

**Empanelment of Chartered Accountant firm for
concurrent audit assignment of Bank – Terms and
conditions**

1. Kodagu DCC Bank invites applications from practicing Firms of Chartered Accountants, who are willing to have their Firm empanelled as Concurrent auditor of the bank.
2. Applicant may be a partnership firm, with minimum two partners as FCAs or Proprietary concerns (Proprietor should be an FCA) with minimum standing of 5 years.
3. The audit Firm having CISA/ DISA qualified partners/ Proprietors would have preference. Due regard will be given to firm having partners completed certificate course in Concurrent Audit of Bank, conducted by Institute of Chartered Accountants of India.
4. Reporting need to be done for branches in the following criteria.

Bi-Monthly-A Grade	Quarterly-B,C&D Grade
1. Central Office	1. Kadanga
2. Head office Branch	2. Ammathi
3. College Road	3. Murnad
4. Cherambane	4. Suntikoppa
5. Virajpet	5. Kodlipet
6. Kutta	6. Pollibetta
7. Gonicoppa	7. Balele
8. Siddapur	8. Hebbale
9. Somwarpet	9. Sampaje
10. Kushalnagar	10. Madapur
11. Shanivaranthe	11. Bhagamandala
12. Napoklu	
13. Ponnampet	
14. T. Shettigeri	

(please see Annexure-I for branchwise business as on 31.03.2024)

5. Period of the assignment is from April 2024 to March 2025 and the last date for submission of application is **03.05.2024**

- 6.** The tenure of the Concurrent Audit would be initially for one year and would be extended for further period, based on the performance of the auditor in the first year.
- 7.** The Audit Firm will be responsible for not reporting serious irregularities / discrepancies / frauds / gross negligence / malafide intention (with or without financial loss). Bank reserves the right to terminate the audit assignment besides notifying such deficiencies and incompetence to the Council of ICAI / RBI / IBA.
- 8.** The Concurrent Audit is to be carried out in a professional manner as per guidelines issued by ICAI /RBI /GOI and our Bank from time to time. In any case of misconduct & negligence, the Bank is free to report the matter to ICAI/RBI under the guidelines from time to time.
- 9.** The Audit Firm should undertake that they will not subcontract the audit assignment.
- 10.** The firm should have necessary office set up and adequate personnel to ensure proper deployment and timely completion of the assignment.
- 11.** While accepting the assignment, the firm should execute undertaking of fidelity and secrecy on its letterhead in the format prescribed by the Bank.
- 12.** A declaration to be furnished by the firm that credit facilities availed by the firm or the partners or firms in which they are partners or directors including any facility availed by a third party for which the firm or its partners are guarantors have not turned or are existing as nonperforming assets as per the prudential norms of RBI. In case the declaration is found incorrect, the assignment would get terminated besides the firm being liable for any action as per ICAI/ RBI guidelines.
- 13.** The Firm/ any partner of the Firm should not be Statutory Auditors of our Bank for the year 2024-25.
- 14.** The Firm/any partners should not have any disciplinary matters pending with ICAI/ RBI and they should not have suffered any

disqualification including Section 143 of the Companies Act.

15. The concurrent Auditor must attend the Audit committee meeting of the Bank without fail.
16. The audit Firm provisionally **selected only, will be intimated**. However, no individual intimation shall be sent to Un-selected applicants.
17. A qualified Chartered Accountant has to visit the Branch at least twice a week to supervise the audit work. The Audit Firm is required to conduct the audit work for a minimum of 21 working days in a month
18. Bank reserves the right to terminate the assignment by giving one month's notice in writing, if it is found that the quality of the audit is not satisfactory. In case, the auditors choose to resign, one-month prior notice should be given to the Branch / Zonal Office/ Head Office and in such a case the assignment will get terminated only after the Head Office issues communication accepting the resignation.
19. Concurrent Audit also includes short inspection. Short inspections are to be conducted as per the directions of administrative Office and the report should be submitted to the concerned Head office department.
20. **As a part of Concurrent Audit**, any additional assignment as warranted by the Bank/GOI/RBI shall be entrusted. (Certification of DEAF a/c's, DICGC, etc.,)
21. The Bank shall always have the right to cancel the allotment, at any time during the currency of concurrent audit.
22. Concurrent audit has to be carried out on a daily basis, covering transactions of all the working days of the calendar month as per Risk Based concurrent audit (RBCA). The reporting of audit is to be done and to be submitted **Bi-monthly/quarterly** as specified.
23. Concurrent audit extends to Extension Counters attached to the branch

- and all other areas of branch operations without exception including ATMs attached to the branch etc. You may also report on any other relevant aspects, which you may come across during the course of the Audit without restricting yourself to Structured Format of reporting.
24. Auditors has to quote the fee for all the 24 branches & CO, GST payable is extra and TDS will be deducted at source.
25. Fee will be paid upon submission of audit report. If the report is not submitted by 20th of the succeeding month fee of 10% by way of deduction , would be imposed.
26. The selection is based on requirement and **at the sole discretion of Bank.**
27. Concurrent Auditors, who are already conducting Audit of our Branches and have not completed three years of tenure, need not apply.
28. Mere submission of application does not confer any right to the audit firm for allotment of concurrent audit by the Bank.
29. **CONCURRENT AUDIT REPORTS OF ALL BRANCHES AND CO SHOULD BE GIVEN IN KANNADA LANGUAGE ONLY**

Applications need to be submitted physically to

**The Chief Executive officer,
The Kodagu DCC Bank Ltd.,
Head Office,
G.T.Circle, Madikeri-571201, Kodagu District.**

Annexure-1(As on 31.03.2024)**(In lakhs)**

Sl NO	Branch name	Deposits	Advances	Total Business
1	Head office	11627.00	8493.00	20120
2	College Road	10411.00	6891.00	17302
3	Cherambane	5429.00	5966.00	11395
4	Kadanga	4363.00	4669.00	9032
5	Virajpet	17326.00	9059.00	26385
6	Kutta	7308.00	4334.00	11642
7	Gonicoppa	16477.00	7683.00	24160
8	Ammathi	6031.00	3273.00	9304
9	Siddapura	6182.00	3855.00	10037
10	Somwarpet	8128.00	13156.00	21284
11	Kushalnagar	8846.00	6989.00	15835
12	Shanivarsanthe	6588.00	6444.00	13032
13	Napoklu	6499.00	8975.00	15474
14	Murnad	5204.00	3599.00	8803
15	Sunticoppa	4290.00	4207.00	8497
16	Ponnampet	8094.00	9085.00	17179
17	Polibetta	3402.00	2603.00	6005
18	Balele	2918.00	2116.00	5034
19	Hebbale	2112.00	4191.00	6303
20	T Shettigeri	4695.00	7337.00	12032
21	Kodlipet	2637.00	6195.00	8832
22	Sampaje	416.00	898.00	1314
23	Madapura	1078.00	234.00	1312
24	Bhagamandala	657.00	231.00	888
25	C O	10487.00	922.00	11409
		161205.00	131405.00	292610

DO'S AND DON'TS FOR CONCURRENT AUDITORS

Do's :

- 1 Pre concurrent audit study of the branch/ department should be done getting all relevant information and off site surveillance reports of the auditee as stated in the engagement letter.
- 2 Prepare proper audit plan based on the terms and conditions above, covering all the areas of the scope, keeping in the view the time lines.
- 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 Audit team should be accompanied by senior and experienced members as required
- 5 Auditors to display team spirit and avoid misunderstandings/ arguments in the presence of auditees.
- 6 Discuss the findings of C.A., with branch officials on daily basis and try to get the defects rectified then and there itself immediately.
- 7 Give auditees a chance to express their opinion while discussing the issues. Getting proper explanation in a co-operative atmosphere will save precious time.
- 8 In case of difference of opinion with auditee, the auditor should first discuss with the leader of his team. Further discussion on a higher level may be made, if required.
- 9 In case, auditor comes across any information which causes him to suspect any element of fraud, gross negligence, gross incompetence or similar unfavorable actions or tendencies, he should report the matter to the leader of the team immediately.
- 10 Auditor should keep utmost secrecy of the information/ audit observations/ issues etc. relating to the auditee.
- 11 Be courteous, cooperative and professional.

Dont's

- 1 Auditor should not have any professional or commercial relationship either direct or indirect with borrowers/ beneficiaries of the branch / department which they are auditing and also will not have in future as far as possible for a minimum period of three years.

- 2 Auditor should not take advantage of his 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 Auditor should not represent on behalf of any client/ customer of the bank for a minimum period of as far as possible three years after the completion of term of the audit.
- 4 Auditor should not share/ pass on/ discuss any audit related observations/ issues/ findings with anyone other than concerned in the bank.
- 5 Auditor need not act overly reserved or unfriendly in order to maintain his independence as an auditing officer. A forbidding attitude on his part may well cause others to adopt the same attitude towards him. This can adversely affect the work entrusted to the inspecting officer.
- 6 Auditor should not get involved in heated argument with auditee.
- 7 Auditor should not give orders to auditee and seek requirements from the officer assigned to assist him on a particular job. The concerned officer would issue the necessary orders to their employees if he accepts inspector's suggestions and recommendations.
- 8 Auditor should not delay the submission of audit report
