounts from MIS reports / any audit reports of branch</li><li>- No threshold limit for reporting of quick mortality</li><li>- MRL if no such cases</li></ul>

Point No.	Revised Clause	Comments/Views
5 (b) (iii)	Whether in borrower accounts the applicable interest rate is correctly fed into the system ?	<ul style="list-style-type: none"> <li>- Confirm that the interest rate as per the sanction letter has been fed into the system. Maker checker – changes made to master</li> <li>- To verify on test check basis wherever there is a change in rate is correctly fed into the system</li> </ul>
5 (b) (iv)	Whether the interest rate is reviewed periodically as per the guidelines applicable to floating rate loans linked to MCLR / EBLR (External Benchmark Lending Rate)?	<ul style="list-style-type: none"> <li>- To review Head Office guidelines / instructions in this regard</li> <li>- To check applicable MCLR / EBLR (External Benchmark Lending Rate) is updated regularly</li> </ul>
5 (b) (v)	Have you come across cases of frequent renewal / rollover of short-term loans?	<ul style="list-style-type: none"> <li>- Timely and comprehensive review/renewal of credit facilities</li> <li>- RBI latest notification dated 21.08.2020</li> </ul>

Point No.	Revised Clause	Comments/Views
5 (b) (vi)	Whether correct and valid <b>credit rating</b> , if available, of the credit facilities of bank's borrowers from RBI accredited Credit Rating Agencies has been fed into the system?	<ul style="list-style-type: none"> <li>- Verify the requirements of Internal / External Credit Rating as per Bank's policy (Credit rating framework)</li> <li>- External credit ratings to be obtained by the agencies accredited by RBI</li> </ul>
5 (c) (iii)	Did the bank provide loans to companies for <b>buy-back</b> of shares / securities ?	<ul style="list-style-type: none"> <li>- Enquire with branch, Review the sample selected and to verify end use of funds. Certificate to that extent from borrower.</li> <li>- To report all loan sanctioned for buy-back of shares/securities</li> </ul>

## (e) Review / Monitoring / Supervision

Point No.	Revised Clause	Comments/Views
5 (e) (ii) (b)	Is the <b>DP</b> properly computed?	<ul style="list-style-type: none"><li>- Verify stock / book debt statement submitted</li><li>- Review latest stock audit report</li><li>- In case of consortium advance, DP should be determined by lead bank &amp; circulated to other member banks</li></ul>
5 (e) (ii) (c)	Whether the latest <b>audited</b> financial statements are obtained for accounts reviewed or renewed ?	<ul style="list-style-type: none"><li>- To obtain list of non-corporate borrowers enjoying facilities in excess of that set by bank</li><li>- To report where audited financials are not obtained by the branch</li></ul>
5 (e) (iii) (c)	Details of: <ul style="list-style-type: none"><li>➤ cases where stock audit was required but was not conducted</li><li>➤ where <b>stock audit</b> was conducted but no action was taken on adverse features</li></ul>	<ul style="list-style-type: none"><li>- To refer guidelines issued by HO and to confirm compliance thereof</li><li>- Adverse features should be duly factored in review/renew notes</li></ul>

## (e) Review / Monitoring / Supervision

Point No.	Revised Clause	Comments/Views
5 (e) (iv)	Indicate the cases of advances to non-corporate entities with limits <b>beyond that is set by</b> the bank where the branch has not obtained the duly audited accounts of borrowers.	<ul style="list-style-type: none"><li>- Obtain HO circular for limit of 10/25 Lakh</li><li>- Verify whether Audited Financial Statement obtained for 31.03.2020 and comment</li></ul>
5 (e) (v)	Does the branch have on its record, a due diligence report in the form and manner required by the Reserve Bank of India <b>in respect of advances under consortium and multiple banking arrangements</b> . If yes, list of accounts where such certificate/report is not obtained or not available on record.	<ul style="list-style-type: none"><li>- Obtain List from branch for advance under consortium</li><li>- Verify due diligence report. If the branch is not lead bank, obtain the copy of diligence report</li><li>- Report cases where the same is not obtained</li></ul>

## (e) Review / Monitoring / Supervision

Point No.	Revised Clause	Comments/Views
5 (e) (vi)	Whether there is a substantial <b>deterioration</b> in value of security during financial year as per latest valuation report in comparison with earlier valuation report on record?	<ul style="list-style-type: none"><li>- To compare valuation reports</li><li>- To give MOC if there is deterioration</li></ul>
5 (e) (viii)	Whether the branch has any <b>red-flagged</b> account? If yes, whether any deviations were observed related to compliance of bank's policy related with Red Flag Accounts?	<ul style="list-style-type: none"><li>- To report red-flagged accounts &amp; action taken</li><li>- Review bank policy in this regard</li><li>- Report deviation observed</li></ul>



## (e) Review / Monitoring / Supervision

Point No.	Revised Clause	Comments/Views
5 (e) (ix)	Comment on <b>adverse features</b> considered significant in top 5 standard large advances and which need management's attention	<ul style="list-style-type: none"><li>- Provide instances of deviation from policy of bank relating to sanctioning of advances</li><li>- To comment related to <b>any</b> adverse features which in auditor's opinion need management attention</li></ul>

## (f) Asset Classification, Provisioning of Advances and Resolution of Stressed Assets

Point No.	Revised Clause	Comments/Views
5 (f) (i) (a)	Branch identified and classified advances into standard / substandard / doubtful / loss assets through the computer system, <b>without manual intervention?</b>	<ul style="list-style-type: none"><li>- To verify software used for classification of advances</li><li>- Banks to fully automated income recognition / assets classification and provisioning process latest by <b>30<sup>th</sup> June, 2021</b> as per RBI circular dated 14.09.2020</li></ul>
5 (f) (i) (c)	classifying the account into <b>SMA-0, SMA-1, and SMA-2</b> . Whether Auditor disagrees with the branch classification, details with reasons to be given	<ul style="list-style-type: none"><li>- Even within standard advances, if auditor disagrees it is to be reported here</li></ul>

## (f) Asset Classification, Provisioning of Advances and Resolution of Stressed Assets

Point No.	Revised Clause	Comments/Views
5 (f) (i) (d)	Whether required changes have been incorporated/ suggested in the <b>Memorandum of Changes</b>	- To confirm here that the MOC which has the financial implications and/or change in asset classification is suggested by the auditor
5 (f) (i) (e)	List the accounts (with outstanding in <b>excess of Rs. 10 crore</b> ) which have either been downgraded or upgraded during the year and the reason thereof.	<ul style="list-style-type: none"><li>- Downgraded &amp; Upgraded both the information to be reported here</li><li>- Upgrading would need greater audit check for its accuracy</li></ul>

## (f) Asset Classification, Provisioning of Advances and Resolution of Stressed Assets

Point No.	Revised Clause	Comments/Views
5 (f) (i) (f)	Whether RBI guidelines on <b>income recognition and provisioning</b> have been followed.?	<ul style="list-style-type: none"><li>- To confirm compliance of IRAC norms complied in this regard</li><li>- To report deviation, if any</li></ul>
5 (f) (ii) (a)	Whether the branch has reported account <b>restructured</b> or rephased during the year to Controlling Authority of the bank?	<ul style="list-style-type: none"><li>- Yes / No</li><li>- To comment, if not reported</li></ul>
5 (f) (ii) (b)	Whether the <b>RBI guidelines for restructuring</b> on all such cases have been followed.	<ul style="list-style-type: none"><li>- <b>Review various guidelines of RBI and HO with respect to restructuring including special packages of RBI for restructuring permitted due to COVID related stress</b></li></ul>

## (f) Asset Classification, Provisioning of Advances and Resolution of Stressed Assets

Point No.	Revised Clause	Comments/Views
5 (f) (ii) (c)	Whether the branch complies with the regulatory stance for resolution of stressed assets, including the compliance with board approved policies in this regard, tracking/reporting of defaults for resolution purposes among others?	<ul style="list-style-type: none"><li>- To enquire about account that has exposure of Rs. 2000 Crore and above</li><li>- If yes, ensure prompt reporting under CRILC.</li><li>- To report in case such account is under SMA category for 180 days continuously</li></ul>
5 (f) (iii) (a)	Whether the upgradations in non-performing advances is in line with the norms of Reserve Bank of India	<ul style="list-style-type: none"><li>- Any deviation to be reported here</li><li>- However, appropriate MOC should be suggested, if warranted</li></ul>
5 (f) (iii) (b)	Where the auditor disagree with upgradation of accounts? If yes, give reasons thereof.	<ul style="list-style-type: none"><li>- MOC to be suggested in such cases</li><li>- Reasons for such disagreement should be reported here</li></ul>

## (f) Asset Classification, Provisioning of Advances and Resolution of Stressed Assets

Point No.	Revised Clause	Comments/Views						
5 (f) (v)	<p>Whether there are any accounts wherein process under <b>IBC is mandated</b> but not initiated by the branch?</p> <p>Whether there are any borrowers at the branch against whom the process of <b>IBC is initiated</b> by any of the creditors including bank? If yes, provide the list of such accounts and comment on the adequacy of provision made thereto?</p>	<ul style="list-style-type: none"> <li>- <b>For FY 2020-21 this is not applicable since forbearance is permitted by RBI</b></li> <li>- To identify the accounts wherein the IBC process is initiated</li> <li>- To comment on adequacy of provision on that accounts</li> </ul>						
5 (f) (vi)	<p>a) Have appropriate claims for <b>credit guarantee</b> (ECGC and others), if any, been duly lodged and settled?</p> <p>b) Give details of <b>claims rejected</b>? (As per the given table)</p>	<table> <tr> <th>Particulars</th><th>Number</th><th>Amount</th></tr> <tr> <td>Claim at the beginning of the year</td><td></td><td></td></tr> </table>	Particulars	Number	Amount	Claim at the beginning of the year		
Particulars	Number	Amount						
Claim at the beginning of the year								

## (f) Asset Classification, Provisioning of Advances and Resolution of Stressed Assets

Point No.	Revised Clause	Comments/Views		
	c) Whether the rejection is appropriately considered while determining the provisioning requirements.	Particulars	Number	Amount
		Further claim lodged during the year		
		Total A		
		Amounts representing		
		(i) Claims accepted/settled		
		(ii) Claims rejected		
		Total B		
		Balance as at year end (A-B)		

## (f) Asset Classification, Provisioning of Advances and Resolution of Stressed Assets

Point No.	Revised Clause	Comments/Views
5 (f) (ix)	Is the branch prompt in ensuring <b>execution of decrees</b> obtained for recovery from the defaulting borrowers? Give Age-wise analysis of decrees obtained and pending execution.	- Review the process followed by branch for execution of decrees and comment, if it is in line with guidelines of HO
5 (f) (x)	Whether in the cases concluded the <b>recoveries</b> have been properly appropriated against the principal/interest as per the policy of the bank?	<ul style="list-style-type: none"><li>- Obtain recovery policy of bank &amp; understand appropriation of recoveries</li><li>- In case of errors in appropriation, appropriate MOC should be suggested</li></ul>



## (f) Asset Classification, Provisioning of Advances and Resolution of Stressed Assets

Point No.	Revised Clause	Comments/Views					
5 (g) (i)	List of borrowers with details of <b>LCs devolved or guarantees invoked</b> during the year.	Sr. No.	Invoca tion Date	Party Name	Benefi ciary Name	Amt	Recov ery Date
5 (g) (ii)	List of borrowers where the LCs devolved or guarantees invoked <b>but not paid</b> with amount thereof.	Sr. No.	Invoca tion Date	Party Name	Benefi ciary Name	Amt	Reaso n for non paym ent

## (f) Asset Classification, Provisioning of Advances and Resolution of Stressed Assets

Point No.	Revised Clause	Comments/Views
5 (g) (iii)	List of instances where interchangeability between fund based and non-fund-based facilities was allowed <b>subsequent to</b> devolvement of LC / invocation of BG.	- Report if interchangeability was allowed <b>ONLY AFTER</b> devolvement of LC/Invocation of BG

## II. Liabilities

### 1. Deposits

Point No.	Revised Clause	Comments/Views
1 (c)	Whether the scheme of <b>automatic renewal of deposits applied to FCNR(B)</b> deposits? Where such deposits have been renewed, report whether the branch has satisfied itself as to the ' <b>non-resident status</b> ' of the depositor and whether the renewal is made as per the applicable receipts / soft copy have been dispatched.	<ul style="list-style-type: none"><li>- Check for bank policy for renewal of FCNR(B) accounts &amp; system parameters for automatic renewal marked in FCNR(B) accounts</li><li>- Check process of obtention of documents &amp; verification of process of continuation of account holder in non-residential status</li><li>- Check bank policy of printing &amp; dispatch of original receipt &amp; control over them</li></ul>
1 (d)	Is the branch complying with the regulations on <b>minimum balance requirement</b> and levy of charges on non-maintenance of minimum balance in individual savings accounts?	<ul style="list-style-type: none"><li>- Check bank policy in this regard &amp; intimation to consumer for non-maintenance of the same</li><li>- Check in sample case levy of charges with intimation given by the bank</li></ul>

### III. Profit and Loss Account

Point No.	Revised Clause	Comments/Views
(a)	Has the test checking of interest / discount / commission / fees etc. revealed excess / short <b>credit</b> of a material amount? If so, give details thereof.	<ul style="list-style-type: none"><li>- Accounting policy / HO closing circular</li><li>- Instances related to interest on Advances, Discounting charges, Commission of BG/LC, Locker fees to be reported here</li></ul>
(b)	Has the branch complied with the Income Recognition norms prescribed by RBI? (The Auditor may refer to the instructions of the controlling authorities of the bank regarding <b>charging of interest on non-performing assets</b> ).	<ul style="list-style-type: none"><li>- Refer instructions of HO in this regard</li><li>- Income of NPAs to be recognized on realization basis.</li><li>- To comment on the basis of sample checking</li></ul>
(c)	Has the test check of interest on deposits revealed any excess / short <b>debit</b> of material amount? If so, give details thereof.	<ul style="list-style-type: none"><li>- Accounting policy / HO closing circular</li><li>- Instances related to interest on Deposits to be reported here</li></ul>

### III. Profit and Loss Account

Point No.	Revised Clause	Comments/Views
(d)	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?	<ul style="list-style-type: none"><li>- In most of banks, Term deposits are auto renewed</li><li>- To check overdue deposit report</li><li>- Generally, same is carried out certainly at HO</li></ul>

## IV. General

### 1. Gold/Bullion / Security Items

Point No.	Revised Clause	Comments/Views
(a)	Does the system ensure that <b>gold/bullion</b> is in effective joint custody of two or more officials, as per the instructions of the controlling authorities of the bank?	<ul style="list-style-type: none"><li>- To take details of name &amp; designation of officials who have joint custody of the same.</li><li>- To verify as per system laid down</li><li>- To report exceptions, if any</li></ul>
(b)	Does the branch maintain adequate records for <b>receipt, issues and balances of gold/bullion</b> 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?	<ul style="list-style-type: none"><li>- To verify records maintained in this regard.</li><li>- To report discrepancies, if any</li></ul>

## IV. General

### 1. Gold/Bullion / Security Items

Point No.	Revised Clause	Comments/Views
(c)	Does the system of the Bank ensure adequate internal control over <b>issue and custody of security items</b> (Term Deposit Receipts, Drafts, Pay Orders, Cheque Books, Travelers' Cheques, Gift Cheques, etc.)? Whether the system is being followed by the branch? Have you come across cases of missing/lost items?	<ul style="list-style-type: none"><li>- HO instructions to be reviewed for existence of internal control</li><li>- Carry physical verification of security items <b>including stamps</b></li><li>- Review whether last security items have been promptly reported to Controlling Authority</li><li>- Report lacunas observed in the system at the branch as this is a fraud prone area.</li></ul>

## IV. General

### 2. Books and Records

Point No.	Revised Clause	Comments/Views
(a)	Whether there are any <b>software</b> / systems (manual or otherwise) used at the branch which are <b>not integrated</b> with the CBS? If yes, give details thereof.	<ul style="list-style-type: none"><li>- Numerous software implemented by the banks.</li><li>- Review software which has an <b>impact on financial transactions, reporting or any core activity</b> which have not been integrated</li><li>- To check whether system link <b>SWIFT system</b>, Structured financial messaging system, system for lockers etc. have been integrated with CBS</li></ul>
(b) (i)	In case the branch has been subjected to <b>IS Audit</b> 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.	<ul style="list-style-type: none"><li>- To obtain confirmation from branch in this regard</li><li>- To review report, if IS audit is carried out</li><li>- Necessary compliances / explanations, wherever required, should be obtained on issues reported in IS Audit</li></ul>



## IV. General

### 2. Books and Records

Point No.	Revised Clause	Comments/Views
(b) (ii)	Whether branch is generating and verifying <b>exception reports</b> at the periodicity as prescribed by the bank	<ul style="list-style-type: none"><li>- obtain list of exception reports prescribed by bank</li><li>- on sample basis, verify whether the branch followed the instructions issued by Bank w.r.t. generation and verification of exception reports.</li><li>- Review of such transaction on sample basis will aid auditor in ascertaining the nature of transactions and risk involved.</li></ul>
(b) (iii)	Whether the system of bank warrants expeditious compliance of <b>daily exception reports</b> and whether there are any major observations pending such compliance at the year end.	<ul style="list-style-type: none"><li>- Review exception reports which are required to be generated, reviewed and commented upon on daily basis have been complied with.</li><li>- Issues which have not been complied &amp; critical items should be reported with status of the same.</li></ul>

## IV. General

### 2. Books and Records

Point No.	Revised Clause	Comments/Views
(b) (iv)	Whether the bank has laid down procedures for <b>manual intervention</b> 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.	<ul style="list-style-type: none"><li>- Obtain instructions issued by bank for process to be followed when system generated data is manually altered.</li><li>- Also, to review the cases wherein the system data, report, reporting, etc. have been manually altered. To identify the reporting requirement and review the system on sample basis to ascertain the authenticity of data.</li><li>- In case manual updating of Interest Rate / refund of excess interest by debiting revenue / expenditure account. Such transaction should also be reviewed from manual intervention perspective.</li></ul>

## IV. General

### 2. Books and Records

Point No.	Revised Clause	Comments/Views
(b) (v)	Furnish your comments on <b>data integrity</b> (including data entry, checking correctness / integrity of data, no back ended strategies etc.) which is used for MIS at HO / CO level.	<ul style="list-style-type: none"><li>- Data integrity aspect is generally handled at Data Administration level</li><li>- However, the data entry being done at branch level which is used for MIS at HO / CO level needs to be reviewed at branch level</li><li>- Carry out test check to verify that the data being entered at branch level is done properly and there is proper maker checker principle for verification of the same.</li></ul>

## IV. General

### 4. Frauds

Point No.	Revised Clause	Comments/Views
(ii)	Whether any <b>suspected or likely</b> fraud cases are reported by branch to higher office during the year? If yes, provide the details thereof related to status of investigation.	<ul style="list-style-type: none"><li>- Check the list of frauds detected at branch. Check whether the same is reported to higher ups.</li><li>- Obtain details related to status of investigation</li></ul>
(iii)	In respect of fraud, based on your overall observation, please provide your <b>comments on the potential risk</b> areas which might lead to perpetuation of fraud.	<ul style="list-style-type: none"><li>- RBI Master Circular dated July 01, 2015 on “Wilful Defaulters”.</li><li>- RBI Master Direction dated July 01, 2016 (Updated as on July 03, 2017) on Fraud – Classification and Reporting by commercial banks and selected FIs)</li></ul>
(iv)	Whether the system <b>of Early Warning Framework</b> is working effectively and as required, the early warning signals form the basis for classifying an account as RFA.	<ul style="list-style-type: none"><li>- Refer Bank’s policy in this regard</li><li>- Test check few of the EWS which are fetched by the system. E.g. Under / over insurance of assets charged, Heavy cash withdrawals in CC accounts</li></ul>

## IV. General

## 6. Management Information System

Point No.	Revised Clause	Comments/Views
(a)	Whether the branch has the proper systems and procedures to ensure <b>data integrity</b> 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?	- Verify the MIS system available at branch. Check reports and contents of the same and comment about system and procedures. On a test check basis input data from source documents and comment appropriately

## IV. General

## 7. Miscellaneous

Point No.	Revised Clause	Comments/Views
(a)	In framing your audit report/LFAR, have you considered the <b>major adverse comments</b> arising out of the latest reports.	<ul style="list-style-type: none"><li>- To review<ul style="list-style-type: none"><li>i. Previous year's Branch Audit Report / LFAR;</li><li>ii. Internal audit/ Snap Audit/ concurrent audit report(s);</li><li>iii. Credit Audit Report;</li><li>iv. Stock audit Report;</li><li>v. RBI Inspection Report, if such inspection took place;</li><li>vi. Income and Expenditure (Revenue) Audit;</li><li>vii. IS/IT/Computer/Systems Audit; and</li><li>viii. Any special inspection/ investigation report?</li></ul></li></ul>



Thank You!

CA Hitesh Pomal

[hp@msglobal.co.in](mailto:hp@msglobal.co.in)

(M) +91 9824049402