

**TELANGANA GRAMEENA BANK**  
**(Sponsored by State Bank of India)**  
**HEAD OFFICE : HYDERABAD**

**Scope for Audit:**

Minimum Audit Programme for Concurrent Audit System

**A. Cash transactions - verify**

1. Surprise physical verification of cash at branch and ATM alongwith safekeeping and custody.
2. Daily cash transactions, particularly any abnormal receipts & payments.
3. Surprise verification of cash by an officer other than the joint custodian.
4. Proper accounting of and availability of insurance cover for inward and outward cash remittances.
5. Reporting of Counterfeit Currency.
6. All cash transactions of Rs.10.00 lakhs and above reported in CTR.
7. That all cash transactions of Rs.50,000/- and above invariably indicate PAN No./Form 60.

**B. Clearing transactions – verify**

1. Reconciliation with bank's account at Clearing House and review of old outstanding entries for reconciliation.
2. Drawings allowed against uncleared instruments – sanction by the Controlling Authority.

**C. Remittances / Bills of Collection – verify**

1. Remittances of funds by way of DDs/TTs/MTs/TC/NEFT/RTGS any other mode in cash exceeding the prescribed limit.
2. Outstanding balance in DP and other transit accounts pending payment beyond prescribed period.

**D. Deposits – verify**

1. Adherence to KYC/AML guidelines in opening of fresh accounts and monitoring of transactions in such accounts.
2. Large term deposits received and repaid including checking of repayment of term deposit in cash beyond permissible limit.
3. Accounts opened and closed within a short span of time i.e., accounts with quick mortality.

4. Activation and operations in inoperative accounts.
5. Value dated transactions.
6. Settlement of claims of deceased customers and payment of TDRs against lost receipts and obtention of indemnities etc. To check revival of dormant accounts and accounts with minimum activities.
7. Examination of multiple credits to single accounts.

#### **E. Loans & Advances – verify**

1. Report Bills / cheques purchased, if in the nature of accommodation bills.
2. Proper follow-up of overdue bills purchased / discounted / negotiated.
3. Fresh loans and advances (including staff advances) have been sanctioned properly and in accordance with delegated authority.
4. Reporting of instances of exceeding delegated powers to Controlling Authority / Head Office by the Branch and have been confirmed or ratified by the Competent Authority.
5. Securities and documents have been received as applicable to particular loan.
6. Securities have been properly charged / registered and valued by competent person whether the same has been entered in the bank's system.
7. All conditions of sanction have been complied with.
8. Master data relating to limit, rate of interest, EMI, moratorium period details have been correctly entered and updated / modified in the system.
9. Value dated entries passed in advances accounts.
10. Post disbursement supervision and follow-up is proper, such as timely receipt of stock and book debt statements, QIS data, analysis of financial data submitted by borrower, verification of securities by third parties, renewal of limits, insurance, etc.
11. Whether there is any misutilisation of the loans and whether there are instances indicative of diversion of funds.
12. Compliance of prudential norm on income recognition, asset classification and provisioning pertaining to advances.
13. Whether monthly updating of drawing power in the computer system on the basis of stock statement / book debt statement / other financial data received from the borrowers.
14. Recovery in compromise cases is in accordance with the terms and conditions of the compromise agreement.

15. To check review and renewal of loans.

**F. LC/BG - verify**

1. LC/RG issue/ amended as per the approved format/ model guarantee prescribed and standard limitation clause incorporated. Whether counter indemnity obtained as prescribed.
2. Any deviation from the terms of sanction in regard to margin, security, purpose, period, beneficiary, collection of charges, commission/ fee, etc.
3. Whether payment is made to the debit of party's account on due date without creating overdraft/ debiting suspense, in case of deferred payment guarantee.

**G. House Keeping – verify**

1. Exceptional transaction reports are generated and verified by branch, staff as prescribed
2. Review of all balance sheet heads and outstanding entries in accounts, eg. Suspense, Sundry and Inter-bank accounts. Review of follow-up of entries pending for reversal.
3. Scrutiny of daily vouchers with more emphasis on high value transaction including high value expenses and debit entries in Suspense account.
4. Debits in accounts where signatures are pending for scanning.
5. Whether records related to KYC / vouchers are other critical areas are properly records and preserved as per prescribed periodicity.
6. Adhered to KYC / AML guidelines in opening fresh account and subsequent modifications of records and monitoring of transaction.

**H. Verification of Credit Card / Debit Card – verify**

1. Application for the issue of credit card has been properly examined and record of issue of the same has been maintained.
2. Whether undelivered debit cards are properly kept as security items and followed-up with Regional Office / Head Office for further instructions.
3. Physical verification of ATM cards, debit cards, credit cards, passwords and PINs, control over issue & delivery, safe keeping and custody at all the locations. Report loss of any such items.

**I. Others – verify**

1. Compliance of provisions relating to Tax Deducted at Source, SCGT/CGST, other duties and taxes
2. Physical verification of inventory, control over issue of inventory, safe keeping and custody of security forms. Report any loss of such items.

3. Physical verification of other deliverable items, control over issue, safe keeping and custody.
4. Physical verification of Gold Ornaments, Control over issue, safe keeping and custody.
5. Custody and movement of branch keys.
6. Locker keys and locker operations-linking of FDR as security for locker / operation of locker / inoperative lockers / nomination / other issues.
7. Safe custody of branch documents like death claim cases, issuance of duplicate DD/PO/FDR, checking of indemnities etc. and verification of documents executed during the period under audit
8. Reporting of frauds.

**Note: The List illustrative**