

Borivali Study Circle of WIRC, ICAI

BANK BRANCH AUDIT under CBS ENVIRONMENT (Advances)

N D KUNDU

Agenda

- Purpose of SBA
- Coverage of Advances
- General Guidelines
- Reports
- Rate of Interest & Charges
- Revenue Leakage
- Sensitive Accounts
- Important Menu Options
- Important Tips
- Question & Answer

Core Banking Solution

Finacle

- Bank of India
- Bank of Baroda
- Punjab National Bank
- Union Bank of India
- United Bank of India
- Uco Bank
- Vijaya Bank
- Andhra Bank
- Oriental Bank of Commerce

Finacle

- ICICI Bank
- Axis Bank
- IDBI Bank
- Kotak Mahindra Bank
- Indusind Bank
- ING Vyasya Bank (KMB)
- Federal Bank

Core Banking Solution

Bancs 24

- State Bank of India
- Central Bank of India
- Bank of Maharashtra
- Allahabad Bank
- Indian Bank

Flexcube

- Syndicate Bank
- Canara Bank
- Yes Bank
- Lakshmi Vilas Bank
- HDFC Bank

Coverage on Advances

- All large advances
- Test check other advances
- Check list
 - Credit appraisal
 - Sanctioning
 - Disbursements
 - Documentation
 - Review/ Monitoring/ Supervision

General Guidelines

- Audit through the computer
- Use automated tools (CAAT)
- Learn & use SQL
- Peruse Credit Audit Report
- RBS Report
- Finacle – menu option

Basic Report

Accountwise interest report for all 7 types of accounts

- Account no., name
- A/c type
- Interest table code
- Scheme code
- A/c preferential interest
- Customer preferential interest
- Pegging flag
- Limit Level Flag
- Limit
- Outstanding balance

REVENUE LEAKAGES-reasons

- ROI not correctly interpreted/ charged
- Processing charges not recovered
- Interest incorrectly reversed
- Limit history changed
- Omission of penal interest
- Inspection charges
- Cash handling charges
- Upfront fee in term loans
- Overdue interest
- Others

Sensitive accounts

- Proxy A/c
- System A/c
- Trading A/c
- Migration A/c
- Difference A/c
- Sundry A/c
- Dummy A/c

TIPS

- Where concessional ROI sanctioned & effective, while considering excess / adhoc / inter-changeability from NFB to FB, such concession not applicable unless specifically / separately sanctioned. Same is also applicable for concession in charges of LC / BG etc. for excess allowed.

Regular Reports

- Exceptional Transaction Report
- TOD Report
- Inter-SOL transaction report
- Interest Fail Report – Advances
- Audit Trail
- Audit File Enquiry
- Financial Transaction enquiry
- Control Report

SR.N O.	NAME OF THE REPORT	FINACLE	BANCS 24
1	Abnormal Transaction Inquires	ATI	DEPOST/ CC / OD & DL/ TL Account & Services --- Enquiry --- Transaction
2	Account TOD Inquiry	ACTODI	TOD Report
3	Exception Report	EXCPRPT	Report Server ---- Exceptional Report
4	Insurance Expired	INSEXPD	Report Server---Expired Insurance Report
5	Accounts Interest report	AINTRPT	Report Server ----CC/ OD & Loan Balance File Or Product Sheet to be requested from Data centre (If not available through product name.)
6	Loan sanction Limit Reivew	LAROR	CC /OD & DL/ TL Accounts & Services --- Enquiry - ---Short/ Long Enquiry
7	List of Pending & Dishonored Bills	FBPADB	Report Server --- MIS Report/ Trade Module
8	Loan Interest Detail Inquiry	AITINQ	CC / OD/ DL/ TL Accounts & Services ---- Interest Rate History
9	Loan Overdue Details	LOANODUE	CC / OD/ DL/ TL Accounts & Services --- Enquiry --- - Long Enquiry / Short Enquiry

Transaction Code -Reports under CBS

SR.NO.	NAME OF THE REPORT	FINACLE	BANCS 24
10	Loan Overdue Position Inquiry	LAOPI	CC / OD/ DL/ TL Accounts & Services --- Enquiry ---- Long Enquiry / Short Enquiry
11	Loan Document expiry dates	INQLAC	DL / TL Accounts & Services --- Security --- - Customer --- Amend/ Enquiry
12	PCFC Balancing Report	PCFCBAL	Report Server --- MIS Report / Trade Module
13	Pending Installment List	PLIST	CC / OD & DL/ TL Accounts & Services --- Enquiry ---- Accounts
14	Rate List History Query	RTHQRY	CC / OD/ DL/ TL Accounts & Services --- Interest Rate History
15	Report for Matured OD/FD Accounts	ODFDREP	Report Server --- MIS Report --- Security Matured Report
16	TDS Inquiry & Printing	TDSIP	Through offline monthly repost on Account wise/ Transaction wise tax deduction
17	Transaction Exceptions Inquiry	TEI	CC / OD & DL/ TL Accounts & Services --- Enquiry ----Transaction
18	Guarantee Expired but not Reversed	GENR	Reports Server---- Trade Module---- Guarantee Expired Report
19	Overdue Foreign Bills	ODFB	Report Server --- Trade Module

Finacle - Windows Internet Explorer

Customer Master Inquiry 15-12-2016

Function: **I INQUIRE**

Cust. ID: 009394305

Cust. Name	MR	SUBRATA KUMAR SAHA	Short Name	SUBRATA KU
Type	STAFF	STAFF	Primary SOL	0049 SECTOR 19,
Status	STAFF	STAFF	Status as on	26-08-2006
Group			A/c. Manager	
Occupation	SERVI	SERVICE	Gender	M MALE
Constitution	INDL	INDIVIDUAL	Staff?	Y
Staff No.	56575	SUBRATA KU	Minor?	N
Bank Code	012	BANK OF BARODA	Suspen?	N
Introducer's Details:			Non Resident?	N
Cust. ID			Trade Finance Cust.?	Y
Name	MR	GOURANGA CHANDRA DEY	Nat.ID Card No.	
Introd. Status	EMPOB	EMPLOYEE OF OTHER BRA	Date Of Birth	25-06-1974
Marital Status	MARID	MARRIED	Freq. For Stmt.	D / / / / S
Enter Option			First A/c. Date	08-11-2004
			Modified Times	19

Menu Option: cumi

Transmit ScreenLock Accept Commit PrevRec NextRec WhoAml Background PrevBlk NextBlk

Done Local intranet | Protected Mode: Off 100%

Finacle - Windows Internet Explorer

http://172.17.2.110:8082/BOB_REP/finsd211.htm?solId=0000

File Edit View Favorites Tools Help

★ Favorites BI launch pad (2) Suggested Sites BI launch pad Web Slice Gallery

Finacle

Your current security settings put your computer at risk. Click here to change your security settings...

baff0069 **Interest Table Inquiry** 15-12-2016

Function I INQUIRE
 A/c./Bill/Disb A ACCOUNT NUMBER
 A/c./Bill/Disb ID 06050600000846 INR 0605 SUBRATA KUMAR SAHA
 Print advice? MRT File INTADV.mrt

Table Cd	Description	Start Date	End Date	Last Chq Date
> L6545	STAFF CAR LOAN OFF / CLRK	01-02-2010	31-12-2099	25-02-2010
N		0/ 0		
L6541	VL80/>80=8.5/12	24-02-2010	31-12-2099	24-02-2010
N		0/ 0		
L6545	STAFF CAR LOAN OFF / CLRK	01-02-2010	31-12-2099	24-02-2010
N		0/ 0		
L6541	VL80/>80=8.5/12	16-12-2008	31-12-2099	16-12-2008
N		0/ 0		

Press <EXPLODE> To see the interest rate Details

Menu Option inti Transmit ScreenLock Accept Commit PrevRec NextRec WhoAml Background PrevBlk NextBlk

Done Local intranet | Protected Mode: Off 100%

Your current security settings put your computer at risk. Click here to change your security settings...



15-12-2016

Summary
Trade Finance

Account Details

- General Details
- Transaction Inquiry
- Balance Details
- Interest Inquiry
- Inward Cheques Inquiry
- Outward Cheques Inquiry
- Account Turnover Details
- Limit Details
- Related Party Inquiry
- TD Transaction Details
- TD Interest Details
- TD Tax Deduction Details
- TD Renewal History Details
- Asset Classification
- Retail Loans Inquiry
- Delivery Channel Transaction
- Bill and Coll History of Revolving OD
- Interest Rate Inquiry
- Fee Details

Customer Details

Customer Search	General Details	Non Resident
Portfolio Statement	Turnover	Maturities
Limits and Margin	Asset Classification Inquiry	Standing Instructions

Transactions Inquiry

Account Inquiry

Sweeps Details

Inquiry of All Assets

A/c. No	29040100001593	CCY / SOL ID	INR / 2904
Names	NANDA DULAL KUNDU (OFFICER)	Balance	1,031.83 Cr
GL Sub Head	13421	Closing Bal.	1,031.83 Cr
Opening Bal.	3,778.83 Cr	Funds In Clearing	0.00
Float Balance	0.00 Cr	Eff. Available Amt	1,031.83 Cr
Available Amt.	1,031.83 Cr	A/c. Open Date	31-07-2004
Cust. Status	STAFF STAFF	A/c. Status Date	24-12-2005
A/c. Status	A Active		
Last Purge Date	23-12-2005		
Address	CROWN B FLAT NO 404 VASANT MARVAL WESTERN EXPRESS HIGHWAY BORIVALI E		
City	MUMBA MUMBAI	State	MH MAHARASHTRA
Country	IN INDIA	Postal Code	400066
Phone No.	9820041550 / 9967481550	Telex No.	
Email ID	kundu.nd@bankofbaroda.com		

Tran. Date	Value Date	Chq. No.	Withdrawl	Deposit	Balance	Narration
30-11-2016	30-11-2016			1,000.00 Cr	1,031.83 Cr	eBanking :
28-11-2016	28-11-2016		1,047.00 Dr		31.83 Cr	eBanking : 57003931/HBBR4930172568/MTNL MUMBAI
16-11-2016	16-11-2016		2,700.00 Dr		1,078.83 Cr	eBanking :

baf2004 **Account Selection** 15-12-2016
 Account Selection and List

Selection Criteria

Sol/Set ID	0605	VAZ CORNER, TALEWA	A/c. Label	
CCY	INR	INDIAN RUPEE	A/c. Ownership	
GL Subhead Code			A/c. Prefix	
Scheme Code			A/c. Short Name	
Cust. ID			Ledger No.	
Employee ID			A/c. Status	
A/c. Manager ID			Mode of Operation	
Freeze Code			Minor A/c.	
Freeze Reason Code			Open Date - Low	
Location Code			Open Date - High	
Guarantee Cover Code			Close Date - Low	
Nature of Advance			Close Date - High	
Purpose of Advance			Include Closed A/c. ?	N
AND or OR FLAG	A	FOR ANDING THE FILTERATION CRITERIA	Lien Fla	
Operation	I	ACCOUNT INQUIRY	Min. Bal.	D
Addl criteria ind			Max. Bal.	C
Purqe Alwd Fla				

Menu Option Transmit ScreenLock Accept Commit PrevRec NextRec WhoAml Background PrevBlk NextBlk

30-11-2016	30-11-2016			1,000.0
28-11-2016	28-11-2016		1,047.00 Dr	
16-11-2016	16-11-2016		2,700.00 Dr	

Exception – Product Level

- Back value dated transactions
- Stale instrument
- Account frozen
- Cheque cautioned/ not issued
- Staff account transactions
- Sanction limit expired/ exceeded
- Customer-ID mismatch for Dr. & Cr. A/c
- Account below minimum balance
- Disbursement > sanction limit
- Customer ID mismatch for Loan & Operative A/c

Reasons for incorrect Interest

- Scheme code selection
- Interest table code
- Customer preferencial
- Account preferencial
- Collection/ Pay flag
- Moratorium period
- Int on int flag
- Maximum/ minimum interest
- Interest frequency
- Interest flow/ start date

Important menu

- SEARCH – Search for menu, account
- ACLI – Account Ledger inquiry
- ACI – Account inquiry
- ACS – Account details
- CUMI – Customer master inquiry
- EXCPRPT – Exceptional Report
- TODRP – TOD report
- ISTR – Inter SOL transaction report
- ATOR – Account turnover report
- CLMRPTS – Security/ Insurance register
- ACLPOA – Office account ledger

IMPORTANT MENU OPTION

Sr. No	Menu	Description
1	HACTODM	To enquire details of TOD/Excess granted
2	ACLHM	To enquire about limit history changes
3	MINTRPT	To enquire manual interest transaction report
4	MNTFWC	Forward contract register
5	FWCLIAB	Forward contract liability register
6	IRM	Inward remittances maintenance
7	ORM	Outward remittances maintenance
8	NEWACTR	New account turnover report
9	RPCTM	Packing credit disbursement
10	POVDPC	Overdue PC
11	ODCM	Detail of LC & charges
12	GMM	Guarantee master maintenance
13	FBM	Foreign bills register

IMPORTANT REPORTS

RPTMENU

- Account wise interest report
- Excess/ overdrawn report
- Reports on list of users reset
- Intersol Dr. Txn in CCA
- Report for premature closure of TD
- Adv A/c opened during given period
- TDA A/c not having repayment A/c
- Active A/c not operated in last 6 m
- TDS Code report

RPTMENU

- FD Balance mismatch
- Limit/DP/Review Date change report
- Report on LABOD
- Loans where int flag in N
- Misc report for Adv
- A/c wise interest booked report
- Int failed report on loan
- Interest failure report on SB

REPORTS

RPTMENU

- ❖ NRE A/c Cash Deposit Report
- ❖ Adhoc Loan interest Report
- ❖ A/c having Int collect flag N
- ❖ A/c having A/c preferential int
- ❖ A/c having cust preferential int
- ❖ TDA A/c Bal < Deposit
- ❖ Int application report
- ❖ Cash Deposit > 10 lac in a year

MISC DOWNLOD

- ❖ Duplicate Locker report
- ❖ KYC Compliance Report
- ❖ EMI excess report
- ❖ Report on Interest paid for TDR
- ❖ Customised account statement
- ❖ Cheque rejection report

CBS ERROR REPORTS

- List of FDR having ROI > 11%
- All FCNR with ZERO ROI
- All FDR with ZERO ROI
- FDR with Period > 240 months
- All crop loan where ROI < 7% (except DRI)
- All LA172 accounts where security not attached
- All Staff loan where interest is credited
- All staff OD where interest is credited
- LA169-170 Next interest calculation date
- LA172 Next interest calculation date
- All OD, CC where Limit level Flag with ZERO ROI

CBS ERROR REPORTS

- List of deposit A/c with Dummy/ inoperative
- List of Dormant A/c with conditions
- List of Deposit A/c with 2 characters
- All NRO with holding Tax rate Zero
- All SOD with incorrect ROI
- Loan Accounts with wrong interest application frequency
- OD Account with ROI > 20%
- Loan Account no of EMI > 360
- Advances account with interest on principle in N
- Advances with Int on Int is N
- Advances with interest collect flag N
- Deposit Account with interest pay flag as N
- Limit Expiry Report
- List of Cash deposit in NRE Account
- Loan period less than EMI period.

FRMS ALERTS

- TOD within BM power after 14 days
- Cash transactions > 50,000 in a day
- Transaction in an inactive a/c
- Txn > 1 lac in newly opened a/c
- Excess TOD beyond BM power after 5 days
- Intersol Txn – staff A/c
- Txn > 2 lacs in low profile A/c
- Dr Txn in other office A/c
- Txn in Dormant A/c
- Dr Txn in sensitive office A/c
- Cr > 50000 in staff A/c
- Abnormal int rate in TD
- Cash payent from office A/c
- TOD beyond BM power > 5 days
- Excess over sanctioned limit – OD property
- Excess over sanctioned limit – OD Traders
- Excess over sanctioned limit – LABOD
- Back value dated Txn > 10 lacs
- Intersol Txn > 50 lacs
- High value Txn without cheque
- Manual interest paid on FDR

Critical issues

- CHGIR – Report on charges
- NPATM – Transaction in NPA A/c
- BOBMEAC – Reversal in unservices interest
- INTTM – interest maintenance (restricted)
- Next interest application date
- Account recalled flag – should not be Y
- Packing credit – Tenor based interest
- TEV study charges
- Locker rent
- Recovery of excess paid in deposit A/c

Tips

- While sanctioning additional / multiple agricultural credit facilities, all existing loans and BKCC should be included in the proposal to decide correct ROI, to ensure PSS with full proposal papers if exceeded `10lac and for better credit monitoring.

Tips

- BKCC ROI at non-subvention interest rate and agricultural TL ROI should be decided on the basis of aggregate exposure per borrower and not on the basis of limit of individual BKCC / Loan a/c. Correct ROI i.e. 0% +Base Rate for aggregate limits up to `3lac, 1.25%+Base rate for aggregate limits upto `25lac and 2.00%+Base rate for aggregate limits over `25lac.

Tips

- Account closure charges – CACC
- Bulk deposit – no advantage on senior citizen
- Concessional ROI not applicable to adhoc sanction
- BKCC ROI customerwise not account based for non-subvention A/c
- Fixed ROI discontinued except for HLA
- IAMREP – Interest adjustment report
- MINTRPT – Manual interest application report

Questions & Answers

THANK YOU