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**COVERAGE**

•SESSION 1

- CBS overview including Features
- Types of CBS
- General Term
- Approach Concurrent Audit
- Useful Finacle Commands
- Case Studies and Report Analysis
- Screen Shots

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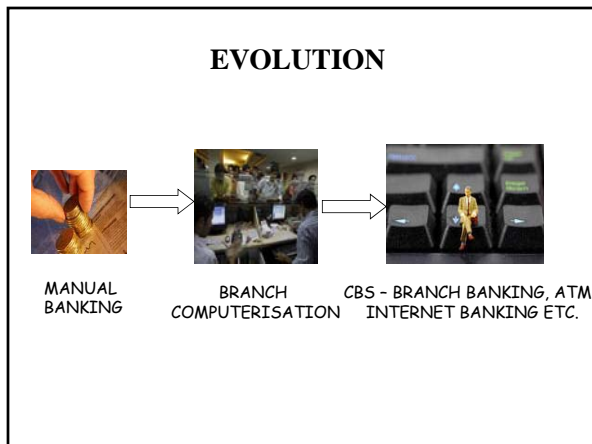
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## MAJOR CBS APPLICATIONS

COMPANY	PRODUCT
INFOSYS	FINACLE
IFLEX	FLEXCUBE
TCS	BANCS

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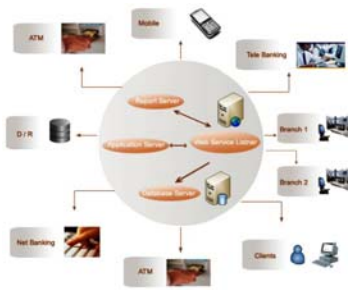


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## CBS ARCHITECTURE




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## ASSUMPTIONS/MYTHS

- Computerized System is FULL PROOF
- Audit in computerized environment require more technical knowledge
- There is no need for control review as control are in built
- Staff / operators have full knowledge of operations
- NPA are system generated

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## General Concepts in Finacle

- SOL ID and Set ID
  - **SOL:** Service outlet ID i.e Branch, Back Office etc.
  - **SET ID:** Branch/ Back Office who initiated the transaction.
- Tran ID & Date
  - A Unique No. generated after completion of transaction through TM Module. The said number along with date can track a particular transaction from Database.

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## General Concepts in Finacle

- Transaction type and Subtype
  - Tran Type: E.g. Cash: "C", Transfer: "T"
  - Sub Tran Type: E.g. CR – Cash Receipts, CP: Cash Payment
- Account No. Formation
  - Separate series of Account Nos. for different
    - Types of Accounts
    - E.g. An account No. 56700 123 0001234 – made up of branch code i.e. 56700, Account Type- 123 say current account and Account no. 0001234.

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## General Concepts in Finacle

- Transaction Events by user Category
  - Entered by
  - Posted by
  - Verified by
  - Modified by
  - Posted by
- Exception Types
  - Warning- Warns user for possible error based on prefixed criteria
  - Exception - Allow user to override. However, the transaction will be recorded in Exception Report for the day.
  - Error- Do not allow user to proceed further. Unless the correct values are filled in the user is not allowed to go further.

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## General Concepts in Finacle

- Maker and Checker matrix for valid Transaction  
There has to be two persons as maker and checker.

Maker Can	Checker Can
Enter	Post
Enter & Post	Verify

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## Plan for Concurrent Audit in CBS

- Identify Audit Areas as per Bank Format
- Date Entry Points / Documentation / Physical Check
- Check Source of data – CBS / Manual / Both
- Check available report/ reports if any
- Report Analysis
- Reportable observations

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## Data Source

- Front End – Place to enter data - **Selected Command**
- Back End – Processing done by System – IT dept – **No Access**
- Report – Output generated by System based on Input and Processing - **Restricted Availability**

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## Finacle General Key Map

Physical Key	What does it do?
F1	Field level help
F2	List. This key lists the codes that may be used in a particular field.
F3	Quit/Back
F4	Accept
F5	Background Menu
F6	Next Block
F8	Copy record
F9	Display Signature
F10	Commit/ Save. This is very important key and this concludes the transactions get into the general ledger (Database) when this key is used.

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Physical Key	What does it do?
F11	Next Field
F12	Previous Block
TAB	Go to next valid field
ENTER	Go to next field
CTRL + F1	Help Maintenance
CTRL + F3	Show key map
CTRL + F4	Display error
CTRL + F8	Terminal lock
CTRL + F9	Memo pad look up
CTRL + F11	Context level help
CTRL + D	Page down on list
CTRL + E	Explode. This key is particularly useful for the further inquiry.
CTRL + F	Clear field. This key combination can be used when the user wants to clear the field.
CTRL + T	Display GLI. The user ID, Terminal ID, SOL, BOD date and language details are displayed.
CTRL + U	Page up on a list.

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Physical Key	What does it do?
CTRL + X	Put BOD date .
Shift + F4	Select the current item from the list. This key combination can be used to select a value from the list of valid values listed for a particular field.
Shift + F11	Transmit
Shift + Tab	Go to the previous field.

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### Various menu commands/Options in Finacle in details

- **Commands List Categories**
  - Accounts and Customer Master
  - Transactions
  - Clearing Transactions
  - Office Account Maintenance
  - Advances
  - DD/ PO Inquiry
  - Security Stationery Movement and Maintenance
  - Cheque Book Issuance & Stop Payment Instruction
  - Trade Finance
  - Audit

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### Accounts and Customer Master

- **ACLI**
  - Concept: Balance Type
  - Use : It is used to verify the list of Transactions for a account for the given period of time.
    - It contains dynamic data
    - It also provide certain basic details like account name and details.

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### Accounts and Customer Master

- **INTTM**- for interest table master
  - Use- It is used to modify the interest rate for deposits and advances account
- **ACINT** - It is used to verify running interest calculations
- **ACS**: Account criterion selection
  - Use: It is used to find account based on criteria. Eg. Account with negative balance.

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## Advances

### LAGI

- Acronym for : Loan General Inquiry
- Use : It is used to inquire Loan Account details.

### LAOPI

- Acronym for : Loan Overdue Position Inquiry
- Use : It is used to inquire Overdue/Overflow position for a Loan.

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## Trade Finance

### 6. BRBPR

- Acronym for: Balancing Report for Bills Purchased (Inland).
- USE:
  - The report is generated to verify the status of Bills purchased.
  - Long pending/overdue bills can be verified from the said report.

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## Trade Finance

### 7. BRCR

- Acronym for: Balancing Report for Bills on Collection(Inland).
- USE:
  - The report is generated to verify the status of Bills on Collection.
  - Long pending/overdue bills can be verified from the said report

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## Trade Finance

### 8. FBRR

- Acronym for: Balancing Report for Foreign Bills.
- USE:
  - The report is generated to verify the status of Foreign Import & Export Bills.
  - Long pending/overdue bills can be verified from the said report

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## Trade Finance

### ii) Letter of Credits

#### a. DCQRY

- Acronym for: Documentary Credit Query.
- USE:
  - The menu is used to verify the documentary credit details and list as per parameters.

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## Reports

- Separate Menu Available
- Pull / Push Report
- Pull
  - Generate from the Front End – Through RPT Menu
  - Generate from Available reports
- Push – The reports are generated from System at periodic interval and available at predefined location
  
- Practical – Report Analysis

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### CS 1 - Interest - Income

- Facts
  - XYZ ltd was granted Advances through Consortium involving Multiple Banks of 100 cr- Axis is lead bank
  - OBC is one of the bank – CC - 10 Cr
  - As per OBC sanction letter – ROI for CC is Base rate of Axis Bank + 1 %
  - The Base rate of OBC = 10%
- Question : What is ROI
- Issue : How to know the ROI of other banks

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### CS 2 Interest - Income

- Facts
  - XYZ has granted Term loan of 40 lacs on 1/4/2014. ROI 12%, EMI = 1 lac period 5 years
  - The account was SMA in 2014-15. The EMI not paid from April 2015.
  - Account was restructured in August 2015 – wef from 1/4/2015
  - Revised ROI = 10%
- Question : What should be ROI for June 2015
- Issue : Calculation of back dated interest effect.

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### CS 3 - Interest - Income

- Facts
  - XYZ has granted loan of 40 lacs on 1/4/2014 against 2 Deposit of 50 lacs (30+20), Deposit ROI 9% and 10%
  - ROI of Loan is Deposit Rate plus 2 %
  - Deposit of 20 lacs was renewed on 1/7/2015. Revised ROI 8%
- Question : What should be ROI on Loan for July 2015
- Issue : Reset of ROI on maturity of one deposit

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### CS 4 – NPA – term loan

- Facts
  - XYZ has granted Term loan of 100 lacs on 1/4/2014. ROI 12%, period 5 years
  - The EMI is incremental – 12-72-36 - 1 year = 1 lacs
  - 2-4 years = 2 lacs ( 72 lacs) there after 3 lacs so Total = 120 lacs
  - Repayment in 2014- 15 = 24 lacs.
  - No payment after that
- Question : What should be overdue as on 30<sup>th</sup> June 2015
- Issue : Calculation of phased EMI – Overdues = EMI \* period + Charges + Penal Int – Credit (Exclude return)

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### CS 5 – use of TOD

- Facts
  - XYZ has granted CC facility of 10 Cr.
  - The CC is overdrawn by 40 lacs from 1/4/2015 to 12/6/2015.
  - Fresh TOD of Rs. 45 lacs was given on 15/6/2015
  - TOD report as per system shown 5 TOD of 9 lacs each
  - CC account is Standard as on 30/6/2015
- Question : Is anything wrong / Suspicious ?
- Issue : Use of TOD and Approval

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