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### **Definition of Terms used in the RFP:**

Following terms are used in the document interchangeably to mean:

1. "Assignment / Job/ Engagement" means the work to be performed by the selected Bidder pursuant to the Contract
2. "Bank or DDSCB" means Daman & Diu State Co-Operative Bank Ltd.
3. "GSCB" means Goa State Co-Operative Bank Ltd.
4. "HO" means Head Office of Daman & Diu State Co-operative Bank Ltd. situated at Teen Batti, Daman.
5. "Day" means business day
6. "ICAI" means Institute of Chartered Accountants of India
7. "NABARD" means National Bank for Agriculture and Rural Development
8. "Personnel/ Resources" means professionals and support staff provided by the selected Bidder
9. "Proposal/ Bid/ Tender" means Response to the RFP Document
10. "RCS" means Registrar of Co-operative Societies
11. "RBI" means Reserve Bank of India
12. "Recipient, Respondent, Consultant and Bidder" means interested and eligible applicants responding to this RFP.
13. "Successful/ Selected Bidder" means the bidder selected as the successful bidder by the Bank in accordance with this RFP who is also referred to as 'Concurrent Audit Firm'

### **Confidentiality**

This document is meant for the specific use by the Firm/ person/s interested to participate in the RFP process. DDSCB expects the Firms or any person acting on behalf of the Firms strictly adhere to the instructions given in the document and maintain confidentiality of information. The Firms will be held responsible for any misuse of information contained in the document, and are liable to be prosecuted by the Bank in the event that such a circumstance is brought to the notice of the Bank. By downloading the document, the interested party is subject to the confidentiality clauses.





# 1 Introduction

## 1.1 Introduction and Disclaimer

The Daman & Diu State Co-operative Bank Ltd. (DDSCB) is the demerged unit of the Goa State Co-operative Bank Ltd (GSCB). The demerger process of the bank had started in 2014 with the appointment of the study group (NABSCON) whose scope of work includes formulation of scheme for reorganization / reconstruction of the Goa State Co-operative Bank and formation of State Co-operative Bank for Union Territory of Daman and Diu. Further the scope of work for team as set out by NABSCON were to apportionment /division of all Assets and Liabilities of the bank, Human resource and Management related subjects, Information Technology issues, Banking Operations, Preparation of Road Map for completing the process of reorganization/reconstruction and addressing the post reorganizational issues, Viability Action plan for newly formed the Daman & Diu State Co-operative Bank Ltd. The whole process started in view of RBI vide letter RPCD.CO.RCBNo.3105/07.38.030/2012-13 dated 25.09.2012 advised GSCB that subsequent to formation of the State of Goa, the bank had become a Multi- State Co-operative Society deemed to have been registered under the Multi State Co-operative Societies Act, 2002 and as per the existing legal provisions, a State Co-operative Bank cannot operate outside the territory of the respective State. Further, as per the verdict of the Supreme Court, Reserve Bank cannot issue Banking license to a Multi- State Co-operative Society under section 22(2) of Banking Regulations Act, 1949 and directed GSCB to reorganize/reconstitute itself by shedding its operations in the Union Territory of Daman & Diu. A high level meeting for discussing the issues relating to the shedding of operations of Goa SCB in Daman and Diu was organized by RBI on 3<sup>rd</sup> July 2015 to set viable time-frame within which GSCB could complete the process of bifurcation and shedding of its operation in the UT of Daman & Diu and the same task was being allotted to NABSCON.

Further. More, the Goa State Co-operative Bank was registered on 07.11.1963 and started its banking business as Apex Co-operative Bank Ltd, in the Union Territory of Goa, Daman and Diu from 02.02.1964 with its registered office in Panaji, Goa. The bank was registered under the Maharashtra State Co-operative Societies Act, 1960 which was made applicable to the Union Territory of Goa, Daman & Diu in the year 1963. The area of operation of GSCB was confined to the Union Territory of Goa, Daman & Diu since its inception and it was functioning as the Apex financing agency and Land Development Bank for the Union Territory of Goa, Daman & Diu. Consequent on the promulgation of the Goa, Daman and Diu Reorganization Act, 1987 (Act No. 18 of 1987) passed by the Parliament and assented to by the President of India on 23<sup>rd</sup> May, 1987, GSCB became a deemed Multi-State Co-operative Bank Ltd. under the provisions of Multi State Co-operative Societies Act, 1984 w.e.f. 10.08.1988 by operation of law in terms of the provisions of Section 95 of the Act, *ibid.*, on formation of separate State of Goa and Union Territory of Daman & Diu. The GSCB got the license to carry on the banking business under section 22(2) of Banking Regulation Act, 1949 (AACS) from RBI on 27<sup>th</sup> July 1994 and attained the scheduled status under Section 42(6)(a) of the RBI Act, 1934 on 15<sup>th</sup> December 1994.

The bank was notified by the Government of Goa as the State –Co-operative Bank for the State of Goa vide notification bearing No. 26/1/98/TS/RCS dated 27.03.2000. The Daman and Diu State Co-operative Bank was also notified as State Cooperative Bank for the Union territory of Daman & Diu by the Government of Daman & Diu vide Notification bearing No. ARCS/DMN/DDCBL/211/2015-16 date.17.11.2015.





The DDSCB is having 9 Branches in total out of which 5 Branches are in Daman and rest 4 Branches are in Diu alongwith Head Office at Daman and Regional Office at Diu. Details of Branch is as follows :

List of Branches :

Sr. No.	Branches in Daman	Sr. No.	Branches in Diu
1	Moti Daman Branch	6	Diu Branch
2	Nani Daman Branch	7	Vanabara Branch
3	Somnath Branch	8	Ghoghla Branch
4	Bhimpore Branch	9	Fudam Branch
5	Kachigam Branch		

Now, the Request for Proposal (RFP) document has been prepared solely for the purpose of enabling Daman & Diu State Co-operative Bank Ltd. ("the Bank") for Appointment of Chartered Accountant for providing following professional Services :

1. Report and modalities of bifurcation of the Daman and Diu State Co-operative from Goa State Co-operative Bank.
2. Concurrent, statutory and Tax Audit of the Bank as per NABARD and RBI guidelines.

For further details, please refer to the following :

- Annexure - 1 Detailed Scope of Work for all the above mentioned Professional Services.
- Annexure - 2 Application format along with profile of the firm
- Annexure – 3 Financial Bid

The RFP document is not recommendation, offer or invitation to enter into a contract, agreement or any other arrangement, in respect of the services. The provision of the services is subject to observance of selection process and appropriate documentation being agreed between the Bank and any successful Firms identified by the Bank, after completion of the selection process as detailed in this RFP document.

The RFP document is intended solely for the information of the party to whom it is issued ("the Recipient" or "the Respondent") and no other person or organization.





## **1.2 Information Provided**

The RFP document contains statements derived from information that is believed to be true and reliable at the date obtained but does not purport to provide all of the information that may be necessary or desirable to enable an intending contracting party to determine whether or not to enter into a contract or arrangement with the Bank in relation to the provision of services. Neither the Bank nor any of its officers, employees, agents, representative, contractors, or advisors gives any representation or warranty (whether oral or written), expressed or implied as to the accuracy, updating or completeness of any writings, information or statement given or made in this RFP document.

## **1.3 Disclaimer**

Subject to any law to the contrary, and to the maximum extent permitted by law, the Bank and its officers, employees, contractors, representatives, agents, and advisors disclaim all liability from any loss, claim, expense (including, without limitation, any legal fees, costs, charges, demands, actions, liabilities, expenses or disbursements incurred therein or incidental thereto) or damage, (whether foreseeable or not) ("Losses") suffered by any person acting on or refraining from acting because of any presumptions or information (whether oral or written and whether express or implied), including forecasts, statements, estimates, or projections contained in this RFP document or conduct ancillary to it whether or not the losses arises in connection with any ignorance, negligence, inattention, casualness, disregard, omission, default, lack of care, immature information, falsification or misrepresentation on the part of the Bank or any of its directors, officers, employees, contractors, representatives, agents, or advisors.

## **1.4 Costs Borne by Successful bidder.**

All costs and expenses (whether in terms of time or money) incurred by the bidder in any way associated with the development, preparation and submission of responses, and providing any additional information required by the Bank, will be borne entirely and exclusively by the bidder. Bank will not reimburse any expenses for travel to branch or Head Office for Audit for Successful bidder. However, bank will reimburse eligible road journey, air economy travel and accommodation if the journey is performed as per written request / direction of the bank, other than for regular Audit visit to Branch or Head Office at other places in India.

## **1.5 Recipient Obligation to Inform Itself**

The Recipient must apply its own care and conduct, its own investigation and analysis regarding any information contained in the RFP document and the meaning and impact of that information.

## **1.6 Evaluation of Offers**

Each Recipient acknowledges and accepts that the Bank may, in its sole and absolute discretion, apply whatever criteria it deems appropriate in the selection of Chartered Accountant firm for providing any or all of the above professional services for the period of 36 months starting from 01.07.2020 to 31.03.2023.





The issuance of RFP document is merely an invitation to offer responses to this RFP and must not be construed as any agreement or contract or arrangement nor would it be construed as any investigation or review carried out by a Recipient. The Recipient unconditionally acknowledges by submitting its response to this RFP document that it has not relied on any idea, information, statement, representation, or warranty given in this RFP document.

## 1.7 Errors and Omissions

Each Recipient should notify the Bank of any error, fault, omission, or discrepancy found in this RFP document but not later than 05.00 pm Friday, 24.07.2020.

## 1.8 Acceptance of Terms

A Recipient will, by responding to the Bank's RFP document, be deemed to have accepted the terms as stated in this RFP document.

## 2. RFP Response Submission Details

2.1 Eligibility & Technical Proposals shall be submitted in sealed envelopes superscribing:

**"APPLICATION FOR ENGAGEMENT OF CHARTERED ACCOUNTANT"**

APPLICATION FOR PROPOSAL SHOULD BE SUBMITTED IN SEALED ENVELOPE IN THE FORMAT PRESCRIBED IN ANNEXURE – 2 ALONG WITH THE FINANCIAL BID IN THE FORMAT ENCLOSED IN THE ANNEXURE – 3 OF THIS REQUEST FOR PROPOSAL AND IT SHOULD REACH THE OFFICE ADDRESS AS MENTIONED BELOW LATEST BY 5 P.M. DATED 24.07.2020 (Friday)

**OFFICE ADDRESS :**

**DAMAN AND DIU STATE CO-OPERATIVE BANK LTD.**

**Head Office,**

**Dilip Nagar,**

**Kathiria,**

**Nani Daman.**

**Pin- 396 210**

2.2 In case of any doubt about this RFP/bid documents, please contact on below.  
Name : Devang A. Desai (General Manager)

Email : [3dcoopbank@gmail.com](mailto:3dcoopbank@gmail.com)

Phone : 9824115885





**3. General Terms and conditions.**

**(A) Mandatory Terms and conditions.**

- (1) The firm should be responsible to detect frauds/ deficiencies in implementation of control mechanism/ revenue loss etc
- (2) Sub-contracting is strictly prohibited and will be liable for immediate termination of assignment
- (3) The bidder firm should furnish the name, qualification and skill set of the persons, who shall be conducting audit in the branch, to the Bank before commencing audit assignment and such persons will have to continue audit for all the Twelve (12) months.
- (4) The LLP/ firm/ any partners/designated partners of the firm/Proprietor should Not have any disciplinary matters pending with IBA/ICAI/RBI/NABARD/RCS National Financial Reporting Authority-NFRA and they should not have suffered any disqualification.
- (5) The Auditors' Services should not have been terminated or stopped by any bank or any other authority earlier for (i) want of satisfactory performance or (ii) serious acts of commission or omission or (iii) professional misconduct or (iv) any other adverse reasons. If the name of the ECA is appearing in the list of Third Party Entities- TPEs prepared by IBA, or list of entities blacklisted by professional bodies such as ICAI or blacklist of other banks, then no empanelment would be considered.
- (6) The Audit firm shall submit the reports in time in the applicable standard formats covering all the Audit areas advised from time to time.
- (7) The Audit team shall conduct Quality Audit during Concurrent Audit and verify compliance of 100% of part B observations and 10-15% of Part A observations. All non- compliance to be reported without exception.
- (8) The Auditors shall certify all the reports under branch statutory audit system, covering NPA provisioning, Insurance Coverage, P&L A/c, CRAR, Certification regarding Tax Audit, LFAR (as per RBI guidelines) and other areas as advised form time to time.





**(B) General Terms and Conditions.**

- (1) The firm should execute an undertaking of fidelity & secrecy on its letter head in the format prescribed by the Bank.
- (2) Bank reserves its right to review the appointment and performance of Concurrent audit firms (as per job assigned to execute in time bound manner and in case the firm fails to report irregularities also), at any point of time and if found necessary, can cancel the appointment by giving one month's notice.
- (3) The assignment should be carried out in a professional manner and in case of any misconduct & negligence; the Bank is free to report the matter to ICAI/RBI/NABARD/RCS under the guidelines from time to time. This will be in addition to the disengagement from the assignment
- (4) They will also have to submit declaration that credit facilities availed by the firm or partners or firms in which they are partners or directors including any facility availed by a third party for which the firm or its partners are guarantor/s have not turned or are existing as non-performing assets as per the prudential norms of RBI. In case the declaration is found incorrect, the assignment would get terminated besides the firm being liable for any action under ICAI / RBI guidelines. Or any other authority mentioned in clause (3) above
- (5) The empanelment and allocation of branches to the auditors will be purely the Prerogative of the Bank. Such empanelment shall be initially for a period of twelve months and can be extended for a period of one year (twice), subject to condition that maximum period of empanelment is not more than three years (36 months).
- (6) The Concurrent Audit firm shall not lobby directly or indirectly for considering any credit proposals of their friends / clients to the Bank / auditee branch.
- (7) "The eligible auditor / firm should be qualified under provisions of Section 141 of Companies Act 2013 for appointment as auditors of the Bank. Auditors should not be disqualified under Section 141 of the Companies Act, 2013 read with Rule 10 of The Companies (Audit and Auditors) Rules, 2014 to accept this appointment."
- (8) The Concurrent Audit firm or the partners / LLP or its designated partners /or the proprietor or any of their clients should not have any credit facilities with any of the auditee branch for which they are applying for except credit facilities against their own deposits.
- (9) The offer of appointment shall be treated as provisional till the empanelled audit firm takes up the audit assignment within the stipulated date in the stipulated auditee unit.





- (10) Whenever any of the Proprietor / Partner of the Audit firm / designated partner of a LLP is related to any of the employees of the Bank, the details and relationship with such employees should be specifically mentioned in the application and the Bank reserves the right to accept or reject the application depending on the merits/demerits of the case.
- (11) The Bank has the discretion to withhold, consider, accept or reject any of the application based on any of the NABARD/RBI / Government / ICAI / NFRA / Internal guidelines of the Bank.
- (12) Only the audit firm provisionally selected for empanelment shall be communicated through e-mail. No individual intimation shall be sent to the audit firm whose application is not considered for empanelment.
- (13) The selected / empanelled audit firm should give their consent in writing / undertaking letter in the prescribed format agreeing to comply with and bound by the terms & conditions prescribed by the Bank. The empanelled / selected auditor / Audit Firm / LLP shall sign on the Do's & Don'ts statement in order to have proper "arm's length relationship" with the Branch / Department for which they shall be conducting Audit.
- (14) The selected Auditor/ LLP / Firm is eligible for renewal / reappointment for a period of one year (twice) subject to the condition that maximum period of empanelment is not more than 36 months from the date of initial empanelment – as per NABARD/RCS/RBI/ Bank's guidelines and at the sole discretion of bank & subject to review of performance by the Bank. The re-appointment / renewal may be to the same branch or to any other branch at the sole discretion of the Bank.
- (15) Bank reserves the right to allot all the aforesaid services to one firm of the Chartered Accountant and the other firm making application in the bank for providing professional service has no right to ask the bank for allotting all the services to one identified firm.

**4. Eligibility Criteria for selection of the Chartered Accountant firm.**

- (1) The audit firm preferably should be in the RBI & NABARD panel.
- (2) The firm has to disclose if it has been debarred by ICAI / RBI / IBA/ RCS or any Bank in the past. In such cases, the firm is not eligible for appointment / selection as bidder.
- (3) Applicant should either be a LLP / Partnership firm or Proprietorship, already in the panel of the RBI or NABARD which are circulated among the Banks for Statutory Branch Audit of the Banks from time to time. Registration with RBI and category allotted by RBI are mandatory.





#### **(4) Financial Proposal**

The Financial Proposals should contain all relevant price information and should not contradict the Technical Proposal in any manner. There should be no hidden costs for items quoted. The offer must be made in Indian Rupees only and the offer should include all applicable taxes and other charges, excluding service tax/ GST. The Bank is not responsible for the arithmetical accuracy of the bid.

The Firm will have to ensure all calculations are accurate. The Bank at any point in time for reasons whatsoever is not responsible for any assumptions made by the Firm. The Bank at a later date will not accept any plea of the Firm or changes in the commercial offer for any such assumptions.

Applicant should quote fees as per the format provided.

#### **(5) Documents to be attached with bid.**

- (a) Registration of firm/LLP/Company.
- (b) PAN Card of firm / each of partner / Director.
- (c) PAN Card and Aadhar of Authorised bid signatory.
- (d) Authorisation documents of bid signatory.
- (e) Proof of past experience as Auditor in Bank.
- (f) Declarations / submission of undertaking as per terms & Condition.





## **ANNEXURE – 1**

Every transaction of a Co-operative Bank is regulated by an appropriate legislation like the Cooperative Act and Rules, Banking Regulation Act, etc. and in several cases, provisions of the Act are further followed and re-inforced with reference to their applicability and mode of preparation by circular instructions of financing agencies and administrative authorities, Bye Laws or Rules of business of the institutions concerned. NABARD & RBI have been issuing various guidelines/circulars on various aspects of business of the banks to enable the Management to carry out the activities properly on a sound line, which have a direct or indirect impact on audit too. For example, circulars on Exposure norms, Income Recognition, Asset Classification & Provisioning thereof and other related matters, KYC guidelines, Management of advances, investment, calculation of CRAR, Audit Ratings etc. are required to be referred by the auditors for conducting audit and preparation of audit report.

In view of the above, the concurrent/statutory auditors of cooperative banks are required to conduct checking of all transactions recorded in all the books of accounts and connected records/ files for that period in its entirety as per its gravity by following the provisions of Act & Rules and circulars/guidelines issued to this effect scrupulously and all the defects and irregularities etc. noticed during the course of audit are to be reflected in the audit report with fixation of responsibilities. As audit is required to effectively address the accounting and housekeeping weakness, detect fraud, misappropriation etc. and suggest remedial action to correct those errors, due care and attention on the following key aspects inter-alia should be paid by the auditors during examination of books and records of Cooperative banks for improving quality and effectiveness of audit and presentation of audit report.

- **The bidder shall provide broadly following two types of services.**

### **A. Bifurcation Report.**

The bidder shall submit primary report on all aspects of bifurcation from the Goa State Cooperative Bank Ltd w.e.f. 01.04.2017 like Asset calculation, Liabilities Calculation, Examination of Balance Sheet, P & L account and relevant documents of F.Y. 2014-15, 2015-16 & 2016-2017, transfer, made of transfer and legal / statutory implications and liabilities emerging due to bifurcation within 60 (Sixty Days) and final report within 90 (Ninety Days) from the date of issue of work order. The bidder shall also guide the Daman & Diu State Cooperative Bank Ltd on all issues of bifurcation till they are settled or completed particularly on capital, Assets, Liabilities and fund as per NABARD report (NABSCON) on bifurcation and applicable guidelines. This may require detailed Audit and preparation of accounts and Balance Sheet of each of 9 Branches of DDSCB as on 31.03.2017 and thereafter.

### **B. Statutory, Tax and concurrent Audit.**

1. **Compliance of provisions of Act & rules and circular instructions of NABARD, RBI & other Agencies.**
  - Examine bank's compliance with various sections of B.R. Act, 1949 (ACCS).
  - State Cooperative Act and its rules, Bye- Laws, IT Act and any directives issued by applicable Authority.





- Tentative changes in structure, functioning, hierarchy, bye- laws and all relevant aspects of the formation of a strong financial institution. Including formation of policies and adoption of guidelines.

## 2. Loan Portfolio

- Comment on Loan appraisal
- Whether sanction is as per approved policy & within delegated authority?
- Whether disbursement policy is adopted properly?
- Efforts made to ensure end use of funds, instances of misutilisation/ diversion of funds.
- Internal check and control system
- Credit Appraisal- Loan Policy, system of receipt & disposal, delegation of powers, documentation, adherence to limits, stock statements allowing drawl during un-renewed period, exposure limit to individual sector and outside cooperative fold etc.
- Review/monitoring/supervision post disbursements follow up, large advances, foreign exchange bills, coverage of crop insurance, imbalance etc.
- Check whether the letters of credit issued by the bank are within the delegated authority proper & genuine trade transactions.
- Check the bank guarantee issued, properly worded and recorded in the register of the bank fully secured, promptly renewed etc.
- Ensure proper follow up of overdue bills of exchange.

## 3. Investment Portfolio

- Valuation & verification of Securities and any depreciation
- Dual custody of investment scrips
- System and fund flow analysis
- How investment decisions are taken
- System of review by CEO/Board
- Whether all transactions made by the bank are in accordance with the approved policy of RBI/ NABARD/ H.O. regulation, regarding BRS, SGL forms, delivery scrip, documentation and accounting?
- Whether sale or purchase of investments beneficial to the Bank?
- System of assessing surplus funds, purchase, sale of investments, delegation of powers, reporting system etc.

## 4. Borrowings

- Comment on MBP, types of borrowing available, high cost borrowings.
- Comment on frequent borrowings/OD.
- Utilization of borrowings.
- Borrowing rate vis-a-vis ROI on deposits
- Repayment of borrowing, default if any, maintenance of due date register.

## 5. Deposit Portfolio

- Efforts made by the bank to mobilize CASA/ Low cost deposits





- System followed for inoperative accounts/dormant accounts.
- Adherence to KYC norms and PMAL Act, 2002 (Details guidelines attached)
- Deposits mobilized by PACS-protection of Depositors interest.
- Verification of current and short-term deposits with other banks- check the same with certified balance.
- Check the interest paid on deposits
- Check the records of opening of new accounts.

6. **Management appraisal**

- Functioning of Governing Body/Board composition, adherence to fit & proper criteria prescribed by RBI, NABARD, committees, their oversight, corporate governance, professionalization of management
- Important aspects discussed by the Governing Body
- Interest evinced by directors in recovery
- Loans availed by any director.
- Adequacy or otherwise of delegation
- Competence of CEO/ second line management, specific job chart, recruitment policy, training plans, rotation of staff, accountability.
- NPA management strategy- Review of major NPA accounts by board/Governing Body.

A. **Risk Management**

- Liquidity, Credit risk, Interest Risk, Operational Risk faced by the bank to be determined by ratio analysis and suggestion for mitigation of risks, Monitoring Mechanism etc.
- Working of vigilance Cell, irregularities/ Inadequacies in vigilance arrangements

B. **Liquidity Management**

- Cash- Whether the cash is retained under double lock and whether the balances was verified by the supervising officers during the period under audit
- Whether adequate insurance cover for cash held.
- Whether the branches generally carry cash balances, which vary significantly from the norms fixed by Head office
- Whether Statutory Liquidity Ratio (SLR)/ Cash Reserve Ratio (CRR) maintained as per requirements, any penalty by RBI.
- Retention of cash limit, periodic checking etc.

7. **Share Capital**

- a. Reason for increase / decrease in share capital with reference to portion of previous year.
- b. Net worth as percentage to total assets and capital to Risk Weighted Assets Ratio (CRAR)
- c. Possible sources of capital infusion.





8. **Earning Appraisals.**

- a. Test check on analysis of various major items of Income and Expenditure, compared to previous years with important ratios.
- b. Losses arising due to mismanagement
- c. Fund flow statement as on Balance Sheet date vis-a vis previous years.
- d. Effect of change in accounting policies of profit / loss for the year.
- e. Test check on application of interest rate and comment on revenue loss.
- f. Allocation of profit as per provisions of B.R.Act, Bye-Laws, Co-operative Societies Act etc.

9. **Application of prudential norm on income recognition, Asset classification & provisioning.**

- a. Verify the adoption/application of IRAC norms.
- b. Whether norms for classification followed and provisioning norms complied.
- c. Extent of NPA, amount required to be provided for and amount actually provided.
- d. Effectiveness of the system for compiling the data-impaired assets, charging of interest, making provisions etc.
- e. Whether overdue interest taken in P/L account, if so, corresponding provisions made.
- f. Issue certificate regarding satisfactory implementation of prudential norms or otherwise and short coming to be listed out.

10. **A. Other Assets.**

- Examine and comment in details on other assets.
- Prepare agewise position of receivables.
- Comment on its reliability.
- System of interest receivable accounts.
- Status of assets including depreciation policy, valuation and provision made.
- Policy procedure, Income, Service Charges covering lockers, L.C. Guarantee issued and violation, if any with reference to RBI/NABARD guidelines.

11. **System and Controls**

- Written guidelines/instructions on loans and advances covering appraisal, manual on accounting policies, any deviation noticed.
- Housekeeping Balancing of books, physical verification of security forms etc.
- Reconciliation with H.O. remittance of funds, steps taken for reconciliation of long outstanding accounts.
- Inter-branch reconciliation.

Balancing and reconciliation = Balance confirmation, reconciliation of balances with cooperative and other banks.

Whether all subsidiaries and ledgers balanced at the end of the previous month and all accounts





reconciled with the day book and ledgers and subsidiaries.

- Suspense accounts, sundry deposits, long pending items in Balance Sheet.
  - Branch Inspection & MIS – frequency, scope, coverage, efficacy etc. Regularity of receipts of all statutory returns including OSS.
  - Submission of returns.
  - Submission of compliance on defects pointed out in the Audit reports/Certificate, Inspection Report of NABARD. If so, whether the same is satisfactory or not.
  - Fraud related issues – Analysis frauds etc, provision made. Fraud prevention, monitoring & control, observation of fraud, modus operandi.
  - Has any fraud occurred or brought to light during the period of audit.
  - Does the branch / bank has standard procedures to be followed when frauds are detected and reported and have these been adhered to.
12. Computerization of capital funds & Risk weighted assets for calculation of CRAR as per norms prescribed by RBI.
13. Audit classification as per norms prescribed by NABARD/RBI.
14. Ensure whether the business is conducted in orderly and prudent manner in accordance with the policies and practices.
15. Assess the Bank's performance in various banking activities are being conducted in conformity with provisions of relevant Act, Rules and Regulations.
16. Profitability.
- Improvement over the previous year.
  - Appropriations of profit as per the instructions.
  - Payment of Income Tax
  - Impact of un-provided liability.
  - Writing back of provisions, if any.

The concurrent auditors and statutory auditors of Central Co-operative Banks are to follow the above guidelines / instructions meticulously for conducting audit of accounts / transactions of these banks and present their reports in proper form as prescribed for the purpose.





## **ANNEXURE - 2**

**" ON THE LETTER OF CA FIRM "**

Date :

To

The General Manager

The Daman & Diu State Co-Operative Bank Ltd.

Teen Batti, Daman.

**Sub.: Regarding empanelment of our firm for providing various professional service in your bank.**

Dear Sir,

This is with reference to your RFP **dated 03.07.2020** requesting the Chartered Accountant firm for making proposal for providing various types of Professional Services in the Daman & Diu State Co-operative Bank Ltd. I/We do hereby apply for providing following professional services in your bank :

Further we declare that the statement furnished in the profile attached to this letter is true and correct and no misleading or wrong information has been provided by us, If later on the bank find it wrong than bank reserves the right to reject the proposal. Also I/we do not have any objection

if the bank allots any or all of the aforesaid professional services to one firm of the Chartered Accountants.

We also accept and abide by all terms and conditions of RFP document and will submit all reports and documents on time.

Thanking You

Yours Faithfully

For Name of Firm

Name of Chartered Accountant making application

Mem No.

FRN No.

Place :

Date :

Enclosure :

(1) Profile of the Firm

(2) Financial Bid





# **PROFILE OF THE FIRM**

Sr. No.	Particulars	Details																		
1.	Name of the CA Firm																			
2.	Constitution																			
3.	Address of Head Office																			
4.	Addresses of Branch Offices																			
5.	Landline No/s (with STD Code) / Fax No/s																			
6.	E-mail Address																			
7.	Date of Establishment																			
8.	Registration No. of Firm with ICAI																			
9.	Unique Code No. for Bank Audit																			
10.	Grade suggested by RBI for Statutory Branch Audit as available on website <a href="http://www.mefcai.org">www.mefcai.org</a>																			
11.	Nature of training attended by the partners/ staff in connection with Concurrent audit during last -02- years.																			
12.	Name & Mobile No. of FCA partner of the CA Firm for contact																			
13.	Peer Review if done mention year (YYYY) and name of institution/s																			
14.	Whether any disciplinary action by ICAI instituted/pending against any member of the firm (if 'yes' give details)																			
15.	Whether any assignment given by Central Bank of India in past was refused/ discontinued/terminated																			
16.	Manpower (Nos.)	<table border="1"> <tr> <td>A</td><td>Qualified Professionals</td><td></td></tr> <tr> <td></td><td>- Partners</td><td></td></tr> <tr> <td></td><td>- Others</td><td></td></tr> <tr> <td>B</td><td>Articles</td><td></td></tr> <tr> <td>C</td><td>Details of Staff(including Officers/Executives)</td><td>Other of Ex Audit Bank</td></tr> <tr> <td>D</td><td>TOTAL Staff</td><td></td></tr> </table>	A	Qualified Professionals			- Partners			- Others		B	Articles		C	Details of Staff(including Officers/Executives)	Other of Ex Audit Bank	D	TOTAL Staff	
A	Qualified Professionals																			
	- Partners																			
	- Others																			
B	Articles																			
C	Details of Staff(including Officers/Executives)	Other of Ex Audit Bank																		
D	TOTAL Staff																			





17. Particulars of Partners/Proprietor/Individual

Sr. No.	Name	Qualification	ICAI Membership No.	Date of Certificate of practice	Whether DISA / CISA	Whether FCA or ACA	Mobile No.
1							
2							

**EXPERIENCE:**

18. Experience of Statutory Audit of Public and Private Sector and Co-operative Bank in Firm Name :

Name of the Bank	Name of the Branch	Period

19. Experience of Concurrent Audit of Public, Private and Cooperative Sector Bank in Firm Name:

Name of the Bank	Name of the Branch	Period

20. Experience of Concurrent Audit of "Specialized Functions" in Public Sector Bank  
i.e. IS Audit (In applicant firm's name):

Name of the Bank	Name of the Branch	Period

21. Experience of Stock Audit :

Name of the Bank	Name of the Branch	Period

22. Any Other Assignment with Public / Private / Cooperative Sector Bank :

Particulars of Assignment	Name of Bank	Branch	Period

For Name of Firm  
Name of Chartered Accountant making application  
Mem No.  
FRN No.  
Place :  
Date :  
Enclosure :  
Relevant documents:





**ANNEXURE - 3**  
**FINANCIAL PROPOSAL FORMAT**

" ON THE LETTER OF CA FIRM "

Date :

We \_\_\_\_\_ (name of the firm) having address at \_\_\_\_\_ do hereby apply in pursuance of RFP dated 29.06.2020 to your bank for providing following professional service in your bank. Please find our financial quote as follows :

Sr. No.	Type of Professional Services	Unit	Total amount in Rs.( Inclusive of all taxes / charges)
1	Report and procedure on Bifurcation of Bank from erstwhile The Goa State Cooperative Bank. (Please refer "A" of Annexure - 1)	One time	
2	Audit of each branch, Head Office and Bank (Please refer "B" of Annexure - 1)	Quarterly (3 months)	
	TOTAL		

The above fees is inclusive of all taxes and of travelling expenses like lodging and boarding expenses, out of pocket expenses, etc. We assure your good office that the charges quoted above are full and final and no other additional charges will be applicable for providing any of all of the professional services mentioned above.

Thanking You

Yours Faithfully

For Name of Firm

Name of Chartered Accountant making application  
Mem No.  
FRN No.  
Place :  
Date :

