

VIDYASAGAR CENTRAL CO-OPERATIVE BANK LTD., MIDNAPORE

Head Office: – Chhotobazar; P.O. – Midnapore,

Dist – Paschim Medinipur, PIN – 721101

Ph. (03222) 275417; Mobile No. 9046177100; Email: vccb@vidyasagarccb.in

Memo No: B & D/180

Dated: 27/10/2023

NOTIFICATION FOR ENGAGEMENT OF CHARTERED ACCOUNTANT FIRMS FOR CONCURRENT AUDIT OF THE BANK

Applications are invited from eligible / interested registered Chartered Accountant Firms (Partnership / Proprietorship) having at least one “**FCA Qualified Member**” with experience of Audit of **District Central Co-operative Banks**, well conversant with BR Act, RBI & NABARD directives, WBCS Act & Rules for conducting **Concurrent Audit of 20 Branches of the Bank** on quarterly basis for the period from 01.10.2023 to 30.09.2024.

The application form along with eligibility criteria, terms and conditions and other annexures are available on Bank’s website www.vidyasagarccb.in Application form must be submitted online **by or before 14.11.2023**.

Hard Copies of the downloaded application form along with duly filled annexures should reach the HO of the Bank **by or before 16.11.2023**.

The Firm / the member should be eligible to apply as Concurrent Auditor as issued by the guidelines of professional ethics and code of conduct as issued by the Institute of Chartered Accountants of India.

Bank reserves the right not to empanel / DE panel any firm etc. without assigning any reason(s) thereof.

Sd/-

General Manager

ANNEXURE - I

APPLICATION FOR EMPANELMENT OF CONCURRENT AUDITORS IN VIDYASAGAR CENTRAL CO-OPERATIVE BANK LTD. MIDNAPORE FOR THE PERIOD 01.10.2023 TO 30.09.2024

1. GENERAL INFORMATION.

1	NAME OF THE FIRM					
2	Complete postal/communication address with City/Pin Code, State.					
3	Office Telephone No./s.					
4	Office FAX No, with STD Code					
5	E-mail Address. (validation)					
6	Constitution: Individual / Proprietorship/ Partnership Firm/Limited Co.					
7	Date of formation / Establishment of the Firm					
8	Registration No. of the Firm with date with the Institute of Chartered Accountants of India					
9	Registration No. of Firm With date (unique code number) with RBI.					
10	GST Registration No.					
11	Permanent A/c No. of the Firm (Mandatory)					
12	No. of Partners (in case of Partnership Firm)					
14	Name, Qualification, Membership No., Year of enrollment as ACA/FCA and other details (DISA qualification may also be					
	Name of the Proprietor / Partner/ Director	Contact Number	Educational Qualification	Membership Number	Year of enrollment as ACA/FCA	Brief Profile
	A					
	B					
	C					
15	Details of audit staff employed					
	Qualified Chartered Accountants/Cost Accountant/Company Secretary					
	a)Semi Qualified Chartered Accountants/Cost Accountant/Company Secretary					
	b)Retired/ex-bank officers, Article/audit clerks					
	c) other assistants					
	Total					

2. PAST EXPERIENCE OF THE FIRM / COMPANY (Relating to various Bank Audits).

Particulars	Name of the Bank	No of years' in completed years	During the period
A. Central Statutory Auditors			
B. Statutory Branch Auditors			
C. Concurrent Auditors			
D. Income/Revenue Auditors			
E. System / IS Auditors			
F. Any other Special Audit / assignment allotted by Bank			
G. Details of Bank audit assignment currently on hand including as Concurrent Audit If any.			
Bank		Type of audit	
H. Areas of specialization of the firm/partners in Bank audits, SME Branch, Housing Finance Branch, Any other State Co-op Bank / District Central Co-operative Bank / Commercial Bank / Gramin Bank).			
I. Any other relevant details / particulars of the Firm.			

3. FINANCIAL PROPOSAL FORMAT (For 01.10.2023 to 30.09.2024). ***

Quarterly Fee for Carrying out Concurrent Audit (Inclusive of GST & All Costs)	
Fee Quoted Per Branch Per Quarter	In Words Rs.
	In Figures Rs.
Fee Quoted Per Branch Per Annum	In Words Rs
	In Figures Rs

*** Total fee quoted above shall be inclusive of Professional Service, GST and Out of Pocket Expenses (Such as Travel, Lodging and Boarding, Conveyance, Printing, Administrative Expenses etc.) The Bank shall not entertain any other claims over and above the fee specified in the Financial Proposal. No additional fee will be paid by the Bank for time over run.

Date:

Place:

(Signature & Seal of the Audit Firm)

(To be furnished on the letter head of the firm / Company on receipt of Offer through e-mail)

ANNEXURE II - LETTER OF ACCEPTANCE

From	To:
	The General Manager Vidyasagar CC Bank Ltd. Midnapore At PO : MIDNAPORE DIST. PASCHIM MEDINIPUR

SUB: Appointment as Concurrent Auditor - Letter of acceptance of terms & conditions.

REF: Your offer letter dated

This bears reference to your above offer letter appointing us as Concurrent Auditor for (Name of the Auditee Unit) for the period from 01.10.2023 to 30.09.2024.

1. We, (Name and address) Chartered Accountant/s hereby accept the offer of appointment of VIDYASAGAR CENTRAL CO-OPERATIVE BANK LTD. MIDNAPORE for the Concurrent Audit of Branch Unit on the terms and conditions already set out in the application.

2. We also hereby declare that no change in the constitution of our firm has taken place since our application to the empanelment in your Bank for Concurrent / Continuous Audit. We also undertake to inform the Bank in advance, wherever there is any change in the constitution of the firm.

3. We undertake that (a) the Audit work assigned to us will be carried out by our own staff and (b) no sub-contract of the work will be given and (c) we / the firm will make necessary alternate arrangements to ensure uninterrupted audit of the branch in case of any contingencies. (d) We will ensure continuity of audit staff.

4. We declare that we / the spouse / dependent children wholly or mainly dependent parents, brothers, sisters or any of them, of any of the partners / proprietors of the firm or the firm / company in which they are partners / directors have not availed any loan from any of the branches of your Bank / indebted to your Bank. If availed, the details are as under:

Bank Branch	/	Details of loan	of	Availed amount	Liability	Arrears / Overdues if any	Whether NPA

5. We also confirm that we are not disqualified under provisions of the West Bengal Co-operative Societies Act,2006 read with the West Bengal Co-operative Societies Rule,2011.

6. We declare that we are not partners any other Audit Firm/s which are appointed for any other types of assignments in Vidyasagar Central Co-operative Bank Ltd. Midnapore.

7. We declare that a partner / qualified assistant will devote his time as stipulated in the appointment letter for this work.

8. We do hereby declare that to the best of our ability and skill, execute and perform the duties required of us as Concurrent Auditor/s of the Bank.

9. We further declare that we will not communicate or allow to be communicated to any person any information relating to the affairs of Vidyasagar Central Co-operative Bank Ltd. Midnapore or the affairs of any person/s having dealing with the Bank nor will we allow any such person to inspect or have access to any books or documents belonging to or in the possession of the Bank relating to the business of the Bank or of the business of any person having any dealing with the Bank and maintain utmost confidentiality in all the matters which have come to our notice during the course of audit. If in the opinion of the Bank there is any breach of any of these covenants by us or any of the employees of our firm, the bank is at liberty to initiate any action against the firm and the firm is liable for any damages caused to the Bank or any of its claims.

10. I, the main Partner of M/s
.....situated at
.....

(complete address) hereby declare that neither I nor any of our partners / members of my/their families (family will include besides spouse, children, parents, brothers, sisters or any of them who are wholly or mainly dependent on the Chartered Accountants) or the firm...../.....I am / they are partners/directors have been declared as (a) Willful defaulter (b) Non cooperative borrower by any bank/financial institution.

11. In case the above declaration or any part thereof is proved to be incorrect, the bank is free to advise the details thereof to RBI and Institute of Chartered Accountants of India / IBA for initiating necessary action against me / us.

12. We confirm that we are not associated with audit of any of the firms/ companies etc., which are dealing with your (Offered to us now) branch/ unit.

13. We also note that our failure to inspect securities as stipulated and report serious irregularities to HO will attract disqualification from being continued as a concurrent auditor or other assignments by the Bank, and report the disqualification to RBI/ICAI/IBA.

14. We convey our acceptance to function as concurrent Auditors ofbranch/ unit on the remuneration offered by the Bank. The Bank is at liberty to modify the remuneration at any point without giving any reasons. The remuneration payable by the Bank is subject to applicable statutory deductions.

15. We are aware that the outsourcing of concurrent audit is subject to RBI / NABARD guidelines issued from time to time and we undertake to be bound by such guideline or any other guidelines / instructions issued by Bank or to be issued by Bank to comply with the RBI / NABARD guidelines or any other guidelines of the Bank from time to time.

16. We also undertake to preserve the documents / data obtained in the course of concurrent audit in accordance with legal / regulatory obligations of RBI / NABARD / the Bank.

17. The Bank is also at liberty to verify / inspect such records by the internal / external auditor of the Bank / RBI / NABARD / other persons authorized by the Bank and we shall have no objection in giving access to all such books / records and information relevant to the audit.

18. We agree and undertake that the services rendered by us / firm is liable for periodical review by the Bank and in case in the opinion of the Bank our services are not satisfactory, the Bank is at liberty to alter/modify/vary/change any of the terms and conditions of the appointment after giving due intimation to the firm or summarily terminate the services of the firm if in the opinion of the bank the firm or any of its employees has violated any of the terms of appointment.

19. We understand and agree that other than fee offered no separate Travelling Allowance/Halting Allowance / Out of Pocket Expenses, fees for inspecting the securities/attending training / workshops, conducting audit of Extension Counters etc., will be paid.

20. In case of any dispute the decision of the Bank is final and only the appropriate court in Medinipur, West Bengal shall have the authority in jurisdictional matter.

Date:

Place:

(Signature of the Authorized Signatory with seal)

(To be furnished on the letter head of the firm / company)

ANNEXURE III - LETTER OF UNDERTAKING:

From	To:
	The General Manager, Vidyasagar CCB Ltd.Mid At PO. Midnapore Dist. Paschim Medinipore WB

1. We have read the bank's terms and conditions for selection/appointment of concurrent auditors and agree to abide by the same. We also undertake to execute the undertaking letter in the prescribed format agreeing to abide by the specific terms and conditions of appointment before taking up the assignment in case the firm is selected for Concurrent Audit.
2. We hereby declare we are qualified under provisions of the West Bengal Co-operative Societies Act,2006 read with the West Bengal Co-operative Societies Rule,2011 for appointment as auditors of the Bank. We are not disqualified under any provisions of the West Bengal Co-operative Societies Act,2006 read with the West Bengal Co-operative Societies Rule,2011 to accept this appointment.
3. We hereby declare that all the partners of the firm are full time practicing Chartered Accountants.
4. We hereby declare that individually, no partner is engaged in practice otherwise or in any other activity which would be deemed to be in practice under Section 2(2) of the Chartered Accountants Act 1949.
5. We hereby declare that neither our Firm nor any of the partners have been disqualified/debarred/cautioned by ICAI / IBA / other regulatory bodies during the last 5 years.
6. We hereby declare that the constitution of the firm as on the date shown in this profile / Resume is the same as that of in the Constitution Certificate issued by the ICAI and any changes in the constitution will be intimated to the Bank as and when takes place.
7. We undertake to submit the latest copy of the Registration Certificate issued by the ICAI duly attested (self-attestation is permissible), on receipt of offer letter from the Bank.
8. We hereby declare and confirm that the above particulars are true, complete and correct and no other material information has been withheld.
9. The above particulars / information / details are given on behalf of the applicant, by the undersigned who is authorized to do so.

10. We also undertake to abide by any other Terms & Conditions which the Bank may stipulate in compliance to RBI / Government guidelines or other internal guidelines of the Bank issued from time to time.

11. We also undertake to indemnify the Bank against all actions, omissions, proceedings, claims, suits, damages and any other expenses for causes attributable to the auditor / firm including any loss suffered on account of any breach of the terms and conditions of the offer of the appointment.

12. We understand that at the discretion of the Bank, the services of the auditors shall be terminated / blacklisted with / without due intimation when the performance is found wanting and such Audit firms shall stand de-empaneled. This is without prejudice to referring the issues to the professional body (ICAI and also RBI / IBA) and also claim damages for such unsatisfactory service, whatsoever by the firm or any of its employees.

13. We undertake to follow the time norms for completing the Audit and submitting the Audit report to the branch and / or HO. The decision of the GM, Head Office, shall be final in this regard.

14. We confirm that Proprietor / Partner of the Audit firm is not a Director on the Board of the Bank.

15. We confirm that we are not partner / Designated Partner of any Audit firm where a director on the Board of the Bank is a partner.

16. We confirm that no relative or close relative of the Proprietor / Partner of the Audit firm are working / have worked in the last 3 years in the branch allotted for empanelment.

17. We do not have statutory audit (Central audit or Branch Audit), credit audit, valuation of fixed / current assets or any other similar assignments with Vidyasagar Central Co-operative Bank Ltd. Midnapore. We undertake to inform Inspection Cell of HO, if we are appointed as Statutory Auditors of the Bank and to relinquish the Concurrent Audit, only after completing the concurrent audit and submitting the report upto the month in which the appointment as Statutory Auditor is made.

18. We are aware that if a firm of Chartered Accountants associated with Vidyasagar Central Co-operative Bank Ltd. Midnapore as "statutory auditors" for the prescribed period - not exceeding 4 years is rested - during the rest period (or called cooling period), the Statutory Auditor shall not be considered for appointment as concurrent auditor. We confirm that we have not been appointed as Statutory Auditors of Vidyasagar Central Co-operative Bank Ltd. Midnapore or its branches and also confirm that we/our firm is not in the "Cooling Period" under Statutory Audit.

19. We, the proprietor / firm / any partners of the firm, or any of our clients do not have any credit facilities with the auditee branch, mentioned above, (excepting for credit facilities against our / their own deposits - if any). If such credit facilities are availed, we are aware that the appointment for concurrent audit will be terminated with immediate effect.

20. We, the Proprietor / firm / any partners of the firm do not have any disciplinary matters pending with ICAI/RBI/IBA/National Financial Reporting Authority (NFRA) and we have not suffered any disqualification.

21. We confirm that our services have not been terminated or stopped by Vidyasagar Central Co-operative Bank Ltd. Midnapore earlier for (i) want of satisfactory performance or (ii) serious acts of commission or omission or (iii) professional misconduct or (iv) any other reason.

22. We are aware and accept that if renewal of empanelment is considered, under exigent conditions, Bank may change the allotment of auditee unit / branch for any administrative reasons.

23. We understand and agree that in the event of merger / closure of the auditee Branch during the period of concurrent audit, due to any administrative exigencies, the Bank at its discretion, may allot a new branch in the same zone for Concurrent audit for the remaining period of concurrent auditor's tenure (i.e. upto 30th September) subject to availability and if new branch is allotted, the Concurrent Auditor has to commence the audit for the month from which the previous concurrent audit of the new branch was completed. The fees payable shall be as applicable to the merged / closed Branch in which the concurrent auditor was doing the audit till the merger/closure. If suitable Branch is not available / could not be allotted, it is acceptable to us to forgo the assignment.

24. If any Fraud / Income leakage unearthed in the Branch at a later date eventually or during any other audits pertaining, we shall be liable for explanation and action taken.in this regard.

25. In case of any dispute, the decision of the Bank is final and only the appropriate Courts in Medinipur, West Bengal shall have the jurisdictional authority.

26. We confirm that we have read and understood all the Terms and Conditions enumerated in the notification published in the Banks Website at the time of initial empanelment, comprehensively, and explicitly undertake to abide by all the Terms and Conditions laid down by the Bank for empanelment of external concurrent Auditors.

27. We accept that whenever, the assignment is terminated or relinquishment is permitted, the audit remuneration will be paid only up to the end of previous quarter for which a fully completed report is received.

28. We accept that after termination of the contract / relinquishment of the assignment, we shall not use or keep any of the material information given by the Bank like Manuals, Information Handout etc. or make any representations to public or outsiders as continuing this contract.

Date:

Place:

Signature

Name of the Auditor

Membership Number.....

Name of the firm.....

(To be furnished on the letter head of the firm / Company)

ANNEXURE IV - Compliance of DO's AND DON'Ts

From	To:
	The General Manager, VIDYASAGAR CCB Ltd, MIDNPORE, At PO. Midnapore, Dist Pas Med, West Bengal

Sub: Empanelment as Concurrent Auditor - Compliance of DO's AND DON'Ts.

We undertake to ensure compliance of the Dos and Don'ts as furnished below and undertake not to deviate from any of the issues contained therein.

Dos: The Auditor shall

1. Conduct pre- concurrent audit study of the branch by getting all relevant information of the auditee branch / office (as stated in the engagement letter)
2. Prepare proper audit plan based on 1 above, covering all the areas of the scope, keeping in the view the time lines stipulated.
3. Have a structured introductory meeting with the auditee branch office and seek all the information required in advance with proper time Schedule.
4. Introduce the audit team to the officials of the auditee branch / office.
5. Constitute Audit team with senior and experienced members as required.
6. Display team spirit and avoid misunderstandings/ arguments in the presence of auditee branch / office officials.
7. Ensure that findings are factual to the point, complete in detail and clear.
8. Be precise and comprehensive without missing links while preparing the report.
9. Be practical in his approach and view things in proper perspective.
10. Present a qualitative report rather than a bulky report. (Bulky report is not the criterion for judging one's performance. It is the quality of report that matters)
11. Be competent and possess high degree of integrity to command respect from auditee branch / office.
12. Discuss findings with branch officials on daily basis and try to rectify the defects then and there itself.
13. Give auditee branch / office officials, a chance to express their opinion while discussing the issues. Getting proper explanation in a co-operative atmosphere will save precious time.
14. First discuss with the leader of his team in case of difference of opinion with auditee branch / office officials. Further discussion on a higher level may be made, if required.

15. Report the matter to the leader of the team immediately in case, he comes across any information which causes him to suspect any element of fraud, gross negligence, gross incompetence or similar unfavorable actions or tendencies.
16. Maintain utmost secrecy of the information/ audit observations/ issues etc. relating to the auditee.
17. Shall be punctual and observe the office timings of the branch / office.
18. Be courteous, cooperative and professional.
19. Ensure that there is no conflict of interest.

Don'ts: The Auditor shall

1. Not have any professional or commercial relationship either direct or indirect with borrowers/ beneficiaries of the branch which he is auditing and also will not have such relationship in future as far as possible for a minimum period of three years.
2. Not take advantage of his association as Concurrent Auditor with the branch of the bank and canvas for any client/ business with the bank either directly or indirectly.
3. Not represent on behalf of any client/ customer of the bank for a minimum period of as far as possible three years after the completion of term of the audit.
4. Not share/ pass on / discuss any audit related observations / issues/ findings with anyone other than concerned in the bank.
5. Not jump to conclusions without documentary evidence & sensationalize the issues.
6. Not use offensive language during discussions or in the reports.
7. Not offer general comments on internal control as "good / satisfactory / needs improvement etc., but substantiate with detailed observations.
8. Not direct the branch / office to follow a procedure which is not in our Manual of Instructions/ Circulars.
9. Not act overly reserved or unfriendly in order to maintain his independence as an auditing officer. A forbidding attitude on his part may well cause others to adopt the same attitude towards him. This can adversely affect the work entrusted to the inspecting officer.
10. Not get involved in heated argument with auditee branch/ office officials.
11. Not give orders to auditee branch / office officials, but seek requirements from the officer assigned to assist him on a particular job. The concerned officer would issue the necessary orders to their employees if he accepts inspector's suggestions and recommendations.
12. Not delay the submission of audit report.

PLACE:

DATE:

(Signature of the Authorized Signatory with seal)

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ANNEXURE - V

TERMS AND CONDITIONS

- **FOR APPOINTMENT OF EXTERNAL CONCURRENT AUDITORS**
- **FOR CONDUCTING CONCURRENT AUDIT OF IDENTIFIED BRANCHES AS PER LIST**
- **REGARDING METHOD OF REPORTING & REVIEW OF PERFORMANCE**

The following are the terms and conditions for applying for empanelment as Concurrent Auditor in VIDYASAGAR CENTRAL CO-OPERATIVE BANK LTD. MIDNAPORE from 1st October 2023 to 30th September 2024:

Mandatory Conditions for Appointment:

1. Applicant should either be Partnership firm or Proprietorship, already in the panel of the RBI, 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.
2. 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) subject to necessary approvals and review of performance.
3. The Concurrent Audit 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 Concurrent Audit firm shall undertake that they will not sub contract the audit assignment.
5. The Concurrent Audit firm shall not lobby directly or indirectly for considering any credit proposals of their friends / clients to the Bank / auditee branch.
6. "The eligible auditor / firm should be qualified under provisions of the West Bengal Co-operative Societies Act,2006 read with the West Bengal Co-operative Societies Rule,2011 for appointment as auditors of the Bank.
7. The Concurrent Audit firm or the partners or the proprietor or any of their clients should not have any credit facilities with the auditee branch for which they are applying for except credit facilities against their own deposits.

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8. The firm / any partners / Proprietor should not have statutory audit (Central audit or Branch Audit), credit audit, valuation of fixed / current assets or any other similar assignments with Vidyasagar Central Co-operative Bank Ltd. Midnapore.
9. The firm / any partners/designated partners of the firm / Proprietor should not have any disciplinary matters pending with IBA / ICAI / RBI / National Financial Reporting Authority- NFRA and they should not have suffered any disqualification.
10. The Auditors' Services should not have been terminated or stopped by our bank 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.
11. 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.
12. The eligible auditor / Firm should be having sufficient experience in conducting concurrent audits of Districts Central Co-operative Banks / Bank branches.
13. The Bank has the discretion to change the allocation of the branches based on any administrative exigencies.
14. The offer of appointment shall be treated as provisional till the empaneled audit firm takes up the audit assignment within the stipulated date in the stipulated auditee unit.
16. Whenever any of the Proprietor / Partner of the Audit firm is related to any of the employees / Directors of the Bank, the details and relationship with such employees / Directors 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.
17. The Bank has the discretion to withhold, consider, accept or reject any of the application based on any of the RBI / Government / ICAI / NFRA / Internal guidelines of the Bank.
18. The selected / empaneled 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 empaneled / selected auditor / Audit Firm shall sign on the Do's & Don'ts statement in order to have proper "arm's

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length relationship” with the Branch for which they shall be conducting Audit (Annexure -IV).

19. 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 of previous month. All non-compliance to be reported without exception

20. The Bank has the discretion to consider or reject any of the applications based on any of the RBI/ Government / Internal guidelines of the Bank.

21. Only the audit firm provisionally selected for empanelment will be communicated through e-mail / letter. No individual intimation will be sent to the audit firm whose applications not considered for empanelment.

Methodology of Empanelment:

1. The eligible interested Firms / Proprietary Concerns should apply in the prescribed format posted on the Bank's website “<https://vidyasagarccb.in>” on or before the specified date. They should send the application to The General Manager, Vidyasagar Central Co-operative Bank Ltd. Midnapore, At. Chhotobazar, P.O. Midnapore, Dist. Paschim Medinipur, PIN 721101.

2. The applicants shall send one set of completely filled application and other forms scanned pdf copy to banks mail id banking@vidyasagarccb.in

3. Mere submission of application by the audit firms for appointment as Concurrent Auditor in Vidyasagar Central Co-operative Bank Ltd. Midnapore shall not entitle them automatically for assignment. The application will be processed and the applicants selected for empanelment will be communicated in due course.

4. The appointment / allotment of branches shall be based on the availability of branches and number of audit firms in particular area. The Bank reserves the right to appoint / reject any audit firm for Concurrent Audit.

5. Based on the above, the audit firm will be provisionally selected for empanelment.

6. Bank shall communicate the provisional selection to such Firms by way of e-mail / letter and call for the applications or it's hard copies and letter of acceptance before a specified due date. After receipt of this communication the audit firms should send self-attested copies of

A. Hard copy of application, duly signed by the authorized signatory.

B. Self-attested Hard copies of:

(a) Copy of partnership deed,

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(b) Certificate of registration with ICAI;

(c) Copies of letters received from the other Banks assigning the work of concurrent audit / statutory audit/other audits to audit firms as reported in the application,

(d) Copy of PAN Card of the Firm/Proprietor, GST registration certificate etc.

(e) Letters of acceptance of terms and conditions in the prescribed format. (Format as per Annexure II)

(i) Any other relevant enclosures/evidence / reports which audit firm has mentioned in the application.

7. On receipt of the above documents the Bank shall scrutinize the same and verify the correctness of application/annexures. Thereafter, the bank shall communicate the appointment initially by way of appointment letter.

8. After receipt of application, and letter of acceptance from the Firms the Bank will empanel the audit firm for concurrent audit for the period of one year subject to correctness of information furnished in the application.

9. If the selected firm has not sent copies of other details as called for and letter of acceptance duly signed by them within the due date, the provisional selection will stand automatically cancelled. No separate intimation in this regard will be communicated.

10. Procedure relating to issue of Letter of Authority to enable the audit firm to verify relevant files/records at specific branch allotted to audit firm for conducting Concurrent Audit will be informed to audit firm separately while confirming the acceptance / appointment letter. The Audit Firm shall give an undertaking letter in the prescribed format as per Annexure III.

11. In respect of firms which are not being selected, no communication will be entertained.

12. Bank may conduct a day's workshop for selected auditors for familiarization of our terminologies before actual commencement of concurrent audit. No traveling / halting allowance or any such allowances will be payable for attending such workshops.

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13. The audit firm which is provisionally selected for empanelment will be communicated through letter and the acceptance to the Bank's offer is to be confirmed by the audit firm immediately followed by supporting documents in duplicate as quoted point no, 7 above.

14. The present offer of appointment is purely provisional and subject to the applicant taking up the audit assignment within the stipulated date.

15. Procedure relating to issue of letter of authority to enable the audit firm to verify relevant files, records at specific branch allotted to audit firm for conducting concurrent audit will be informed to audit firm separately while confirming the acceptance / appointment letter.

16. The auditor shall maintain in strict confidence, the information containing instructions to Inspecting Officers issued during the period, index of circular issued during the period, indicative list of serious irregularities observed by the internal inspectors, indicative list of early warning signals, shall not use or disclose to others. This should be maintained even after the termination of the agreement.

17. The appointment of concurrent audit is purely contractual and for a specific period of 12 months.

18. After termination of the contract the auditor / firm shall not use/keep any material information given by the Bank. They shall return all materials belonging to the Bank after the termination of this agreement, unless otherwise instructed in writing in Bank.

19. The Bank shall have the absolute discretion in allotting the branch, revising fee structure, stipulating terms and conditions of the appointment like experience in concurrent audit of our branches / other banks and termination of the services of the empanelled auditor after giving due notice at any point of time including during the pendency of the contract.

Methodology for review of the performance of the auditors:

1. The system of Concurrent Audit has been introduced mainly with the following objectives:

a) To keep all routine work of the branch under continuous check so as to supplement Bank's efforts to ensure a robust internal control system at the branch in the critical and sensitive areas.

b) To ensure that violation, if any, in the procedures of the bank are brought to the notice of the management immediately so that timely corrective and remedial steps can be taken.

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- c) To pick up and report early warning signals in right time to alert the management.
 - d) To report serious irregularities/fraudulent activities noticed at the branch to management at the right time.
 - e) To ensure the quality of credit portfolio with due focus on credit appraisal, sanction, creation of security, end-use, monitoring, recovery aspects etc.,
2. The audit firm shall own professional responsibility for concealment of facts / not reporting serious irregularities or losses on account of non-reporting / non-detection of early warning signals / frauds.
3. The Inspection Cell, HO will also evaluate the performance of the auditors at half yearly intervals based on the following parameters:
- a. Adequacy of the coverage of audit areas and Quality, clarity of reporting, Skills of the Staff employed
 - b. Timely detection and reporting of Income leakage as well as serious irregularities.
 - c. Timely reporting of serious irregularities, early warning signals, deficiencies in appraisal, disbursement, monitoring, detection and reporting of frauds/Special reports
 - d. Physical verification of securities created charged to the Bank
 - e. Reporting in technology / information security/KYC/AML/ CFT compliance areas.
 - f. Submission of jotting sheets to branches and follow up for rectification.
 - g. Timely submission of reports.
 - h. Contribution to improvement in overall control by the branch.
 - i. The Audit team is visiting the branch for 1-2 days per week subject to a minimum of 5-10 days per month, out of which the chartered accountant/ partner of the audit firm is visiting 2-3 days per month.
4. (i) Failure to detect fraud or serious irregularities, which comes to the knowledge of bank at a later date or during subsequent audits / investigations, shall be treated as a deficient service & omission of serious nature.
- (ii) In such cases, the names of such ECAs (who have done concurrent audit of the branch / unit which witnessed the fraud / serious irregularity during the corresponding period) shall be de-paneled by our bank and they shall not be eligible for applying any future empanelment in our bank (such as credit audit, valuation of

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current assets, etc.) and the name of the audit firm shall be updated in Repository of de- paneled ECAs maintained by IBA.

5. If the performance is found wanting, then the services of the auditors shall be terminated forthwith with intimation at the discretion of the Bank and such Audit firms shall stand derecognized.

6. The Bank may convene the meetings of select auditors at periodical intervals at the specified centres for interaction.

7. The auditor / firm shall indemnify the Bank against all actions, omissions, proceedings, claims, suits, damages and any other expenses for causes attributable to the auditor / firm including any loss suffered on account of any breach of the terms and conditions of the offer of the appointment.

Termination / cancellation of Empanelment / Appointment:

1. If the provisionally selected firm has not sent original hard copies of the application and other documents duly signed by them within the stipulated time, their provisional selection shall be rejected.

2. If any of the information / documents furnished by the auditor is found to be untrue / incorrect, the Bank's offer shall automatically stand cancelled without entertaining any further correspondence.

3. Deliberate omission of facts, information about disqualification which comes to the knowledge of bank at a later date.

4. Any serious acts of Commissions, omissions, misconduct, deviations in professional ethics or any other reason bank may deem fit and appropriate to the situation.

5. Reported disqualification under any provisions of the West Bengal Co-operative Societies Act,2006 read with the West Bengal Co-operative Societies Rule,2011.

6. In case the application is rejected for reasons mentioned above, the Bank shall identify a new auditor for the branch, at its discretion and the applicant shall not claim any right for audit of said or any other branch.

7. Bank reserves the right to terminate & de-panel the empanelment forthwith without any notice and without assigning any reasons in case of (i) proven misconduct (ii) getting any adverse reports or adverse confidential information (iii) bank feels that its interests may be jeopardized, besides reserving its rights for initiating other action as deemed fit.

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8. The empaneled ECAs may request for relinquishment of audit assignment due to reasons like death of partner, health grounds; availing of credit facilities from our bank either by the auditor or his relatives.
9. The appointment for Concurrent Audit is purely contractual and for a specific period of 12 months. However, the Bank reserves the right to terminate the contract at any point of time for whatsoever reasons as the Bank may deem fit.
10. Whenever, the assignment is terminated or relinquishment is permitted, the External Concurrent Auditors concerned are eligible for audit remuneration only up to the end of previous month for which a fully completed report is received. In such cases, Bank reserves the right (i) to adjust the same (audit remuneration) towards commission / omission if any or (ii) withhold the same for a period of 6 months or till suitable administrative decision is taken whichever is earlier
11. After termination of the contract, the auditor / firm shall not use or keep any of the material information given by the Bank like Manuals, Circulars , memos / information handouts etc. or make any representations to public or outsiders as continuing this contract. The auditor / firm shall return all materials belonging to the Bank after termination of this contract / agreement, unless otherwise instructed in writing by the Bank.
12. Whenever termination is made, the ECA shall have no right to demand fees for the unexpired period of empanelment/contract on any ground whatsoever
13. The Bank shall have the absolute discretion in allotting the branch, revising fee structure, stipulating terms and conditions of the appointment like experience in Concurrent Audit of our branches / other banks etc. and termination of the services of the empaneled auditor after giving due notice at any point of time including during the pendency of the contract.
14. Due to rationalization of branches, if any Branch/ Unit merge with another Branch/Unit you will be given opportunity to conduct Concurrent Audit of the acquired Branch subject to the acquiring Branch/ Unit is not under External Concurrent Audit. If the acquiring Branch is already under Concurrent Audit by External Chartered Accountant, then your firm shall forgo the assignment and further if no new branch is allotted to your firm during the empaneled period i.e., from October to September, such period will also be counted as one complete year of empanelment. In this regard, decision of Inspection Cell, Head office will be final.

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Details of Fee Structure:

Quarterly Audit fee payable to External Concurrent Auditors is Negotiable

1. The Audit firm shall follow the time norms for completing the Audit and submitting the Audit report to the branch / inspection cell of HO.
2. Audit fee will be paid (after deducting applicable TDS and any other type of tax as per Government rules) by the Inspection Cell, Head Office within 15 days after receipt of Quarterly Audit Completion Certificate along with original invoice, as the case may be.
3. Other than the above, no separate Travelling Allowance / Halting Allowance / Out of Pocket Expenses, fees for inspecting the securities / attending training / workshops, conducting audit of Extension Counters etc., will be paid.
4. Fee structure will be reviewed solely at the discretion of the Board of Directors of the Bank..

Methodology for conducting concurrent audit / reporting:

1. The audit team should be led by the Chartered Accountant - Proprietorship / Partner of the audit firm with experienced assistants as the work may warrant. The audit personnel should not be changed so that continuity and consistency is maintained. If there is any change in the constitution of the firm during the period of appointment it shall be informed to the Bank immediately.
2. The audit team should visit the branch for a minimum of (i) 4 man days per month in case of branches aggregate advances having less than or equal to Rs.50 crores
(ii) 5 man days per month in case of branches aggregate advances having more than Rs.50 crores.
3. The audit firm shall conduct appropriate due diligence before employing any personnel who will be entrusted with the work of conducting the concurrent audit of the Bank. The audit firm is also responsible for any commission and omission of its employees which may cause and or likely to cause any loss / damage to the Bank or its clients.

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4. Before commencing the audit, the members of the Audit team should be properly introduced to the Branch In charge by proper introduction letter containing the specimen signatures and photo/s of the persons conducting the Audit duly attested by the Chartered Accountant - Proprietor / partner of the firm / officials of concerned Regional Inspectorate.

5. Auditor shall be guided by our HO Circulars, Other Manual of Instructions and other guidelines issued by the Bank from time to time (which are available in the branch) for conducting the audit of the branch. Inspection Cell HO will provide information on important circulars, guidelines to the concerned auditors, at periodical intervals. No hard copies will be provided to the auditors.

6. Auditors shall ensure coverage areas in concurrent audit as per NABARD norms (minimum items of coverage are given in Annexure I of NABARD circular 131/DoS-08/2017 Ref.No.NB.HO.DoS.CFMC/677/J-1/2017-18 dated 24.05.2017 and NABARD circular 55/DoS-09/2012 Ref.No.NB.DoS.HO.POL/4915/J-1/2011-12 dated 12.03.2012).

7. In addition to the above the following are the Coverage Norms as per our Bank rules:

a. The main role of concurrent audit is to supplement the efforts of the Bank in carrying out simultaneous internal check of the transactions and other verifications and compliance with the procedures laid down.

b. The scope of concurrent audit shall be wide enough / focused to cover certain fraud - prone areas such as handling of cash, deposits, advances, off-balance sheet items, internet banking, etc.

c. In determining the scope, importance should be given to checking high-risk transactions having large financial implications as opposed to transactions involving small amounts.

d. All aspects of branch working shall also be looked into and significant audit areas should not escape the attention of the concurrent auditor.

e. Security verification charged to the Bank / perfection of documentation should be ensured.

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- f. The reporting format & certificates have to be updated by the concurrent auditors based on the Circulars and other administrative instructions issued from time to time, whenever required.
 - g. The reporting format is a self-contained reporting document.
 - h. The auditors should keep watch on large withdrawals from cash credit accounts with limits of Rs.25 lacs and above and any deviations observed should be reported to the controlling office immediately.
 - i. The Transaction and Reconciliation position of internal office accounts and GLs transactions to be verified by the auditors and any deviations observed should be reported to the controlling office immediately.
8. The audit team should adopt the following procedure in the matter of reporting their findings.
- a. Auditors to prepare jotting sheets, in duplicate, on daily basis duly listing the findings and hand over to the nodal officer at the branch at the end of the day against their acknowledgement and follow up for prompt rectification / spot rectification. The auditors shall also discuss their findings with the branch in charge at regular intervals.
 - b. As on the last day of the month, the audit firm shall prepare an Audit Summary report (as applicable) after discussing with branch in charge and submit it to the branch and HO. Upon completion of the audit of the given branch in full audit firm shall prepare a final report in triplicate after discussing with the branch and the original copy of the final report duly acknowledged by the Manager shall be submitted to Inspection Cell of HO immediately after completion.
 - c. The serious irregularities, if any, noticed shall be covered exhaustively in the executive summary submitted to the HO.
 - d. The serious irregularities are to be reported to the Inspection Cell of the HO on the same day of detection / identification.
 - e. Any transactions of serious nature which is against normal banking practices / any other un-healthy practices indulged by the branch staff, persistent irregularities, shortage of securities, transactions of fraudulent nature, borrowal accounts giving early warning signals and other serious irregularities like deficiency in sanction or documentation / pendency in Documentation / Incomplete documentation / non-renewal or non-recovery of expired limits / non-obtention or not making available LoRs for loan accounts beyond 36 months, expired limit status and so on should be submitted to / brought to the notice of Head Office through special report and over

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phone / email / fax. Any failure / omission / negligence on the part of the audit firm shall render the firm liable for action and termination of audit assignment. The special report should cover the critical areas mentioned in the check list / guidelines and the irregularities / shortcomings observed during the course of the audit. Auditors are however free to report any other deficiencies which they may come across during the course of their audit. The special report should reach Head Office within 7 days of the final reporting made.

Indemnities and penalties:

1. The ECA/s shall indemnify the Bank against all actions, omissions, proceedings, claims, suits, damages and any other expenses for causes attributable to the auditor / firm including any loss suffered on account of any breach of the terms and conditions of the offer of the appointment.
2. If the performance is found wanting, then the services of the ECAs may be terminated / blacklisted with due intimation at the discretion of the Bank and such Audit firms shall stand de-empaneled.
3. The above is without prejudice to referring the issues to the regulators/professional body (ICAI / RBI / NABARD / IBA) and also claim damages for such unsatisfactory service, whatsoever by the firm or any of its employees.
4. The Audit firm shall follow the time norms for completing the Audit and submitting the Audit report to the branch and Inspection Cell of the HO.

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Dist. Paschim Medinipur, PIN 721101

Ph. (03222) 275417, Mobile No. 9046177100, Email : vccb@vidyasagarccb.in

Annexure VI

Branches Selected for the Concurrent Audit
(Period 01.10.2023 to 30.09.2024)

SI No	Branch Name	Mobile No. of the Branch	Deposit as on 30.09.23 (Rs. In Lakh)	Loans & Advance as on 30.09.23 (Rs. In Lakh)
1	Midnapore	9046177101	13580.69	4511.96
2	Jhargram	9046177102	9426.79	3192.62
3	Kharagpur	9046177103	14602.37	4107.22
4	Egra	9046177105	11136.41	4738.92
5	Garhbeta	9046177106	5727.63	4368.02
6	Keshpur	9046177108	6056.63	9102.23
7	Sabang	9046177109	21464.22	5610.66
8	Pratapdighi	9046177151	11130.73	5959.55
9	Dantan	9046177113	4773.51	3706.85
10	Mohanpur	9046177115	7837.75	4717.48
11	Hoomgarh	9046177117	4925.33	3071.68
12	Monglamaro	9046177118	12579.48	6856.18
13	C.K. Road	9046177119	5576.33	3982.55
14	Belda	9046177120	5434.19	3497.01
15	Contai	9046177121	20266.65	6387.92
16	Baligeria	9046177123	2668.51	1894.15
17	Lalgarh	9046177124	2587.15	1501.78
18	Narayangarh	9046177127	4800.72	2925.23
19	Silda	9046177131	3739.41	1476.75
20	Khakurda	9046177135	5432.74	2549.21