



SBI

STATE BANK OF INDIA
INTERNAL AUDIT DEPARTMENT, HYDERABAD

EMPANELMENT OF CHARTERED ACCOUNTANT FIRMS
AS CONCURRENT AUDITOR

1. SELECTION AS CONCURRENT AUDITORS:

Chartered Accountant Firms with experience in conducting concurrent audit are being considered for appointment as Concurrent Auditors in the Bank through open advertisement in leading Newspapers.

2. ELIGIBILITY CRITERIA:

Those firms which satisfy the following are eligible to apply:

- a. Grade 2 and 3 firms as per RBI Grade as on the date of application for this purpose. (CA Firms of Grade-1 may also be considered for appointment, if they are agreeing to the fee structure payable to Grade 2 /3).
- b. Firms having at least one year of experience of Concurrent Audit in any Commercial Bank.
- c. Firms which have sufficient number of trained representatives of firm articled Clerk trained by ICAI on Concurrent Audit, Retired Officers of commercial Banks, qualified Chartered Accountants as Partner or Associate or as Staff, who will be available on all working days to attend to the Concurrent Audit.
- d. Firms chosen for engagement as Concurrent Auditors should be other than the ones selected for empanelment as Statutory Auditors to eliminate any room for conflict of interest.

3. SUBMISSION OF APPLICATION:

Applications are invited from eligible Chartered Accountant Firms for empanelment as Concurrent Auditors in the Bank branches / outfits . The duly filled in application form in a sealed cover superscribed as "Application for Empanelment of Chartered Accountant Firms for Concurrent Audit" should reach the respective Circle Audit Office on or before **16.09.2019 by 5.00 P.M.**

- i) The application and all correspondence and documents relating to this process must be written in English. The application must provide individual and factual replies to specific

questions asked in the application. Documents submitted should be complete in all respects as required.

ii) Application marked **Annexure-A** needs to be submitted duly filled in with required particulars accompanied by self-attested supporting documents. All supporting documents to Application must be self-attested by the authorized signatory for the applicant firm

iii) Incomplete application without required supportive documents will not be considered by the Bank.

4. LAST DATE FOR SUBMISSION OF APPLICATION.

The last date for receipt of application is **16.09.2019**. Please note that no application shall be accepted after 5.00 p.m. of the above date. Application submitted after due date or after the stipulated time of the due date or incomplete in any respect are liable to be rejected. The dully filled application along with the supporting documents should be submitted to the concerned General Manager (IA), Circle Audit Office (CAO) as per the Geographical location -----(CAO of Respective geographical area as per **Annexure-C**) SBI is not responsible for non-receipt of completed application within the specified date and time due to any reason including postal delays or otherwise.

5. MODIFICATIONS AND/OR WITHDRAWAL OF APPLICATION

Application once submitted will be treated as final and no further correspondence will be entertained. As no subsequent modification of application/documents are permissible, the firms are advised to exercise utmost care in preparation and submission of application / documents.

6. OFFERS BY A THIRD-PARTY

The applicants are not permitted to authorize their Agents/brokers etc. (including individuals and/or third party firms/companies) to either collect or submit the application/ documents on their behalf. The Bank will summarily reject such requests and arrangements. No sub-contracting of the engagement is permissible.

7. SELECTION PROCESS:

i) Applications received, complete in all respect and within the prescribed time, will be scrutinized on the basis of the basic eligibility criteria as given above at Para 2 by a Selection Committee formed for the said purpose. Applications not accompanied by all the required details and supporting documents would be liable for rejection.

ii) The Bank reserves the right to disqualify any or all applications either on the basis of their responses without assigning any reasons, whatsoever. Those applicants who satisfy the requirements and specifications as determined by the Bank as per the terms and conditions of this document shall be short-listed.

iii) Those applicants who fulfill all the basic eligibility criteria will be evaluated based on location of firm, residential status of partners, experience, reputation, availability of sufficient trained personnel (ICAI Trained article clerks/ retired commercial bank officers) with the firm and such other factors as the Bank may deem fit for its requirements, will be taken into account to the possible extent in empanelment and allotment of concurrent audit works to the firms finally selected.

iv) The prima facie scrutiny of the applications will be done by a Screening Committee.

v) The final selection of the CA firms will be approved by a Selection Committee.

vi) Bank also reserves the right to make query with the firm or any other agency, ask for additional information, particulars, and submission of one, some or more undertakings from any firm at any point of time. None of such act shall be deemed as an offer of engagement as Concurrent Auditor by the Bank to the firm unless and until Bank intimates in writing to the firm regarding allocation of any branch / unit for concurrent audit.

vii) Details of Terms and Conditions in respect of empanelment are as per **Annexure-D**

8. OTHER TERMS & CONDITIONS:

i) Preference will be given to those firms which have ICAI trained Concurrent Auditors and those firms which have concurrent audit experience in State Bank of India (SBI).

ii) Concurrent Auditors shall normally be positioned at the location where the selected Branches / BPR Outfits operate.

iii) Concurrent audit to be done on daily basis. Trained representative of the firm (Articled Clerk trained by ICAI on concurrent audit) / retired commercial banks officers /qualified Chartered Accountants to be available on all days.

iv) One of the Principal Partners or senior partner to visit the branch at least 2/3 times a week, minimum 8 times every month, depending on the business and risk profile of the branch/BPR Outfits. Number of visits may be increased depending upon the volume and need at the branch / outfit under concurrent audit.

v) Bank will impose financial penalty for unauthorized absence, non-detection of income leakage, major lacunae in conduct of account including reporting to RBI/ ICAI.

vi) Bank may impose non-financial penalty leading to termination of contract for instances of failure to comment on fraud, misappropriation of funds, any other serious irregularities which result in loss to the Bank.

vii) The Concurrent Auditor will be fully responsible for the quality of the audit, timely completion of audit and submission of the audit reports and reporting to controllers.

viii) Subject to the other provisions of this document, firm allocated to any branch can be reallocated to any other branch for any period as per the requirement of the Bank.

ix) Documents will be executed by all the partners before taking up the assignment of current audit of allotted branch.

x) The auditors engaged for CA are authorized to have access to any documents and records considered necessary for the performance of their functions within the auditee unit. He can also request members of the staff and management of the auditee unit to supply such information and explanations, as may be needed in carrying out his work, which is to be provided within a reasonable period of time.

xi) Any change in the name, address, constitution and partnership deed must be reported to bank within 15 days of such change with necessary supporting documents. Failing which, it will be treated as deliberate suppression of facts by the firm and thereby making them liable to compensate the bank for such change. In such eventualities, bank also reserves its right to terminate the contract with such firm without notice.

xii) New partners are to sign documents within 15 days of joining and not doing so will attract the provision relating to deliberate suppression of facts.

xiii) Outgoing partner will remain liable to Bank to the extent and period as determined by the Bank on case to case basis

xiv) The broad areas to be covered in the Concurrent Audit are as indicated in **Annexure - B** and shall be revised from time to time based on the requirements of the Bank. Concurrent audit will be on line as well as any other method / process to be adopted by the Bank.

xv) Firm when engaged as concurrent auditor cannot assign/subcontract the job in any sense of the term and in any form whatsoever it may be to any other person. Any assignment/subcontract of the job in some others favour either through operation of law or otherwise will deem the original contract as terminated.

xvi) In case any information furnished during the application process is found at any point of time, to be incorrect, SBI will not only summarily reject the application / terminate the contract without any notice, but also the applicant may be blacklisted from any future such process with the Bank.

xvii) SBI may share such information with ICAI, Reserve Bank of India (RBI) or Indian Bankers' Association (IBA) which is the voluntary representative body of all banking institutions in the country or any other organization, who, in turn, may share the information among its member institutions.

xviii) Any terms and conditions beyond the scope of this process added by the bidder, whether implicitly or explicitly stated in any of the responses, will be ignored.

xix) Notwithstanding anything contained herein above, the Bank reserves its right to terminate the contract by giving 30 days prior notice to the other side without assigning any reason.

9. VALIDITY OF OFFER

The successful applicants have to execute the Contract within 10 days of issuance of work order / letter of selection by the Bank. The Contract should be valid for one Audit Cycle or such extended period as may be mutually agreed upon. Period of contract during the currency of the contract can be varied by the Bank based on its requirement.

10. DELIVERY, REPORTING AND REVIEWING SYSTEM

The Concurrent Audits should be conducted in the branches / outfits as per the agreed time frame as per WBCAS / Bank's Concurrent Audit Manual, a copy / soft copy of which will be made available to selected firms after allotment of a branch / outfit.

The Concurrent Auditor has to prepare Audit reports as per specified standards/formats as given in the said manual and as will be required by the Bank from time to time.

11. REMUNERATION:

Remuneration payable will be based on the business portfolio of the branch, category of the auditee unit (branch/CPC), specialized nature of work etc., as under:

Remuneration Payable

Business Level of Branches as on 31st March.	Remuneration (Rs. p.m.)
Deposit Rs 300 Crs & above and Advance < Rs 400 Crs	30000
Advances Rs 400 Crs & above	40,000 – 55,000
CCG Branches	45,000 - 65,000
LCPC / TFCPC / CPPC	30,000 – 35,000
RACPC / SMECC / RASMECCC	45,000 – 55,000

Additionally – Concurrent Auditors may be given Rs.500/- p.m. per CIF with fund-based and non-fund based exposure of Rs.10 Crs. and above, with additional accountability for detailed scrutiny of these a/cs

12. PAYMENT TERMS:

i) The payment for the audit work done will be made on submission of invoices with required particulars on completion of each calendar month. No payment is to be made unless all the monthly / periodical concurrent audit reports are submitted by the firm. Payment will also be subject to recovery if any penalties, damages etc. from the firm.

ii) TDS as applicable will be recovered from the bill amount while making payments and Form-16 will be issued as per law. In case of omission of any TDS by Bank, the same must be brought to the notice of the Bank and the firm has to return the amount to Bank towards TDS.

13. SECRECY ISSUES:

i) The empaneled firm and its employees will strictly undertake not to record by any means or to communicate or allow to be recorded by any means or communication to any person or divulge in any way any information relating to the conversations, events, ideas, concepts, know-how, techniques, data, facts, figures and all information, howsoever concerning or relating to the Bank and its affairs to which the audit firm /their employees etc. have access in the course of performance of the contract. The successful applicants will on award of contract will execute a non-disclosure agreement and declaration of fidelity and secrecy as per the Bank's standard format. All personnel of the Concurrent Auditor, before commencing the Audit have to execute a declaration of fidelity and secrecy as per the format prescribed by the Bank and submit valid KYC documents at allotted branch / BPR outfit / Unit.

ii) No data in any name can be transferred or converted to any other media by the representative of firms under any circumstances. No public platform or social media or any media what so ever name it may be known can be used for any matter and issues relating to concurrent audit and relation, rights, responsibilities and obligations of the firm or Bank.

iii) All the information contained in this document is solely for the purpose indicated in this process. Reproduction of all or any part of this process by any person for any purpose other than for the purpose of responding to this or for any other purpose expressly permitted by this shall be treated as unauthorized and illegal and the Bank reserve the right to take appropriate action in such circumstances.

14. INDEMNITY TO THE BANK:

i) The empaneled firm shall indemnify SBI and keep indemnified against any loss or damage that State Bank of India may sustain on account of any unprofessional act causing downtime of mission critical systems, disruption to business operations, data loss, third-party claims on account of violation of patents, trademark, designs and other intellectual property rights, etc.

ii) Bank's data, strategies, etc. should not be revealed or shared with any third parties including any other bank. The firm and its partners will remain liable to the Bank for any act of omission and commission during the period the period of concurrent audit which may come to light at any subsequent time by any agency including the Bank.

15. TERMINATION OF CONTRACT

i) The performance of the selected empaneled firms will be continuously reviewed by the Bank in terms of various requirement specified in **Annexure-B** of this document, appointment letter, SLA, Concurrent Audit Manual/processes and RBI directives/notifications on concurrent and various communications by the Bank to the firms.. Based on the review, if the selected firm fails to satisfy / maintain their commitment with respect to timely conduct of the audit, quality and content of the audit reports, the contract may be terminated by Bank by giving one month's written notice to the firm. Regarding quality and content of the audit reports, banks decision is final and binding on the firm.

ii) Bank may terminate the contract by giving one months' notice in case of deletion of any branch from coverage of concurrent audit when relocation of the firm to another branch is not feasible.

iii) Firm has to give one months' prior written notice to bank to accept any assignment requiring relinquishing the present assignment.

iv) In case of any suppression of fact which the firm is required to disclose or intimate to the Bank within stipulated time during the period of contract, it will be treated as unethical act and the Bank can terminate the contract without giving any advance notice and the firm will be reported to RBI and ICAI for blacklisting. In addition, Bank will be entitled to indemnity and recovery of damages from the outgoing firm.

v) In additions to this, other circumstances leading to termination of contract, periodicity of notice, compensations have been incorporated in the Service Level Agreement (SLA) to be executed by the firms before taking up the concurrent audit at allotted branches.

In all other circumstances, contract may be terminated by either party giving one months' notice or payment of full amount of remuneration including service tax to the other party. Under no circumstance the one months periodicity for termination can be reduced.

vi) SBI's decision in this regard will be final. In case of termination of this contract, the SBI shall have the right to avail services of any other Audit firm to continue the process without any let or hindrance from de-paneled firm, whose services are to be terminated and

outgoing firm also has to provide all necessary help, at their own cost, for smooth switch over.

vii) Any work done till such time, working papers and should be handed over to the Bank, without any demur. The work should not be disclosed to any other organization/bank.

16. DEPLOYMENT:

The allotment of branches to the selected firms will be based on the suitability of the firm vis-a-vis the size, volume of business and criticality of the operations of the branches/ outfits to be decided by Circle Audit Office (CAO). The list of tentative Centres where the Concurrent Auditors are proposed to be engaged is provided under Concurrent Auditor Appointment Notification.

17. DISCLAIMER:

There is no commitment or obligations, whatsoever on the part of the issuer of this process, or officials associated with it within the Bank, regarding the implementation for any future plans. Any assumptions made by bidders, on the basis of information shared herein, will be at their own risk and responsibility.

18. ADDRESS FOR COMMUNICATION:

The Address for Communication to concerned Circle Audit Office (CAO) is as per the list enclosed, marked **Annexure - C**

Last date for submission of application is 5.00 pm on 16/09/2019

ANNEXURE – A**APPLICATION FOR EMPANELMENT OF CHARTERED ACCOUNTANT FIRMS
AS CONCURRENT AUDITORS**

1	Name of the Firm	
2	Constitution	
3	Address with PIN Code	
4	Contact Nos. Mobile + Landline + Email	Mobile: Landline: e-Mail:
5	Date of Establishment	
6	PAN No. of the firm	
7	Registration No. with ICAI	
8	Unique Code No.RBI	
9	Firm's RBI Category	
10	Service Tax Regd. No. of the firm	
11	No. of Partners & Chartered Accountants	
12	Branches of C.A. firm, if any	

13	Experience of Concurrent Audit with SBI (Please give details with supporting documents)	No. of Brs.	No. of years
14	Experience of Concurrent Audit with PSBs (Please give details with supporting documents)	No. of Banks	No. of years
15	Additional Qualifications (i.e. CISA/DISA/Con. Audit Course from ICAI)		
16	Experience in specialized areas like Treasury/FOREX/CPCs & Big Corporate Branches (Please give details with supporting documents)		
17	Whether Statutory Auditor for SBI		
18	Preferred Centre		
19	Any other relevant data		

I/We confirm that the information furnished above is true and correct and we have not been de-paneled / Black listed by any organization in the past and we fulfill all the conditions of eligibility for empanelment with SBI as a Concurrent Auditor.

I/We have read the terms and conditions stipulated for empanelment as Concurrent Auditors of the Bank and I/We also understand that the Bank has reserved its right to accept or reject the application without assigning any reasons. If selected for empanelment as Concurrent Auditor of the Bank and the offer is accepted, I/We will execute Service Level Agreement in the format given by the Bank.

Place :

Date:

Signature of the applicant with seal

Scope of Audit

A. Cash transactions –Verify

- i) Surprise physical verification of cash at branch and ATM along with safekeeping and custody.
- ii) Daily cash transactions, particularly any abnormal receipts & payments.
- iii) Surprise verification of cash by an officer other than the joint custodian.
- iv) Proper accounting of and availability of insurance cover for inward and outward cash remittances.
- v) Accounting of currency chest transactions and delays/omission in reporting to RBI.
Reporting of Counterfeit Currency.
- vi) All cash transactions of Rs. 10 lakh and above reported in CTR.
- vii) That all cash transaction of Rs. 50,000 and above invariably indicate Pan No./Form 60.

B. Clearing transactions –Verify

- i) Reconciliation with bank's account at Clearing House and review of old outstanding entries for reconciliation.
- ii) Drawings allowed against uncleared instruments - sanction by the controlling authority.

C. Remittances/Bills for Collection –Verify

- i) Remittance of funds by way of DDs/TTs/MTs/TC/NEFT/RTGS any other mode in cash exceeding the prescribed limit.
- ii) Documents of title (lorry receipts, railway receipts, etc.) obtained in favour of the bank and the concerned transporters are on the IBA approved list.
- iii) Outstanding balance in DP and other transit accounts pending payment beyond prescribed period.

D. Deposits –Verify

- i) Adherence to KYC/AML guidelines in opening of fresh accounts and monitoring of transactions in such accounts.
- ii) Large term deposits received and repaid including checking of repayment of term deposit in cash beyond permissible limit.
- iii) Accounts opened and closed within a short span of time i.e., accounts with quick mortality.
- iv) Activation and operations in inoperative accounts.
- v) Value dated transactions.
- vi) 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.
- vii) Examination of multiple credits to single accounts.

E. Treasury operations –Verify

- i) If branch has acted within HO instructions for purchase and sale of securities.
- ii) Periodic confirmation of Derivative contracts with counterparties.
- iii) Adherence to regulatory guidelines with respect to Treasury deals/structured deals.
- iv) Controls around deal modification/cancellation/deletion, wherever applicable.
- v) Cancellation of forward contracts and passing/recovery of exchange gain/loss.
- vi) Gaps and OPL maintained in different currencies vis-à-vis prescribed limit for the same.
- vii) Reconciliation of Nostro and Vostro accounts-balances in Nostro accounts in different foreign currencies are within the limits prescribed by the bank.
- viii) Collection of underlying documents for Derivative & Forward contracts. Delays, if any.

- ix) Instances of booking and cancellation of forward contracts with the same counterparty within a span of couple of days or a few days.
- x) Sample check some of the deals and comment on the correctness of computation.
- xi) Checking of application money, reconciliation of SGL account, compliance to RBI norms.
- xii) Checking of custody of unused BR Forms & their utilization in terms of Master Circular on Prudential Norms on Classification, Valuation and Operations of Investment Portfolio by banks.
- xiii) To ensure that the treasury operations of the bank have been conducted in accordance with the instructions issued by the RBI from time to time.

F. Loans & Advances-Verify

- i) Report Bills/cheques purchased, if in the nature of accommodation bills.
- ii) Proper follow-up of overdue bills purchased/discounted/negotiated.
- iii) Fresh loans and advances (including staff advances) have been sanctioned properly and in accordance with delegated authority.
- iv) Reporting of instances of exceeding delegated powers to controlling/head office by the branch and have been confirmed or ratified by the competent authority.
- v) Securities and documents have been received as applicable to particular loan.
- vi) Securities have been properly charged/ registered and valued by competent person. Whether the same has been entered in the bank's system.
- vii) All conditions of sanction have been complied with.
- viii) Master data relating to limit, rate of interest, EMI, moratorium period details have been correctly entered and updated/modified in the system.
- ix) Value dated entries passed in advances accounts.
- x) 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.

xi) Whether there is any misutilisation of the loans and whether there are instances indicative of diversion of funds.

xii) Compliance of prudential norms on income recognition, asset classification and provisioning pertaining to advances.

xiii) Whether monthly updating of drawing power in the computer system on the basis of stock statements/book debt statement/ other financial data received from the borrowers.

xiv) Recovery in compromise cases is in accordance with the terms and conditions of the compromise agreement.

xv) To check review and renewal of loans.

G. LC/BG –Verify

i) LC/BG issued/amended as per the approved format/model guarantee prescribed and standard limitation clause incorporated. Whether counter indemnity obtained as prescribed.

ii) Any deviation from the terms of sanction in regard to margin, security, purpose, period, beneficiary, collection of charges, commission/fee, etc.

iii) 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.

H. Foreign Exchange transactions-Verify

i) Recovery of charges as per HO Guidelines.

ii) Packing credit released, whether backed by LC or confirmed export order.

iii) Availability of ECGC cover and compliance with ECGC terms.

iv) Submission of statutory returns on export/ import transactions, like BEF statements, XOS, write off of export bills, etc. Follow up of outstanding export bills and exchange control copy of bill of entry.

v) Irregularities in opening of new accounts and operation in NRO, FCNR, NRE, EEFC, etc., and debits/credits entries permissible under the rules.

vi) Whether operations in FCRA accounts are as permitted by MHA and FCRA guidelines.

vii) Booking, utilization, extension and cancellation of forward contracts.

I. House Keeping –Verify

i) Exceptional transaction reports are generated and verified by branch staff as prescribed.

ii) Review of all balance sheet heads and outstanding entries in accounts, e.g., suspense, sundry and inter-bank accounts. Review of follow up of entries pending for reversal.

iii) Scrutiny of daily vouchers with more emphasis on high value transaction including high value expenses and debit entries in Suspense account.

iv) Debits in accounts where signatures are pending for scanning.

v) Whether records related to KYC/vouchers and other critical areas are sent to specific places like archival center, record room as per stipulated periodicity.

vi) Adherence to KYC/AML guidelines in opening fresh account and subsequent modifications of records and monitoring of transaction.

J. Verification of Merchant Banking Business-Verify

i) Whether the instructions given by the controlling branch are properly followed where the branch acts as a collecting branch for issue business.

ii) Whether daily collection position is advised to the controlling branch.

iii) Whether recovery of the commission/fees and out of pocket expenses as agreed with the respective companies and whether the competent authority has duly authorized any waiver or reduction of such charges.

iv) Whether the prescribed preventive vigilance measures are observed by the branch.

v) Where data entry or data processing work is entrusted to outside agencies, the competent authority duly approves these and the prescribed stamped indemnity has been obtained from such agencies.

vi) Whether dividend interest warrants/refund payment accounts of companies are funded prior to dispatch of the relative warrants by the companies and there is no misuse of the facility.

vii) Whether Claims for reimbursement of amounts of paid warrants received from paying branches are processed and debited to the concerned company's account promptly.

viii) Whether charge on security has been created, wherever debenture trustee activity is undertaken by bank.

K. Verification of Credit Card/Debit card –Verify

i) Application for the issue of credit card has been properly examined and record of issue of the same has been maintained.

ii) Whether overdraft/debits arising out of the use of credit cards are promptly recovered and informed to higher authorities.

iii) Whether undelivered credit cards are properly kept as security items and followed up with credit card department for further instructions.

(iv) 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.

L. SWIFT Transactions - Verify

i) Inward & Outward messages to be verified from CSIG / daily reports

ii) Whether the amounts of financial messages / transactions are debited/ credited in the respective customer accounts / contra accounts.

M. Transaction Verification

i) Verify the genuineness and authenticity of the vouchers uploaded

ii) Verify whether transactions are correctly reflected in the respective customer accounts in CBS.

N. Others –Verify

- i) Compliance of provisions relating to Tax Deducted at Source, service tax, trade tax, other duties and taxes.
- ii) Physical verification of inventory, control over issue of inventory, safe keeping and custody of security forms. Report any loss of such items.
- iii) Physical verification of other deliverable items, control over issue, safe keeping and custody.
- iv) Physical verification of Gold coins, control over issue, safe keeping and custody. Checking of Gold sale transactions.
- v) Custody and movement of branch keys.
- vi) Locker keys and locker operations-linking of FDR as security for locker/operation of locker/inoperative lockers/ nomination/other issues.
- (vii) 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.
- (viii) Reporting of frauds
- (ix) Certification of documents / claims / Pre-disbursement check, compliance certificate etc

O. Miscellaneous:

- i) Any other need based work related to audit which may be entrusted by the bank from time to time.

Address and Contact Details of Circle Audit Offices (CAO)

S. N	FULL ADDRESS FOR CORRESPONDANCE	STATE	Contact Details	Mobile No.	Email id
1	The General Manager, State Bank of India Circle Audit Office, Administrative Office Building, 6 th Floor, Sec- 10B, Gandhi Nagar- 382010	Gujarat	Sri Raju Tiwary	8800102266	ni.ziognr@sbi.co.i n gm.ziognr@sbi.co. in
2	The General Manager, State Bank of India Circle Audit Office, Door No. 48-13-3-1/B VIJAYAWADA. First Floor, CNR Complex, Near Ayush Hospital Sri Ramachandranagar, Vijayawada - 520008	Andhra Pradesh	Sri K Srinivasa Rao	8886775201 0866- 2469401	agmwbcas.ziovij @sbi.co.in gm.ziovij@sbi.co.i n
3	The General Manager, State Bank of India Circle Audit Office, 7 th Floor, e-SBM HO Building, Mysore Bank Circle, K G Road, Bengaluru	Bengaluru	Sri R. Nagesh	9448995569	agmwbcas.caoban @sbi.co.in gm.caoban@sbi.c o.in
4	The General Manager, State Bank of India Circle Audit Office, SBI Complex, Opposite Central School No.-1, Arera Mills, BHOPAL - 462011	Bhopal & Chhatisgarh	Sri Pankaj Goel	7389915551	agmwbcas.ziobho @sbi.co.in gm.ziobho@sbi.co .in

5	The General Manager, State Bank of India Circle Audit Office, Creative Plaza (1st Floor) , RASULGARH CHOWK, N.H.5, BHUBANESWAR- 751010	Odisha	Sri G C Guru	9437492948	agmwbcas.caobhu@sbi.co.in gm.ziobhu@sbi.co.in
6	The General Manager, State Bank of India Circle Audit Office, SBLC Building, IInd Floor, Sec- 14, Panchkula, CHANDIGARH- 134113	Punjab Haryana Chandigarh J&K Himachal Pradesh	Sri Atul Jain	8437024145	webcas.ziochd@sbi.co.in gm.ziochd@sbi.co.in
7	The General Manager, State Bank of India Circle Audit Office, 157, 8th. Floor, State Bank Building, Anna Salai, CHENNAI- 600002	Tamil Nadu	Sri Lalith Kumar	7337262462	agmcas.zioche@sbi.co.in gm.zioche@sbi.co.in
8	The General Manager, State Bank of India Circle Audit Office, 2nd Floor, East Wing, NBCC Place, Pragati Vihar Lodhi Road, New Delhi-110003	1. Delhi 2. Uttarakhand 3. Gurugram, Sonapat and Faridabad Districts of Haryana. 4. Agra, Aligarh, Bhagpat, Bulandshahar, Etah, Firozabad, GautamBudh Nagar, Ghaziabad, Hathras, Kanshi Ram Nagar, Mainpuri, Mathura, Meerut, Muzaffarnagar, Panchsheel Nagar (Hapur), Prabuddha Nagar (Shamli) & Saharanpur Districts of Uttar Pradesh.	Shri Sanjeev Kaushik	9779586597	cmwbcas.ziondl@sbi.co.in gm.ziondl@sbi.co.in

9	The General Manager, State Bank of India Circle Audit Office HYDERABAD 2nd Floor, CMP Building, Survey No. 26, Opp. Hyderabad Central University, Lingampally P.O. Hyderabad-500019	Telangana	Shri Ravindranath	9624342233	agmwbcas.ziohyd @sbi.co.in gm.ziohyd@sbi.co .in
10	The General Manager, State Bank of India Circle Audit Office JAIPUR CENTRAL SPINE, SECTOR-7 VIDYADHAR NAGAR, JAIPUR-302023	Rajasthan	Shri R.K. Gupta	9001733111	agmwbcas.ziojai@ sbi.co.in gm.ziojai@sbi.co.i n
11	The General Manager, State Bank of India Circle Audit Office, Kankaria Centre (1st Floor), 2/1, Russel Street, KOLKATA- 700071.	West Bengal	Shri Ashim Sarkar	9774324719	agmwbcas.ziokol @sbi.co.in gm.ziokol@sbi.co.i n
12	The General Manager, State Bank of India Circle Audit Office C.P.-42, SAI Tower, Sector-E, Janakipuram, Lucknow (U.P.) - 226 021	Uttar Pradesh (Excluding areas mentioned under Delhi)	Shri Dheeraj Kumar	8795824340	agmwebcas.zioluc @sbi.co.in gm.zioluc@sbi.co.i n
13	The General Manager, State Bank of India Circle Audit Office 3rd Floor, Tara chambers, Old Mumbai- Pune Road, Wakadewadi, PUNE -411003	Maharashtra & Goa	Shri N N Kulkarni	9850905314	agmwbcas.ziopun e@sbi.co.in gm.ziopune@sbi.c o.in
14	The General Manager, State Bank of India	Assam Meghalaya	Shri Nicholas K	9402506982	agmwbcas.caogu w@sbi.co.in

	Circle Audit Office, 3 rd Floor, Bakshis Plaza, Lokhra Road, Guwahati- 781018	Manipur Arunachal Pradesh Nagaland Mizoram Tripura			gm.zioguw@sbi.co.in
15	The General Manager, State Bank of India Circle Audit Office Sone Bhawan, 5th Floor Bir Chand Patel Marg R-Block, PATNA - 800001	Bihar Jharkhand	Shri Krishna H.	7070997980	agmwbcas.ziopat@sbi.co.in gm.ziopat@sbi.co.in
16	The General Manager, State Bank of India Circle Audit Office 3 rd Floor, SBI LHO (Old Building), SS Kovil Road, Thampanoor, THIRUVANANTHAPURA M - 695 001 Kerala	Kerala	Ms. Sherly Mathews	9446503848	agmwbcas.caotri@sbi.co.in gm.ziotri@sbi.co.in

STATE BANK OF INDIA
INTERNAL AUDIT DEPARTMENT, HYDERABAD

TERMS & CONDITIONS OF EMPANELMENT OF CHARTERED ACCOUNTANT
FIRMS AS CONCURRENT AUDITORS

A. ELIGIBILITY CRITERIA:

Those firms which satisfy the following are eligible to apply:

- a. Grade 2 and 3 firms as per RBI Grade as on the date of application for this purpose. (CA Firms of Grade-1 may also be considered for appointment, if they are agreeing to the fee structure payable to Grade 2 /3).
- b. Firms having at least one year of experience of Concurrent Audit in any Commercial Bank.
- c. Firms which have sufficient number of trained representatives of firm articled Clerk trained by ICAI on Concurrent Audit, Retired Officers of commercial Banks, qualified Chartered Accountants as Partner or Associate or as Staff, who will be available on all working days to attend to the Concurrent Audit.
- d. Firms chosen for engagement as Concurrent Auditors should be other than the ones selected for empanelment as Statutory Auditors to eliminate any room for conflict of interest.
- e. One of the Directors / Partners of the Firms, should have completed a Certificate Course on "Concurrent Audit in Banks" Conducted by the Institute of Chartered Accountants of India (ICAI). If not one of the Director / Partner shall complete the course with 3 months of executing the agreements and submit the proof to the Bank.

B. SUBMISSION OF APPLICATION:

The duly filled in application form in a sealed cover super-scribed as "Application for Empanelment of Chartered Accountant Firms for Concurrent Audit" should reach the respective Circle Audit Office **on or before 16.09.2019.**

- i) The application and all correspondence and documents relating to this process must be written in English. The application must provide individual and factual replies to specific

questions asked in the application. Documents submitted should be complete in all respects as required.

ii) Application needs to be submitted duly filled in with required particulars accompanied by self-attested supporting documents. All supporting documents to Application must be self-attested by the authorized signatory for the applicant firm

iii) Incomplete application without required supportive documents will not be considered by the Bank.

iv) SBI is not responsible for non-receipt of completed application within the specified date and time due to any reason including postal delays or otherwise.

v) Application once submitted will be treated as final and no further correspondence will be entertained. As no subsequent modification of application/documents are permissible, the firms are advised to exercise utmost care in preparation and submission of application / documents.

vi) The applicants are not permitted to authorize their Agents/brokers etc. (including individuals and/or third party firms/companies) to either collect or submit the application/ documents on their behalf. The Bank will summarily reject such requests and arrangements. No sub-contracting of the engagement is permissible.

C. VALIDITY OF OFFER

The successful applicants have to execute the Contract within 10 days of issuance of work order / letter of selection by the Bank. The Contract should be valid for one Audit Cycle or such extended period as may be mutually agreed upon. Period of contract during the currency of the contract can be varied by the Bank based on its requirement.

D. DELIVERY, REPORTING AND REVIEWING SYSTEM

i) The Concurrent Audits should be conducted in the branches / outfits as per the agreed time frame as per WBCAS / Bank's Concurrent Audit Manual, a copy / soft copy of which will be made available to selected firms after allotment of a branch / outfit.

ii) The Concurrent Auditor has to prepare Audit reports as per specified standards / formats as given in the said manual and as will be required by the Bank from time to time.

E. SECRECY ISSUES:

i) The empaneled firm and its employees will strictly undertake not to record by any means or to communicate or allow to be recorded by any means or communication to any person or divulge in any way any information relating to the conversations, events, ideas,

concepts, know-how, techniques, data, facts, figures and all information, howsoever concerning or relating to the Bank and its affairs to which the audit firm /their employees etc. have access in the course of performance of the contract. The successful applicants will on award of contract will execute a non-disclosure agreement and declaration of fidelity and secrecy as per the Bank's standard format. All personnel of the Concurrent Auditor, before commencing the Audit have to execute a declaration of fidelity and secrecy as per the format prescribed by the Bank and submit valid KYC documents at allotted branch / BPR outfit / Unit.

ii) No data in any name can be transferred or converted to any other media by the representative of firms under any circumstances. No public platform or social media or any media what so ever name it may be known can be used for any matter and issues relating to concurrent audit and relation, rights, responsibilities and obligations of the firm or Bank.

iii) All the information contained in this document is solely for the purpose indicated in this process. Reproduction of all or any part of this process by any person for any purpose other than for the purpose of responding to this or for any other purpose expressly permitted by this shall be treated as unauthorized and illegal and the Bank reserve the right to take appropriate action in such circumstances.

F. INDEMNITY TO THE BANK:

i) The empaneled firm shall indemnify SBI and keep indemnified against any loss or damage that State Bank of India may sustain on account of any unprofessional act causing downtime of mission critical systems, disruption to business operations, data loss, third-party claims on account of violation of patents, trademark, designs and other intellectual property rights, etc.

ii) Bank's data, strategies, etc. should not be revealed or shared with any third parties including any other bank. The firm and its partners will remain liable to the Bank for any act of omission and commission during the period the period of concurrent audit which may come to light at any subsequent time by any agency including the Bank.

G. TERMINATION OF CONTRACT:

i) The performance of the selected empaneled firms will be continuously reviewed by the Bank in terms of various requirement specified in SOP, appointment letter, SLA, Concurrent Audit Manual/processes and RBI directives/notifications on concurrent and various communications by the Bank to the firms. Based on the review, if the selected firm fails to satisfy / maintain their commitment with respect to timely conduct of the audit, quality and content of the audit reports, the contract may be terminated by Bank by giving

one month's written notice to the firm. Regarding quality and content of the audit reports, bank's decision is final and binding on the firm.

ii) Bank may terminate the contract by giving one month's notice in case of deletion of any branch from coverage of concurrent audit when relocation of the firm to another branch is not feasible.

iii) Firm has to give one month's prior written notice to bank to accept any assignment requiring relinquishing the present assignment.

iv) In case of any suppression of fact which the firm is required to disclose or intimate to the Bank within stipulated time during the period of contract, it will be treated as unethical act and the Bank can terminate the contract without giving any advance notice and the firm will be reported to RBI and ICAI for blacklisting. In addition, Bank will be entitled to indemnity and recovery of damages from the outgoing firm.

v) In addition to this, other circumstances leading to termination of contract, periodicity of notice, compensations have been incorporated in the Service Level Agreement (SLA) to be executed by the firms before taking up the concurrent audit at allotted branches.

In all other circumstances, contract may be terminated by either party giving one month's notice or payment of full amount of remuneration including service tax to the other party. Under no circumstance the one month's periodicity for termination can be reduced.

vi) SBI's decision in this regard will be final. In case of termination of this contract, the SBI shall have the right to avail services of any other Audit firm to continue the process without any let or hindrance from de-paneled firm, whose services are to be terminated and outgoing firm also has to provide all necessary help, at their own cost, for smooth switch over.

vii) Any work done till such time, working papers and should be handed over to the Bank, without any demur. The work should not be disclosed to any other organization/bank.

H. DEPLOYMENT:

The allotment of branches to the selected firms will be based on the suitability of the firm vis-a-vis the size, volume of business and criticality of the operations of the branches/outfits to be decided by Circle Audit Office (CAO).

I. DISCLAIMER:

There is no commitment or obligations, whatsoever on the part of the issuer of this process, or officials associated with it within the Bank, regarding the implementation for any future plans. Any assumptions made by bidders, on the basis of information shared herein, will be at their own risk and responsibility.

J. REMUNERATION & PAYMENT TERMS:

Remuneration payable will be based on the business portfolio of the branch, category of the auditee unit (branch/CPC), specialized nature of work etc.

i) The payment for the audit work done will be made on submission of invoices with required particulars on completion of each calendar month. No payment is to be made unless all the monthly / periodical concurrent audit reports are submitted by the firm. Payment will also be subject to recovery if any penalties, damages etc. from the firm.

ii) TDS as applicable will be recovered from the bill amount while making payments and Form-16 will be issued as per law. In case of omission of any TDS by Bank, the same must be brought to the notice of the Bank and the firm has to return the amount to Bank towards TDS.

Remuneration Payable

Business Level of Branches as on 31 st March	Remuneration (Rs. p.m.)
Deposit Rs 300 Crs & above and Advance < Rs 400 Crs	30000
Advances Rs 400 Crs & above	40,000 – 55,000
CCG Branches	45,000 - 65,000
LCPC / TFCPC	30,000 – 35,000
RACPC / SMECC /CPPC RASMECCC	45,000 – 55,000

Additionally – Concurrent Auditors may be given Rs.500/- p.m. per CIF with fund-based and non-fund based exposure of Rs.10 Crs. and above, with additional accountability for detailed scrutiny of these a/cs

K. Working hours : The Concurrent Auditor attending the branch / CPC / Outfits shall follow the normal working hours applicable to the branch / CPC / Outfits.

L. OTHER TERMS & CONDITIONS:

1) Preference will be given to those firms which have ICAI trained Concurrent Auditors and those firms which have concurrent audit experience in State Bank of India (SBI).

2) Concurrent Auditors shall normally be positioned at the location where the selected Branches / BPR Outfits operate.

- 3) Concurrent audit to be done on daily basis. Trained representative of the firm (Articled Clerk trained by ICAI on concurrent audit) / retired commercial banks officers /qualified Chartered Accountants to be available on all days.
- 4) One of the Principal Partners or senior partner to visit the branch at least 2/3 times a week, minimum 8 times every month, depending on the business and risk profile of the branch/BPR Outfits. Number of visits may be increased depending upon the volume and need at the branch / outfit under concurrent audit.
- 5) Bank will impose financial penalty for unauthorized absence, non-detection of income leakage, major lacunae in conduct of account including reporting to RBI/ ICAI (as per **Annexure-F**).
- 6) Bank may impose non-financial penalty leading to termination of contract for instances of failure to comment on fraud, misappropriation of funds, any other serious irregularities which result in loss to the Bank.
- 7) If there is any change in the constitution of your firm or you suffer from any statutory disqualification, you must inform the Bank immediately.
- 8) CA firms to furnish personal details / comply with KYC norms, viz., proof of identity and address proof / contact numbers / contacts in case of emergency, etc., of all the representatives of the firm who visit the Branch / CPC, for security reasons.
- 9) The partners / representatives of CA firms who visit the Branch / CPC shall make their presence in a register maintained for the said purpose.
- 10) CA firms shall liaise with the Branch / CPC on a regular basis and provide their periodic audit plan and enable the Branch / CPC to furnish / provide documents without affecting loss of audit man days for CA firms and / or customer service is not affected in the Branch / CPC.
- 11) The representatives of the CA firms shall not enter prohibited / restricted areas, viz., IT server room, record room, strong room, locker room and / or any other security related areas without the prior approval from the Branch Manager.
- 12) CA firms shall not hold any documents overnight in their custody. Hence, all vouchers / books/ registers/ security document / title deeds / any other documents / vital correspondence etc., are to be returned to the officials of the Branch / CPC on each day.
- 13) Branch / CPC shall be advised to provide applicable " Enquiry" rights / access to the Bank's Core Banking System to the representatives of the CA firm.
- 14) CA firms shall not seek copies (hard / soft /photostat) of Bank's instructions / circulars / vital correspondence / study materials etc.
- 15) Branch / CPC will be providing reasonable level of stationary

- 16) CA firms shall submit their bill / invoice on a monthly basis.
- 17) CA firms to furnish their bank account details along with IFSC code to enable the Bank to credit the audit fee to the credit of their account on a monthly basis.
- 18) CA firms shall endeavor to maintain continuity of their Assistant / Articled clerk at the Branch / CPC, so that there will not be any compromise on the quality of assigned tasks due to frequent change of Assistant / Articled clerk.
- 19) The Concurrent Auditor will be fully responsible for the quality of the audit, timely completion of audit and submission of the audit reports and reporting to controllers.
- 20) Subject to the other provisions of this document, firm allocated to any branch can be reallocated to any other branch for any period as per the requirement of the Bank.
- 21) Documents will be executed by all the partners before taking up the assignment of current audit of allotted branch.
- 22) The auditors engaged for CA are authorized to have access to any documents and records considered necessary for the performance of their functions within the auditee unit. He can also request members of the staff and management of the auditee unit to supply such information and explanations, as may be needed in carrying out his work, which is to be provided within a reasonable period of time.
- 23) Any change in the name, address, constitution and partnership deed must be reported to bank within 15 days of such change with necessary supporting documents. Failing which, it will be treated as deliberate suppression of facts by the firm and thereby making them liable to compensate the bank for such change. In such eventualities, bank also reserves its right to terminate the contract with such firm without notice.
- 24) New partners are to sign documents within 15 days of joining and not doing so will attract the provision relating to deliberate suppression of facts.
- 25) Outgoing partner will remain liable to Bank to the extent and period as determined by the Bank on case to case basis
- 26) The broad areas to be covered in the Concurrent Audit shall be revised from time to time based on the requirements of the Bank. Concurrent audit will be on line as well as any other method / process to be adopted by the Bank.
- 27) Firm when engaged as concurrent auditor cannot assign/subcontract the job in any sense of the term and in any form whatsoever it may be to any other person. Any assignment/subcontract of the job in some other's favour either through operation of law or otherwise will deem the original contract as terminated.

28) In case any information furnished during the application process is found at any point of time, to be incorrect, SBI will not only summarily reject the application / terminate the contract without any notice, but also the applicant may be blacklisted from any future such process with the Bank.

29) SBI may share such information with ICAI, Reserve Bank of India (RBI) or Indian Bankers' Association (IBA) which is the voluntary representative body of all banking institutions in the country or any other organization, who, in turn, may share the information among its member institutions.

30) Any terms and conditions beyond the scope of this process added by the bidder, whether implicitly or explicitly stated in any of the responses, will be ignored.

31) Notwithstanding anything contained herein above, the Bank reserves its right to terminate the contract by giving 30 days prior notice to the other side without assigning any reason.

Place :

Date:

Signature of the applicant with seal

PENALTY CLAUSES

SN	Coverage Area	Scope of work expected from Service Provider /CA Firm	Quantum of Measurement	Penalty to be imposed (For Service Provider / CA Firm)
1.	Attendance at the Work Area.	Attending branch/unit on daily basis, by Representative of the Service Provider /CA Firm , and 2-3 times a week by the Partner of the Firm.	Days of Absence in a month in attending the branch/unit (i) by the representative of the Service Provider / Firm or (ii) by the Partner of the Firm	Twice the proportionate remuneration of the month on a pro-rata basis for the days of absence. <i>Eg.30 days in a month;</i> <i>Remuneration of Rs.30000/-p.m. with an absence of 2days: Penalty to be charged: Rs.2000x2= Rs.4000.</i>
2.	Detection of Income Leakage	On a day to day basis income leakage, if any detected, to be reported.	Non-detection/ non-reporting / short recovery of income leakage from the date it becomes due within a period of 2 weeks. The penalty to be levied is on account of opportunity loss for the Bank.	For Non-detection/ non-reporting: 1% of the amount, in the area of income Leakage not detected/ reported. i.e. (i) Processing Fee (ii) Upfront Fee (iii) BG/LC Comm. (iv) Locker rent etc., (Overall cap for both not to exceed 20% of monthly remuneration). <i>Eg. Processing Fee of Rs. 1 lac. is identified by an Auditor other than CA. after 2 weeks</i>

				<p>of its becoming due. Penalty will be Rs.1000 for one instance.</p> <p>If such instances are more, then overall cap of 20% of remuneration i.e.Rs.6000(20% of 30000) to be charged.</p>
3.	Detection of Major lacunae in the conduct of the account, systems & procedures etc.,	Timely detection of major lacunae.	Non detection of major lacunae as enumerated in the CRM Value Statements of WBCAS.	Rs.250/- per major lacunae in an account with a maximum penalty of 5% of monthly remuneration.
4.	Failure to comment on Frauds, which may cause loss to the Bank.	Detection/ Reporting of Fraud.	Non detection/ not reporting of Fraud arising on account of failure in implementation of systems & procedures and security lapses.	10% of monthly remuneration per instance, with a cap of 25% of monthly remuneration.
5.	Detailed Scrutiny of Accounts and submission of observations.	Detailed Scrutiny of Accounts within a reasonable time and submission of observations online on a daily basis.	Detailed scrutiny of accounts by commenting as per Value Statements mentioned in WBCAS, if not done: <i>Eg. All accounts within 3 months and thereafter once, at the time of renewal/ review/ new sanction;</i>	Rs.250/ per account with an overall cap of 5% of the monthly remuneration.

6.	Submission of Monthly / Qly. Concurrent Audit Reports (Annexure-V, VI& VII as available in SBleTHIC) to the BM/ Head of the Unit/AGM (Audit)/ GM(NW) etc. a	Monthly Reports to be submitted within a week of the succeeding month to the BM/Head of the Unit. Thereafter, with their remarks to RM/DGM (BO) within 2 nd week of the succeeding month of report.	Non submission as per schedule.	Non Submission: 10% of Audit Fee p.m. Non submission by over 3 months: Termination of the Contract giving one month's notice. Delayed Submission: Rs.250/ per day till submission. (With a overall cap of 10% of monthly remuneration p.m.)
7.	Unacceptable delay in the performance of obligations.	Should be done in accordance with the time schedule specified in the Agreement.	Identified areas of deficiency in performance: (i) Partner's not attending branch/unit 2-3 times a week; (ii) Non-deputation of representative every day; (iii) Non-submission of Reports; (iv) Non-detection of Income leakage in time, resulting in opportunity loss; & (v) Non-detection/reporting of Frauds. (vi) Poor Quality of Reports.	Termination of Contract, by giving a month's notice, as per Service Level Agreement (SLA).
8	Overall Performance of the Concurrent Auditor	Should adhere to the Bank's instructions while performing Audit duties and function in accordance with the Concurrent Audit Policy and manual.	Nodal Officers from the ZIOs and RFIA Auditors perform surprise checks by visiting the Concurrent Audit Branches	If the performance of the Concurrent Auditor is rated "Average" or "Below Average" for TWO consecutive Half

			<p>once in a Half Year and verify the performance of Concurrent Auditors by selecting some sample Accounts. Based on the reports by the visiting officials I&MA/ZIO will rate the CAs.</p>	<p>Years, the Contract Agreement shall be reviewed/reconsidered and Contract may also be terminated as per the terms and conditions in the SLA. ICAI will also be advised in this regard.</p>
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