।। धर्मो रक्षति रक्षितः ।।

Comply ICAI Code(The Dharma), Code will protect Professional & Profession

CA Premnath, Hyderabad

14 Mar 2022

Use of Excel – Data Analytics Bank Audit

CA Premnath

CA Vijaysrinivas K

HYDERABAD

Banking Industry in Indian Economy

- GDP – Rs. 232.89 Lakhs Crores
- Money Supply Rs 199 Lakhs Crores & Bank credit Rs 182 Lakhs Crores
- NPAs Rs. 13.00 Lakhs Crores
- Banking Frauds Rs. 3.05 Lakhs Crores during last 11 years of 50000 cases

SC Judgement on Amrapali

- It is observed that there was no monitoring done by the officials of Bank of Maharashtra, Andhra Bank and other banks by releasing of term loan to the Company.
- Even basic checks, End Use of funds were forgone
- No technical requirements followed as relating to release of Term Loan facilities to a borrower.
- The banks acted as mute spectator to unapproved diversion which was almost happening evidently in all banking transactions

Bank IS Audit Experience

- Inadequately scoped
- It lack coverage of end to end testing covering all its interfaces and input, processing and output control.
- There is no testing on configuration control of all input control in interface and all applications controls covering edit and validation check for completeness, accuracy, reference, validity and calculation, segregation of duty both in interfacing as well as cbs.
- There is no scoping for report generated from logic and completeness perspective only accuracy is partially checked.
- Mandatory field are not adequately defined as per regulation.
- SBI KEY AUDIT MATTERS

Bank IS Audit Experience

- Master data field, completeness, accuracy is not tested.
- Lack of data governance and data leakage audit
- There is no checking for overall impact assessment of Gap noted and compensatory and mitigating control.
- What is actually done is just a tip at iceberg.
- Those who do IS audit not understand business and vice versa is also true.

Bank IS Audit Experience

Solution

- Regulators to be educated on scope and risk Enterprise architecture of bank to be clearly documented and updated for scoping adequately
- Adequate training on IS audit risk and audit approach Centralized end to end testing by specialist and all observation on IS audit to be critically reviewed for impact assessment

Integrated Bank Branch Audit Approach

AUDIT PROCESS FLOW
ASSERTIONS
CHECK CONTROLS
ROMM - RISK OF MATERIAL MISSTATEMENTS
OBSERVATIONS
DISCUSS WITH TCWG(THOSE CHARGE WITH GOVERNANCE)
AUDIT TEST
1. COMPLIANCE TEST
2. SUBSTANTIVE TEST
ANALYTICAL PROCEDURES
Existence,
Completeness,
Valuation,
Rights and Obligations,
and
Presentation and disclosure
AGREE
NO POSSIBILITY TO RECTIFY
DISAGREE
1. PROVIDE/CREATE PROVISION
2. WRITTEN OFF
DISCLOSE
EMPHASIS MATTER PARAGRAPH
QUALIFY

SA 315

Identifying and Assessing the Risks of Material Misstatement Through Understanding the Entity and Its Environment

Business of bank is collecting deposits and lending loans/LC/Guarantees

Runs as per Banking Regulation Act, FEMA, PMLA, IT Act, GST, IBC Negotiable Instruments Act, Etc.,

Accounting as per Accounting Standards issued by ICAI

Major Business is operated and controlled thru CBS & Other Standalone Applications

Work done at Branch Level

sbi key audit matter

Manual Check & Control

- Transaction input and Authorisation
- Completion of Branch Operation
- End of the Day (EOD)
- Verification of Document & Securities
- Inspection of stock &Book Debts
- Inspection of Assets & Security
- Pledge of NSC/KVP/Gold Jewelry
- Lien of FD & Mortgage of Property
- KYC Checks
- Monitoring operation of A/c. End utilisation of fund
- Classification of Advance as per RBI norms
- Discretionary Power of Operation
  TOD , Waiver etc.

- Verify System /Manual Controls
- Verify Preventive Controls
- Verify Detective Controls
- Verify Corrective Controls
- Verify Compensating Controls
- Extract CBS Reports

Materiality & Audit Risk

- Loans issued are not used for the purposes for which it is sanctioned
- Prudential norms are not followed
- Accounting treatment is not in accordance with AS
- control under CBS is not adequate

System Driven NPAs - How reliable is that ?

Can the system detect the ever greening?

1. Servicing interest/installment

- from CC/PC account to C/A;
- from C/A to TL or
- disbursement to CC.

2. Adhoc limits to regularise.

Limit expired 30jun, Adhoc for 3 months – 30Sep, To be renewed within 180 days – 31Mar – May be PA

System Driven NPAs - How reliable is that ?

Can the system detect the ever greening?

3. Transfer from associate units by allowing excess in CC or new TOD.
4. New loans to Related parties and funds transferred to irregular accounts to reflect as PA
5. Cheque purchase account to CC and cheque returned next day.

System Driven NPAs - How reliable is that ?

Can the system detect the ever greening?

6. Intra day credits & debits
7. Same credit for two quarters by interchanging balances among Related parties
8. Accounting of Devolved LCs
9. Exceeding in Bills limit
10. Inadequate/ wrong DP
11. Combined excess of CC & Devolved LC

System Driven NPAs - How reliable is that ? Non financial aspects

1. Extension of COD
2. Non satisfactory performance in restructured accounts
3. Additional Finance on restructured account
4. Stock statement older by 6 months.

Sampling - Pivot

From Various Loan balancing Text files of CBS prepare pivot tables
Convert Txt to Excel, if MIS reports are not in excel
From these pivot tables select samples with deviation and abnormal

Grouping of Loan Accounts Current Year Sanctions Productwise

CY Sanc	Yes

Row Labels	Values Limits	Oustanding Amt	No of Accs	% to Total O/s
AB-OD Personal (STAFF)	20,00,000	8,87,073	2	0.14%
ACC Allied/Processing Act	2,25,00,000	2,25,00,093	3	3.64%
MC-ASSET BACKED AGRI LOAN	1,62,35,000	1,19,22,946	6	1.93%
MC-C C Prof. & Self Emp(S	50,000	50,212	1	0.01%
MC-OD CLEAN SBF	75,000	63,060	1	0.01%

Grouping of CC/OD Accounts Current Year Sanctions Productwise

CY Sanc	Yes
Loan/CCOD	CC/OD

Row Labels	Values Limits	Ousta
AB-OD Personal (STAFF)	20,00,000	
ACC Allied/Processing Act	2,25,00,000	
MC-ASSET BACKED AGRI LOAN	1,62,35,000	
MC-C C Prof. & Self Emp(S	50,000	
MC-OD CLEAN SBF	75,000	

Sampling – TB analysis

1) Obtain TB Text for Current year, previous year, as on the date of audit report
2) convert txt to Xl
3) Tag each column with year
4) Paste one year below other after tagging
5) Prepare Pivot comparing PY/CY and make variance analysis
5) This process is useful for commenting on LFAR III P&L - divergent Trends
6) This is useful in Audit documentation on bank branch performance and sampling

Annexure -

head	Code	Head of account	Opg	Dr	Cr
	101100	Cash in Hand in Indian Currency	4406325	673654620	675245899
	102100	Balances in Current Account with SBI	235262	286242282	285187999
	102200	Balances in current Account with Other Banks	1000	0	0
	115300	CDS ITP Remitted 1974	33354	0	0
fxd asst	118910	Furniture & Fixtures (Gross) At Office - Group 1	1004043	0	0

File Home Insert Page Layout Formulas Data Review View Help Fuzzy Lookup Power Pivot Tell me what you want to do

Fuzzy Lookup

Fuzzy Lookup for KYC analysis

A1 1) Obtain customers master(both loans & Deposits)

	A	B	C	D
1	1) Obtain customers master(both loans & Deposits)			
2	2) Paste one below other loans master and deposit master			
3	3) On the content Create Table CTRL L			
4	3) apply fuzzy lookup			
5	4) observe most similar names			
6	5) Perform KYC document check to rule out duplicates			
7	6) This process is for reporting on LFAR IV General - 4. Fraud, KYC, etc.,			
8				
9	Column1	Column12	Column13	Similarity
10	ABHINANDAN GOLCHHA	ABHINANDAN GOLCHHA		1.0000
11	ABHIRAM INFRA REALITY PRIVATE LI	ABHINANDAN GOLCHHA		1.0000
12	ABHISHEK KUMAR SRIVASTAVA	ABHIRAM INFRA REALITY PRIVATE LIMITED		1.0000

Customer Mater Analysis - KYC

1) Obtain Customer master with phone				
2) Apply PIVOT table for phonewise customers				
3) Sort on of accounts per phone				
4) This process is for reporting on LFAR IV General - 4. Fraud, KYC, etc.,				
NAME	phn			
3F OIL PALM AGROTECH PVT LTD	9925295995			
A B R INFRAS				
A LAXMI	9299949929			

Customer master analysis - KYC

Pivot from Customerwise mater for Phonewise customers
to check no of accounts for Related party, KYC, Fraud

phn	NAME	Count of NAME
7247577245	MOHAN KUMAR SAHU	1
7247595299	ABHINANDAN GOLCHHA	3
	ABHIRAM INFRA REALITY PRIVATE LIMITED	1
	ALLEN REINFORCED PLASTICS	171
	ATM MOTORS PRIVATE LIMITED	1
	BABA CONTAINERS MANUFACTURERS	8
	GOLCHHA ABHINANDAN	1
7247735775	GANTA SRIKANTH	1

Funds diversion – round tripping analysis

1) Obtain related party bank accounts
2) paste bank accounts one below other after tagging each row with account number
3) Sort on date to observe daywise round tripping
4) This process is for reporting on LFAR IV General - 4. Fraud, Related party, Red Flags, EWS

A/c	Date	Narration	Dr	Cr
10028055485	1-Apr-18	B/F ...	7,28,89,384	-
10028055485	3-Apr-18	10028833776	25,00,000	-
10028055485	3-Apr-18	10083294181	4,50,000	-
10028055485	3-Apr-18	ECS-HDFC BANK LTD	57,615	-
10028055485	3-Apr-18	ECS-HDFC BANK LTD	8,730	-
10028055485	3-Apr-18	R S STEEL AND	-	1,20,000
10028055485	3-Apr-18	TO CLG : TWINCITY	5,00,000	-

1) Sample File for Customer Master

2) Useful for linking below customers with anyother cutomer based on account transactions narration reference with vlookup

ACCOUNT NO.	CUSTOMER NAME	BALANCE	BALANCE	POWER	LIMIT	STATUS	DEPOSIT	INTEREST
10028055485	SPV WIRES PVT LTD							
10028833776	PSVV INFRA PVT LIMITED	-	-	-	-	CLOS	1461	8.25
10083294181	AMP SHORELINE ENTERPRISES PRIVATE LIMITE	-	-	-	-	CLOS	1461	8.25
10104717981	TITANIC INTECH LIMITED	-	-	-	-	CLOS	1000	10.25
10185299593	PSVV ESTATES PRIVATE LIMITED	-	-	-	-	OPEN	3653	9.25
10222892903	TITANIC RENEWABLES PRIVATE LIMITED	-	-	-	-	OPEN	3653	9.25
10292375889	GLOBALWIDE TRADING PRIVATE LIMITED	-	-	-	-	OPEN	3653	9.25
10300303657	SMARTPRO GLOBAL PRIVATE LIMITED	-	-	-	-	OPEN	3653	9.25
10300303759	BHARATHI CSR FOUNDATION	-	-	-	-	OPEN	3653	9.25

1) Enter stock details into following template
2) Analyse ratios, stock quality, DP, LMT, SL, check
3) Drs, Stk, Margin analysis for quality of Stock Statement Review
4) LFAR reporting on Review Monitoring, Red Flags, EWS, Frauds

Ratio Analysis is required for Reporting under EWS/Red Flags

	raw materials		Consbls	Fnsd good	ClgStk	dp On stk	dp on drs	dp	O/s CC	sancd limi
	stk	pur	stk							
	A	**B**	**C**	**E**	**F**	**G**	**H**	**I**	**J**	**K**
Mar-18					**(A+C+E)**	**F*0.75**	**Q*0.6**	**(G+H)**		
Apr-18	191.94	671.32	293.05	287.36	772.35	579.26	326.53	905.79	748.86	750.00
May-18	120.26	707.21	185.38	324.79	630.43	472.82	456.21	929.03	888.59	900.00
Jun-18	247.08	1038.9	204.25	365.62	816.95	612.71	312.02	924.74	867.73	900.00
Jul-18	136.39	845.30	451.66	298.49	886.54	664.91	657.56	1322.47	1161.55	1200.00
Aug-18	59.39	732.71	680.31	145.54	885.24	663.93	660.04	1323.97	1148.25	1200.00
Sep-18	175.84	816.44	612.19	158.93	946.96	710.22	595.85	1306.07	1170.72	1200.00

Early Warning Signals

Drs_days	>90days against to Sanction terms
Stk_days	>180 against to sanction terms

Due to above DP is much below the sanctioned limit
Grs Margin is less than project effecting going concern

%rm/stk	%con/stk	%fg/stk	Sales		Drs	collection	OCC Deposits	Exc/(Shrt) deposits	COGS	Grs Mrgn	Drs_days	Stk_days
			grs	net								
L	**M**	**N**	**O**	**P**	**Q**	**R**	**S**	**T**				
(A/G)	**(E/G)**	**(E/G)**			**108.82**	**(Q+O-Q)**		**(S-R)**				
24.85%	37.94%	37.21%	846.43	738.27	544.21	411.04	528.3	117.26			231.461	
19.08%	29.41%	51.52%	864.37	753.51	760.35	648.23	477.01	(171.22)	813.24	-59.73	316.677	279.075
30.24%	25.00%	44.75%	1013.45	883.66	520.04	1,253.76	541.21	(712.55)	520.69	362.97	184.73	564.831
15.38%	50.95%	33.67%	1,136.68	504.20	1,095.94	560.78	654.89	94.11	969.31	-465.11	347.097	329.259
6.71%	76.85%	16.44%	1,123.32	980.88	1,100.06	1,119.20	612.68	(506.52)	846.60	134.28	352.546	376.431
18.57%	64.65%	16.78%	838.51	730.78	993.09	945.48	462.32	(483.16)	670.99	59.79	426.366	508.064

EWS - Analysis

	Early Warning System - LFAR	Procedures
2	Raid by Income tax /sales tax/ central excise duty officials	Public channels, Confirmation from Authorities, Screenshot of Logins
3	Frequent change in the scope of the project to be undertaken by the borrower	Reconciliation of Capital Creditors/Capital Advances/P&M/CWIP
4	Under insured or over insured inventory	Compare Insured amount Vs valution of collatral & primary security
5	Invoices devoid of TAN and other details	Sample Verification of suspected invoices, public domain verification of suspected parties, google search of address locations
6	Dispute on title of the collateral securities	Land Records, Municipal Records, Google maps
7	Costing of the project which is in wide variance with standard cost of installation of the project	Bench Marking of project cost like cost/MW cost/MT
8	Funds coming from other banks to liquidate the outstanding loan amount	Vlookup
9	Foreign bills remaining outstanding for a long time and tendency for bills to remain overdue	FEMA/CBS/ Set of Drs with Crs

EWS - Analysis

	Early Warning System - LFAR	Procedures
8	Funds coming from other banks to liquidate the outstanding loan amount	Vlookup
9	Foreign bills remaining outstanding for a long time and tendency for bills to remain overdue	FEMA/CBS/ Set of Drs with Crs
10	Onerous clause in issue of BG/LC/standby letters of credit	Check BG/LC clauses wherein market price is below the cost, operations are not in existence, Contract period overshoot, Liabilities are more than BG/LC
11	In merchanting trade, import leg not revealed to the bank	Analysis of GST returns/Customs Data
12	Request received from the borrower to postpone the inspection of the godown for flimsy reasons	Verify the inspection register
13	Delay observed in payment of outstanding dues	Snapshot of tax portals
14	Financing the unit far away from the branch	Google maps for location
15	Claims not acknowledged as debt high	Court Data Bases search
16	Frequent invocation of BGs and devolvement of LCs	CBS
17	Funding of the interest by sanctioning additional facilities	public domains
18	Same collateral charged to a number of lenders	CRILIC, CIBIL, CREDIT RATING, MCS

EWS - Analysis

	Early Warning System - LFAR	Procedures
19	Concealment of certain vital documents like master agreement, insurance coverage	Advances Scrutiny,
20	Floating front / associate companies by investing borrowed money	Use of private websites offering services of corporate information through data mining (Potentially related companies [tofler.in], companies at same address [zubacorp.com])
21	Reduction in the stake of promoter / director	Stock Holding/DEMAT etc., Financials
22	Resignation of the key personnel and frequent changes in the management	Use of private websites offering services of corporate information through data mining (Potentially related companies [tofler.in], companies at same address [zubacorp.com])
23	Substantial increase in unbilled revenue year after year	Cost and Revenue, Cost per unit/Revenue Per unit
24	Large number of transactions with inter-connected companies and large outstanding from such companies	Financial statement disclosure Tofler
25	Significant movements in inventory, disproportionately higher than the growth in turnover	Stock Statement Analysis

EWS - Analysis

	Early Warning System - LFAR	Procedures
26	Significant movements in receivables, disproportionately higher than the growth in turnover and/or increase in ageing of	Stock Statement Analysis
27	Disproportionate increase in other current assets	Stock Statement Analysis
28	Significant increase in working capital borrowing as percentage of turnover	Stock Statement Analysis
29	Critical issues highlighted in the stock audit report	Stock Statement Analysis
30	Increase in Fixed Assets, without corresponding increase in turnover (when project is implemented)	Ratio Analysis
31	Increase in borrowings, despite huge cash and cash equivalents in the borrower's balance sheet	Cash Flow Analysis
32	Liabilities appearing in ROC search report, not reported by the borrower in its annual report	Use of private websites offering services of corporate information through data mining (Potentially related companies [tofler.in], companies at same address [zubacorp.com])
33	Substantial related party transactions	Financial statement disclosure Tofler
34	Material discrepancies in the annual report	Financial statement disclosure Tofler
35	Significant inconsistencies within the annual report (between various sections)	Financial statement disclosure, FRRB

EWS - Analysis

	Early Warning System - LFAR	Procedures
36	Poor disclosure of materially adverse information and no qualification by the statutory auditors	Financial statement disclosure, FRRB
37	Frequent change in accounting period and/or accounting	Financial statement disclosure, FRRB
38	Frequent request for general purpose loans	CBS
39	Movement of an account from one bank to another	CBS
40	Frequent ad hoc sanctions	CBS
41	Not routing of sales proceeds through bank	Stock Statement and Financial analysis
42	LCs issued for local trade / related party transactions	Use of private websites offering services of corporate information through data mining (Potentially related companies [tofler.in], companies at same address [zubacorp.com])
43	High value RTGS payment to unrelated parties	CBS
44	Heavy cash withdrawal in loan accounts	CBS
45	Non submission of original bills	

External Data Source to validate EWS content
Import & Export Data Processing and Monitoring System (IDMPS) and (EDMPS): Online Import and Export document systems connected with Ports, Banks and RBI – Access
ICEGATE Portal – Open access of Bill of Entry and Shipping
VAHAN System – Frauds in vehicle loans are on rise. Use http://vahan.nic.in to search type of vehicle and compare the same with vehicle financed. SMS Based service - Type VAHAN <Registration No.> and send to 77382 99899.
FCRA Online Services
MCA, GST, Income Tax
Use of private websites offering services of corporate information through data mining (Potentially related companies [tofler.in], companies at same address [zubacorp.com])
Willful Defaulters & Suit Filed cases - https://suit.cibil.com/ also refer the bank's website
CRILC (Central Repository of Information on Large Credits) Data – Details of Borrower having consortium limits / multiple banking in excess of Rs. 5 Cr
Credit Rating Reports
CIBIL and other reports
GST Data (Peridot Mobile App by Iris GST in partnership with

Out of order Validation

1) out of order - o/s bal > sl/dp continuously for 90 days
2) no credits to match int debited for 90 days
3) dp is not with latest stk stmt (3 month stk stmt)
4) a/c not renewed for 6 months from sanction date.
5) Get data of DP/Lmt/SL with vlookup
6) Arrive at OS Vs DP for out of order status
7) Count days if status is Excd for out of order status
8) For every regularisation from Excd to LMT status enquire for genuine source of funds
9) If account reference is given in DESCRIPTION use vlookup with customer master
10) This process is for reporting on LFAR on quality of CC loan scrutiny, frauds, diversion, round tripping etc.,

=MIN(VLOOKUP(A13,limit,11,1)*100000,VLOOKUP(A13,dp,9,1)*100000)

formula for dp/sl limit

'=IF(H16>I16,"excd","lmt") formula for limit check

=IF(J14="excd",(A14-A13)+K13,0)
formula for No of days overdrawn

DATE	BRNC	DESCRIPTION	py	CHQ	WITH DRAWALS	DEPOSITS	BALANCE	limit/dp	CHK	NPA	
1-Apr-18	0	B/F ...			7,28,89,383.63	-	6,58,89,384	7,48,86,000	lmt	0	
3-Apr-18	3067	ECS-HDFC BANK LTD			57,615.00	-	6,59,46,999	7,48,86,000	lmt	0	
3-Apr-18	3067	ECS-HDFC BANK LTD			8,730.00	-	6,59,55,729	7,48,86,000	lmt	0	*hdfc*
3-Apr-18	1879	R S STEEL AND			-	1,20,000	6,58,35,729	7,48,86,000	lmt	0	*kotak*
3-Apr-18	3067	TO CLG : TWINCITY		950058	5,00,000.00	-	6,63,35,729	7,48,86,000	lmt	0	*sbi*
3-Apr-18	798	VRINDAVAN		950066	3,50,000.00	-	6,66,85,729	7,48,86,000	lmt	0	*TANISH

Out of order Validation

1) Extract from Stk stmnt Analysis file following data

2) Vlookup this into ac transaction sheet for limit check for NPA out of order status

DATE	RM Stk	Con Stk	FG Stk	ClgStk	Drs	Stk_Drs	Crs	DP	sl
Mar-10				1619.15					
Apr-18	185.52	263.75	304.76	754.02	538.7679	888.78	101.72	787.06	750.00
May-18	114.25	166.84	373.35	654.44	752.7465	942.47	109.19	833.28	900.00
Jun-18	234.73	183.83	420.28	838.83	514.8396	938.03	106.96	831.07	900.00
Jul-18	129.57	406.49	343.11	879.18	1084.981	1,310.37	152.10	1,158.27	1200.00
Aug-18	56.42	612.28	167.30	836.00	1089.059	1,280.43	148.83	1,131.60	1200.00
Sep-18	167.05	550.97	182.69	900.71	983.1591	1,265.43	146.41	1,119.02	1200.00
Oct-18	165.7888	487.1907	66.44915	719.43	1405.8	1,383.05	169.04	1,214.01	1200.00

1) Pivot on account description wise summary report from CC account

2) if account reference give use vlookup for customer master

3) This process is for reporting on LFAR IV General - 4. Fraud, KYC, etc.,

Row Labels	Sum of WITH DRAWALS	Sum of DEPOSITS	Vlookup from Custome
10028833776	13800000	0	PSVV INFRA PVT LIMITE
10083294181	7350000	0	AMP SHORELINE ENTER
10104717981	9460000	0	TITANIC INTECH LIMITE
10185299593	4410000	0	PSVV ESTATES PRIVATE
10222892903	17700000	0	TITANIC RENEWABLES P
10292375889	20500000	-7500000	GLOBALWIDE TRADING
10300303657	25555000	-2125000	SMARTPRO GLOBAL PR
10300303759	13850000	0	BHARATHI CSR FOUNDA

1) Obtain CC loan files for different dates
2) tag account date of report for each of different loan files of above
3) Copy paste all different date files into one sheet one below another
3) sort on account/party and observe various columns in consistant data on different dates
4) This process is useful for comment in LFAR on system reports and data integrity etc.,
5) Further this process is useful in taking sampling on OCC accounts

DATE	a/cno	product	CIF	CUSTOMER	RATE	LIMIT	DP	LMT EXPY DT
18-08-2018	6630034429	BR-C C - Stocks (SSI)	70966740059	ABHI AYODRI LLC	10.3	20000000.00	20000000.00	29-03-2018
18-08-2018	7171926200	BR-C C SME Credit Plus (S	70966740059	ABHI AYODRI LLC	10.3	2500000.00	2500000.00	29-03-2018
29-09-2018	6630034429	BR-C C - Stocks (SSI)	70966740059	ABHI AYODRI LLC	10.3	20000000.00	20000000.00	29-03-2018
29-09-2018	7171926200	BR-C C SME Credit Plus (S	70966740059	ABHI AYODRI LLC	10.3	2500000.00	2500000.00	29-03-2018
12-11-2018	6630034429	BR-C C - Stocks (SSI)	70966740059	ABHI AYODRI LLC	10.3	20000000.00	20000000.00	29-03-2018
12-11-2018	7171926200	BR-C C SME Credit Plus (S	70966740059	ABHI AYODRI LLC	10.3	2500000.00	2500000.00	29-03-2018
24-12-2018	6630034429	BR-C C - Stocks (SSI)	70966740059	ABHI AYODRI LLC	10.3	20000000.00		
24-12-2018	7171926200	BR-C C SME Credit Plus (S	70966740059	ABHI AYODRI LLC	10.3	2500000.00		
18-03-2019	6630034429	BR-C C - Stocks (SSI)	70966740059	ABHI AYODRI LLC	10.3	20000000.00	20000000.00	29-03-2018
18-03-2019	7171926200	BR-C C SME Credit Plus (S	70966740059	ABHI AYODRI LLC	10.3	2500000.00	2500000.00	29-03-2018

Term Loan Validation – Excel formulas

1) Obtain Term loan files of various dates
2) Tag each file with date in first column
3) Sort on customer name/Ac no
4) Observe deviation customerwise on various columns
5) Based on Sanction date cross check with EMI, period of loan, with Excel PMT function, Goal Seek to cross check EMI etc.,
6) This process is useful for Reporting CBS system of NPA, manual interference etc,

NPER=EXCEL EMI
EMI DUE = CBS EMI

LMT=PV PMT
EMI=NPER NPER

Date of Audit (DOA) 31-03-2020

RPTDT	ACCOUNT NO	SANCTION DATE	EDATE	LIMIT	INT RATE	EMI/INSTAL-AMOUNT	NPER	CBS EMI	PMT	DIFF(NPER-EMI)	EMI@DOA
Mar-19	31391430367	06-09-2010	06-07-2017	1435000	12.8	26379	82	67	₹ 30,084.49	₹ 3,705.49	114
Apr-19	31391430367	06-09-2010	06-07-2017	1435000	12.8	26379	82	68	₹ 29,781.04	₹ 3,402.04	114

Use of Excel – Bank Audit

Sl.No	Description	Reports	CBS	Tools used	Purpose	Notes
1	Analysis of Branch Profile	Loans Dump from AIMS	Finacle	Pivot Table	Scheme code wise No.of Accounts, Sanction Amt, Bal O/S	To understand the advances profile of the branch
2	Analysis of Branch Profile	Loans Dump from AIMS	Finacle	Vlookup	Mapping Scheme Code with Scheme Description & GL Description	To understand the type of Scheme or facility
3	ROI Analysis - Overall	Loans Dump from AIMS	Finacle	Filter & Sort for Rate column	Identify Lowest & Highest Rates & Analyse with the actual rates of that scheme	Interest Rate Variation
4	Scheme Codewise Data Separation	Loans Dump from AIMS	Finacle	Filter & Sort for Scheme Column	Further Analysis Scheme wise	Separate picture of each scheme would be available

Use of Excel – Bank Audit

Sl.No	Description	Reports	CBS	Tools used	Purpose	Notes
5	Scheme wise Priority & Non Priority Analysis	Loans Dump from AIMS	Finacle	Filter & Sort for Nature of Advance Column	Basel MOC & LFAR Commenting	Proper Categorisation into Priority & Non Priority
6	ROI Analysis - Schemewise	Loans Dump from AIMS	Finacle	Filter & Sort for Rate column for each Scheme Sheet	Reasons for Highest & Lowest	Schemewise ROI
7	Accounts Sanctioned during the year	Loans Dump from AIMS	Finacle	Filter & Sort for Sanction Date column & on Sanction Limit	To Select the samples for analysis	Sample Selection
8	Accounts Opened & Closed during the year	Loans Dump from AIMS	Finacle	Filter & Sort for Sanction Date column &	To ascertain why accounts have been opened and closed within the same year	Remove Jewel Loans & Loan against TDs and then check why so?

Use of Excel – Bank Audit

Sl.No	Description	Reports	CBS	Tools used	Purpose	Notes
9	Analysis of Repeated Customer Code for Same PAN	Loans Dump from AIMS	Finacle	Concatenate PAN & Custcode along with*; Paste special Values, Remove Duplicates; Demerge with Convert Text to Fixed Columns(Alt+D+E); Pivot Table	Identify Repeated Cust Code for the same person and check NPA status of all accounts for all repeated Cust codes	Same PAN multi cust codes

Use of Excel – Bank Audit

Sl.No	Description	Reports	CBS	Tools used	Purpose	Notes
10	Jewel Loans Verification	Loans Dump from AIMS	Finacle	Filter & Sort Date wise	To check any pending renewals beyond 3 months & related classification (whether NPA properly reflected)	Jewel Loans Agri 7% - Limit Rs.2 lakh per person; Non Agri - Higher Rate No limit)
11	Account Summary of OD/CC Accounts	Specific Period Statement of Accounts from Websolutions	Finacle	Filter	To Analyse Self withdrawals, Cash Deposit, Interest Quantification etc.	To check end use of funds

Use of Excel – Bank Audit

Sl.No	Description	Reports	CBS	Tools used	Purpose	Notes
12	Wrong Names between papers & Account Name	Loans Dump from AIMS	Finacle	Concatenate Custcode & Account Name along with*; Paste special Values, Remove Duplicates; Demerge with Convert Text to Fixed Columns(Alt+D+E); Pivot Table	To Analyse Documentation Errors	Mismatch between Doc Name & Account Name in system

Use of Excel – Bank Audit

Sl.No	Description	Reports	CBS	Tools used	Purpose	Notes
13	Analysis of Out of Order Accounts	Loans Dump from AIMS	Finacle	Filter OD/CC Accounts Reduce Sanction limit from Balance O/s & if negative check the account statements to see the duration of out of order	If Out of Order for beyond 90 days	Even if Credits are insufficient to service interest then again it is out of order if such status continues for 90 days it becomes NPA even though the balance

Use of Excel – Bank Audit

Sl.No	Description	Reports	CBS	Tools used	Purpose	Notes
14	Educational Loans	Loans Dump from AIMS	Finacle	Reduce Sanction limit from Balance O/s & if negative check the date of sanction, account statements & Loan Papers to check if any rescheduling is there or is it a potential NPA	Identify health of the account & proper classification	Classification check in Edu loans & reasons for delayed repayment

Use of Excel – Bank Audit

Sl.No	Description	Reports	CBS	Tools used	Purpose	Notes
15	Limit Expiry Dates	Loans Dump from AIMS	Finacle	Sort it by Oldest to Newest	Strange Parameters & reasons for the same	Strange Parameters & reasons for the same
16	Scheme Description Discrepancy	Loans Dump from AIMS & Scheme Master	Finacle	Vlookup	Mapping Scheme Code with Scheme Description & GL Description & understand whether Loans issued under proper schemes	Scheme says Agri but non Agri loans issued under the same scheme
17	Bal O/s / Total Disbursement (If Total Disb is Nil then Sanction Amt)	Loans Dump from AIMS	Finacle	Division Formula; Sort Highest to lowest	Whereever Value is > 1 analyse the reasons for so eliminate product categories wherever it is natural to be so	Will give indication of Stressed Accounts; Check with HC2 if reported OK

Use of Excel – Bank Audit

Sl.No	Description	Reports	CBS	Tools used	Purpose	Notes
18	Short Review Identification	Loans Dump from AIMS	Finacle	Subtraction Formula between Sanction Limit & Limit Expiry; Sort the resulting days lowest to highest & identify below 365 days, reasons for the	Select the samples & check documentation whether request letter is recd from party & how credit assessment done; Sometimes it will only be updated in the system	System Info update without underlying documents could be identified

Use of Excel – Bank Audit

Sl.No	Description	Reports	CBS	Tools used	Purpose	Notes
19	End Use Check	Accounts Summary	Any	Filter particulars with text filters as containing self	Usage of self cheques in CC & OD Accounts which indicates end use not monitored	Generally CC facilities provided for Working Capital & Stock -Self Cheque might indicate diversion of funds
20	PA NPA Cross Check	Loans Dump from AIMS	Finacle	PAN based Vlookup	To check if borrowerwise classification is proper or not	Multi cust code to same PAN will lead to diff classifications for cust code wise
21	Multi Agri Jewel Loans Rate check	Loans Dump from AIMS	Finacle	Conditional Formatting on Cust code; Filter color & Pivot	To check if same borrower multiple crop loans at multiple rates are issued and if there is any diversification of loans	To check if same borrower multiple crop loans at multiple rates are issued and if there is any diversification of loans

Use of Excel – Bank Audit Documentation

Annexure - Audit Engagement Letter AEL

Red arrows indicate sheet with content to to picked as a drop down

Auditor Requirement	LFAR Ref	Team Ref	Obtained from Bank	Auditor Review Comment	Bank Reply	Significant Notes	LFAR Reporting Clause	Annx Ref	F
Concurrent Audit reports for all months during the financial year ending 31st March 2020.	7(a)	CA	10 months files provided	party A unit closed, party Z not submitting stk stmts, Party M restructuring nt as per RBI. Party A,B, Z, R are NPAs	reply without evidence.	Misapplication of advances not for intended end use		1	m
Annual Audit Report for the year ended March 2020(including MOC's, if any).	7(a)								
Duly audited and signed Closing Returns for the year ended 31st March 2020.	7(a)								
Extracts of the RBI Annual Financial Inspection (AFI) report u/s 35 for 2020-20 (relevant to the branch)	7(a)								
Any other RBI Inspection report (FEMA etc.)	7(a)								
Stock Audit Reports issued during 2020-20.	7(a)								
Long Form Audit Report for 2020-20	7(a)								

... | TB Pivot | SCA | Significant Audit Notes | Team | audit note | LFAR | Info Required_AEL | **Audit Control Sheet** | Othr Rpts | Info Not Provided | s ...

dy Accessibility: Investigate