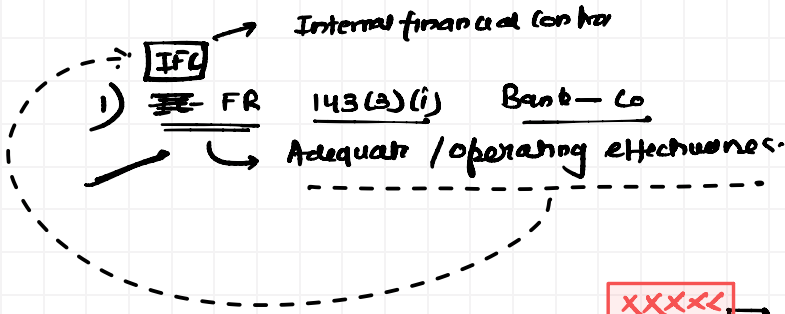
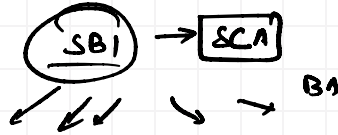


Types of Reports → Auditor — Statutory Central Auditor



← 2) LFAR - Long form Audit Report XXXXXX → LFAD

3) SLR Requirement —

4) Treasury operation →

5) { Income Recognition, Asset classification, Provisioning, Compliance } — compliance with RBI guidelines

6) Serious irregularity

7) Compliance with Recommendations of Yash & Jiani Committee
 Fraud IC

8) Adherence Good deposit Ratio — Ratio Area
Credit — Deposits 40%

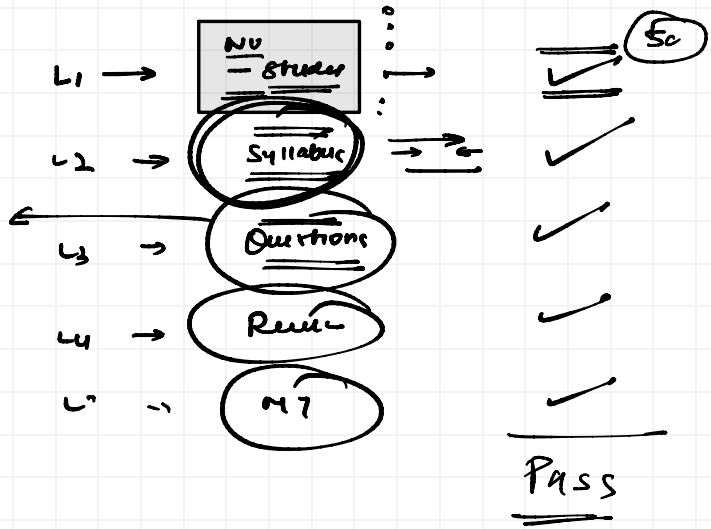
- Accounts — Bank Regulation Act, 1949 - - - - -
- 29
 - P/L B/S — Tripartite - - - - -
 - Form A — B/S
 - Form B — P/L
 - Accounting std to be followed by Bankers.

4/5 1934

Companies Act

Section 141

Audit — Person Qualified to be Appointed as m
of Banking Co Auditor of m Co





AUDIT

BY NEERAJ ARORA

www.edu91.org



PODCAST FOR
AUDITING



REVISION VIDEOS
FOR AUDIT



CA INTER
AUDIT CLASSES

Power of Auditor

— Same as of a Company Auditor

Auditor's Report

Nationalised Bank → to CG

- a) **B/S** — Full and fair B/S
— True/fair view of Affairs of Bank
- b) **Transaction** — Transaction Have Been within Powers of the Bank.
- c) **Returns** — Returns from Branches/offices Adequate or Not
- d) **Profit/Loss** — Profit/Loss A/c shows **TRUE** Balance of Profit or Loss for the Period covered
- e) **Other Matters** — Any other Matters
— He considers to be brought to Notice of CG.

Report of SBI → CG — Identical to Report of Nationalised Bank.



AUDIT

BY NEERAJ ARORA



www.edu91.org



PODCAST FOR
AUDITING



REVISION VIDEOS
FOR AUDIT



CA INTER
AUDIT CLASSES

Format

- Auditor/ Audit Report should comply with SA
- No. of Unaudited Branches should be given with Quantification of
 - Advances, Deposits, Interest income, Interest exp.

LFAR

- Terms of eng require Auditor to Furnish LFAR
 - To be furnished by 30/6 every year
 - Proper planning for timely submission
- LFAR
+
Matter RBJ



AUDIT

BY NEERAJ ARORA

www.edu91.org



PODCAST FOR
AUDITING



REVISION VIDEOS
FOR AUDIT



CA INTER
AUDIT CLASSES

Reporting to RBI

Iss

- RBI ^{Issued} Circular — for implementation of Recommendation of Committee on legal aspect of Bank frauds

Applicable on all Scheduled Commercial Banks
Excluding RRBs

Circular also provides for Liability of Auditing Profession

- Auditor Must Report suspicious Activities (fraud, act of excess Power) to the Regulator.
Deliberate failure → liable for Action Auditor must take

- Consider SA 250 —

Consideration of Laws and Regulations in an Audit of Financial Statements

It states that — Confidentiality is over ridden by Law or Courts

- SA 240, "The Auditor's Responsibilities Relating to Fraud in an Audit of Financial Statements" states that an auditor conducting an audit in accordance with SAs is responsible for obtaining reasonable assurance that the financial statements taken as a whole are free from material misstatement, whether caused by fraud or error.



AUDIT

BY NEERAJ ARORA



www.edu91.org



PODCAST FOR
AUDITING



REVISION VIDEOS
FOR AUDIT



CA INTER
AUDIT CLASSES

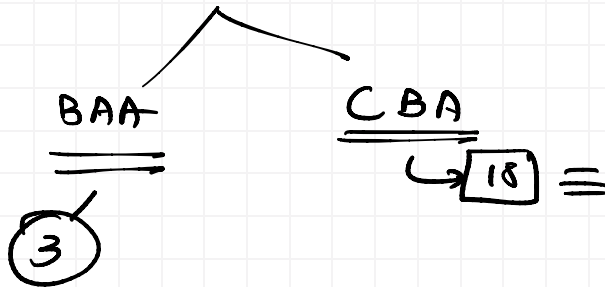
Is Auditor responsible for the Prevention and Detection of Fraud?

No, Management has the Primary responsibility for the prevention and detection of fraud and not the auditor. Management should take all necessary steps for fraud prevention and deterrence through implementing policies and controls. IC

- o Auditor Evaluate the overall System, Not Individual Transaction

on finding any irregularity or fraud in His Normal Course of Duties

He should report to RBI + MD CE of Concerned Bank





AUDIT

BY NEERAJ ARORA



www.edu91.org



PODCAST FOR
AUDITING



REVISION VIDEOS
FOR AUDIT



CA INTER
AUDIT CLASSES

A Scheduled Commercial Bank in India refers to a bank that is included in the Second Schedule of the Reserve Bank of India (RBI) Act, 1934.

The bank's paid-up capital and raised funds must be at least Rs. 5 lakh to qualify as a scheduled bank. These banks are liable for low interest loans from the RBI.

According to the RBI, there are 11 non-scheduled state cooperative banks and 1,500 non-scheduled urban cooperative banks.

Unlike scheduled banks, they are not entitled to borrow from the RBI for normal banking purposes, except, in an emergency or abnormal circumstances.

A nationalized bank in India refers to a bank that was once privately owned but was taken over by the government and brought under public sector control. The primary purpose of nationalization is to ensure that banking facilities are extended to the farthest corners of the country, providing financial inclusion and supporting the economic development of the nation.

Some of the prominent nationalized banks in India include Punjab National Bank (PNB), Bank of Baroda (BoB), and Canara Bank.



AUDIT

BY NEERAJ ARORA



www.edu91.org



PODCAST FOR
AUDITING



REVISION VIDEOS
FOR AUDIT



CA INTER
AUDIT CLASSES

Duty to Report on frauds under CA, 2013

— Study from Book.



AUDIT

BY NEERAJ ARORA



www.edu91.org



PODCAST FOR
AUDITING



REVISION VIDEOS
FOR AUDIT



CA INTER
AUDIT CLASSES

Engagement team Discussion

- Personnel performing Eng. + Experts

- Discussion — Better understanding

- Bank

- Environments

- IC

- Assessment of ROMM

- Should be documented

- Ordinarily done at planning stage



AUDIT

BY NEERAJ ARORA

www.edu91.org



PODCAST FOR
AUDITING



REVISION VIDEOS
FOR AUDIT



CA INTER
AUDIT CLASSES

Matters on which Discussion will take place

-) Error — likely to occur —
-) Error — Identified in previous year —
-) Methods of fraud ✓
-) Need to Maintain Professional Skepticism
-) Alert for Info / other (condition) indicating NMS
-) → Response to ER PR SR

Advantages

Risk of

→ Specific emphasis can be provided on NMS due to fraud and can plan apt Response

→ Delegation of work → Appropriately experienced ET members

→ Review — The need to involve specialist