



Student Welfare Committee of VCAT

Seminar on Bank Branch Audit

8th March 2018



Bank Branch Audit Planning, Executions & Building Working papers through Excel

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Agenda

1. Introduction to Bank Branch Audit
2. Internal Control System in Banks
3. Audit Planning
4. Audit Execution
5. Building Working Papers Using Excel



1. Introduction to Bank Branch Audit



Bank Audit

THEN

- NPA
- MOC
- IRAC
- DEPRECIATION
- GOSH & JILANI

NOW

- CBS REVIEW
- SYSTEM CONFIGURATION
- FRAUD ASSESSMENT
- INTERNAL CONTROL RISK
- AUDIT DOCUMENTATION
- + NPA + MOC + IRAC + CERTIFICATE++



Banking Challenges

- Where does the Banking Exists Today
 - Internet Banking
 - Mobile Banking
- Centralised Loan Processing System
- IRAC Computerised



Audit Challenges

- Audit Completion Period
- Staff Training & Planning
- Information Technology inefficiency
- Domain Knowledge Deficiency
 - BASEL NORMS
 - CAPITAL ADEQUACY
 - Interest Subvention

AUDIT CLOSURE PROCESS





Bank Audit - Reporting

- 1. Branch Auditors Main Report**
- 2. MOC - Memorandum of changes**
- 3. Tax Audit Report**
- 4. Certificates**
- 5. Long Form Audit Report**



Audit Assurance in Bank Audit

1. Audit completed in accordance of Standard on Audit issued by ICAI
2. Statements are free from Material Mis-statement
3. Statements show true & Fair view of the affairs of the branch
4. Assessment made on 'Risk of material misstatement of the financial statement, whether due to fraud or error'

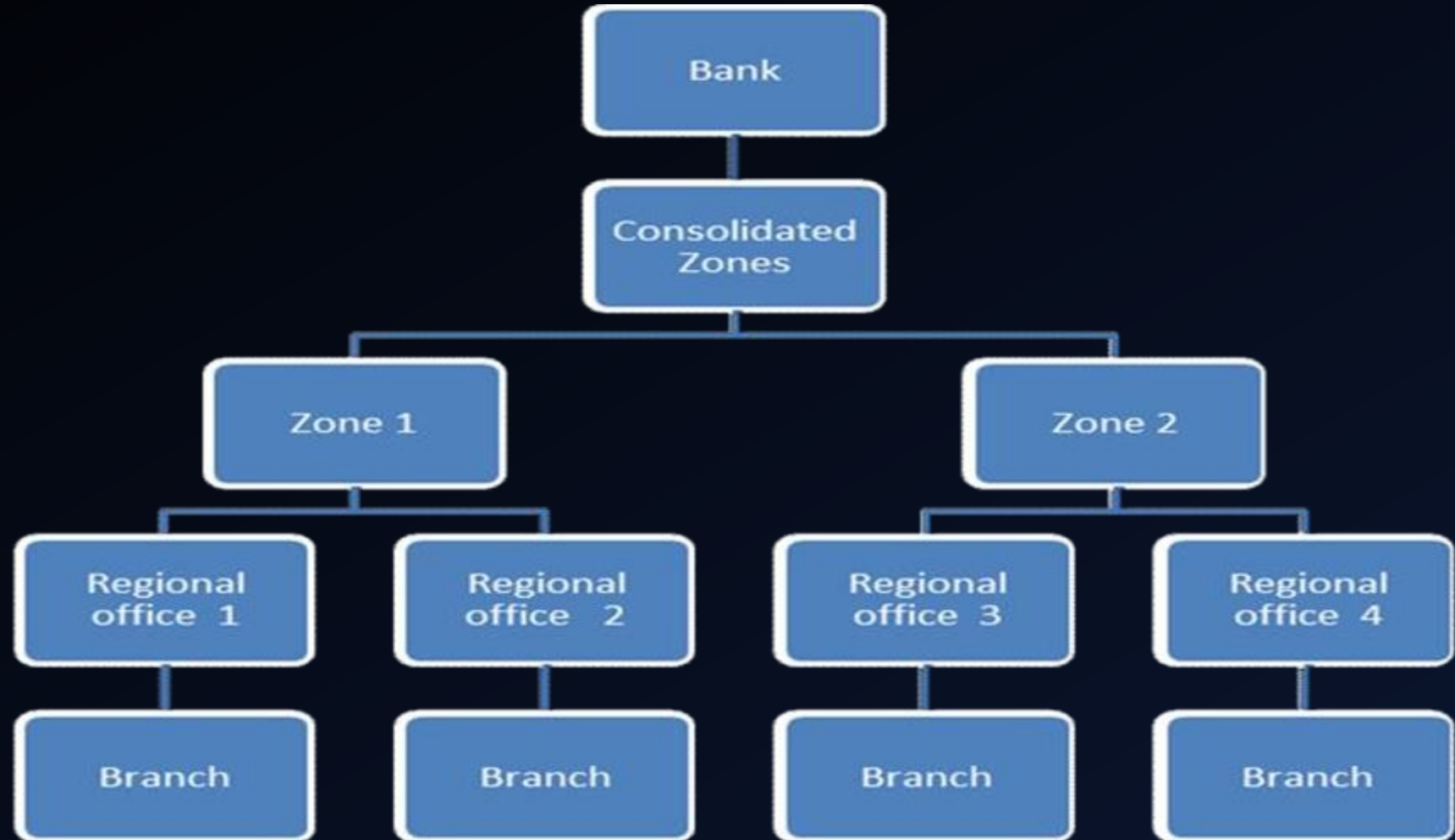


Audit Assurance in Bank Audit

5. Transactions are within the Branch Powers
6. Returns are Adequate and are in agreement with Books
7. Necessary information and Explanations required for the audit has been obtained
8. Auditors confidence on the overall IT Environment.



Bank Financial Statement



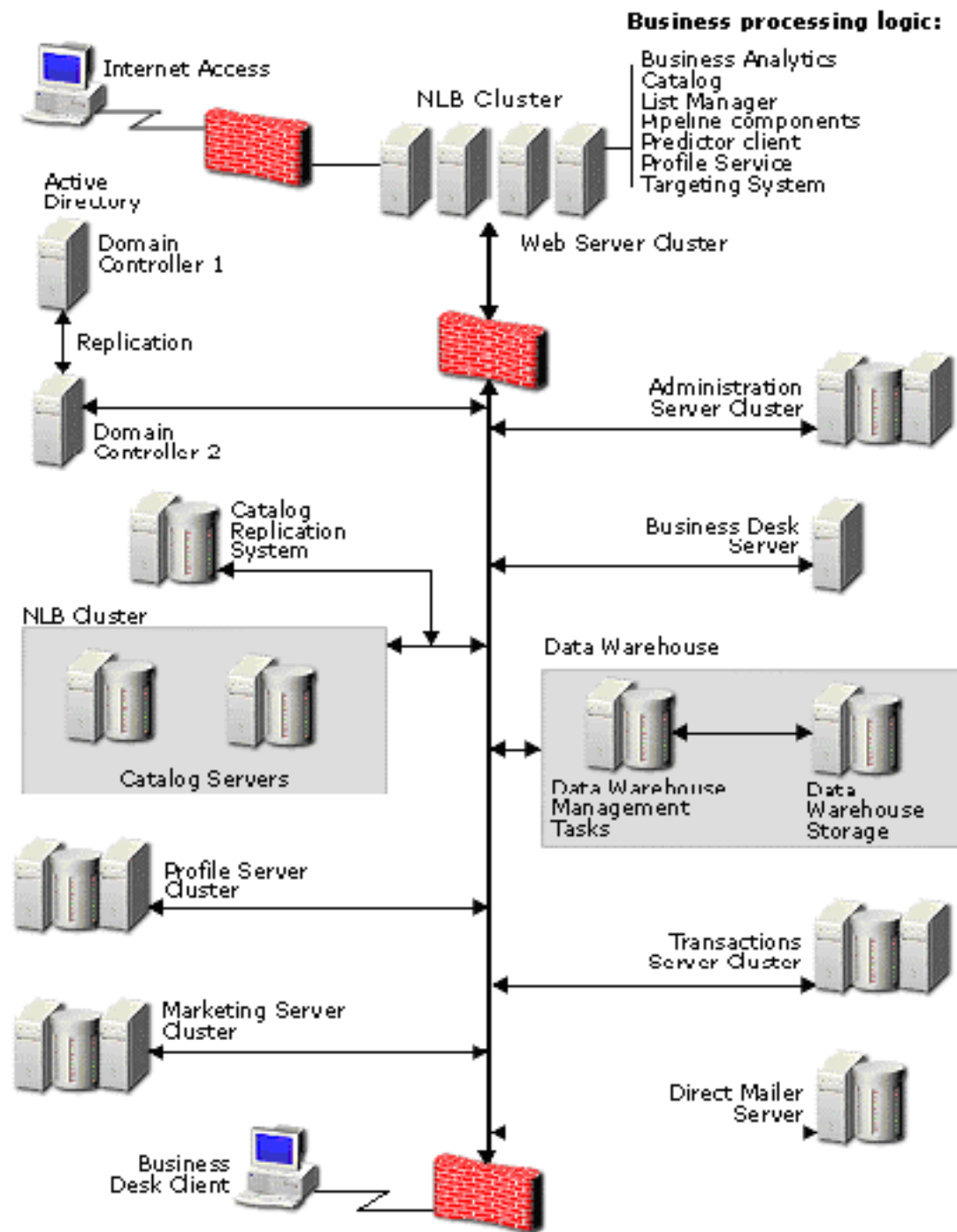


Understand CBS





Servers >>





RISKS in CBS Environment

- Ownership of the Data – Data resides at the Data center and not the Branch. Who is the Owner
- Authorisation Process : Anybody with access to CBS including customer can do Direct Data Entry.
- Inadequate Adequate authentication Procedures
- User Identity Management esp. Branches having customers in large numbers, in some cases more than 5000.
- Incident Handling Procedures – Transactions happening in real time Environment



RISKS in CBS Environment

- Multiple applications and multiple versions, connected to Data Center
- Down time in Data center = Down time in Branch.
- Wrong Parameter at the master setup.
- Errors in Data Migration.
- Application Software in operation outside CBS like NPA Calculator,



2. Internal Control System in Banks



Internal Controls

- A process effected by the management to provide reasonable assurance regarding achievement of objectives in the policy:
 - Effectiveness and efficiency of operations
 - Reliability in financial reporting
 - Compliance with the applicable laws and regulations.



Risk Mitigation Measures



Bank RISK Management Measures

1. Committee
2. Internal Audit
3. Revenue Audit
4. Branch Inspection
5. Head Office (HO) Inspection
6. Concurrent Audit
7. Systems Audit
8. Vigilance Function in banks
9. RBI Inspection



Banking Committees





Internal Audit

- Risk-Based Internal Audit to ensure that the internal audit is undertaken in the bank in a risk focused manner.
- RBI circular DBS.CO.PP.BC.14 /11.01.005/ 2003-04, dated June 26, 2004 on “Risk Based Supervision – Follow up of Risk Management Systems in Banks”



Revenue Audit

- identifying cases of leakage of revenue due to wrong computation of interest,
- non-application of interest on time,
- application of incorrect rates of interest/exchange/commission, non-application of penal interest,
- non-recovery or short-recovery of service charges on guarantees and letters of credit



Branch Inspection

- Covers all important areas of functioning of the branch, including
 - Efficacy of systems and procedures,
 - Compliance with head office directions,
 - Customer service,
 - Maintenance of books and records,

This is typically in the nature of internal audit



Head Office (HO) Inspection

- Investment and other treasury functions,
- Functioning of the central stationery department,
- Fixed assets (if centralised),
- Inter-branch reconciliation
- Employee engagement & Training .



Concurrent Audit

- An external Review of financial aspects of the Bank including documentation and other aspects.
- Scope defined by the management.



Internal Controls



Internal Control Procedures

1. Delegation of Powers
2. Segregation and Rotation of Duties
3. Maintenance of Adequate Records and Documents
4. Accountability for and Safeguarding of Assets
5. System Configuration and Account Mapping
6. Independent Checks
7. SOD & EOD Process



3. Audit Planning



Conducting of Branch Audit – Birds Eye View

1. Engagement letter for Branch Statutory audit, with closing circulars.
2. NOC from the previous auditor
3. Pre-Audit discussion with branch
4. Audit planning
5. **Audit Execution**
6. Discussion of the draft Branch audit report with bank
7. Preparation of MOC and effect of the same in books of account
8. Submission of Audit Report to branch +++.



Audit Planning



Planning Involves

- Audit Scope & Coverage
- Who will do what
- Start Time & Time Required
- Resource Materials – Reference Points
- Admin – Travel + Letter Head + Stationery



Audit Approach – Macro View

1. Profile the Branch business and materiality
2. Financial Assertions and relevant automation levels
 1. Gain Understanding of Automation levels and maturity
 2. Extent of Automation
3. Compare growth/reduction in volumes under various heads
4. Insights into current Banking trends
5. IT Risks and Controls
 1. Understanding the Control Environment
6. Plan and Design your Audit Procedures
7. Assessing the reporting and Regulatory risk
8. Discuss, Form Opinions and Conclude



Audit Approach - Working

1. Balance sheet
 1. Advances and Deposit
 2. Other than A&D
2. Profit and Loss Account
3. Management Representation Letter
4. Audit Working Papers / supportings
 1. Certificate Issued
 2. LFAR Comments
 3. 3CD workings
 4. Audit Report Workings
 5. Qualifications Working
 6. MOC Workings

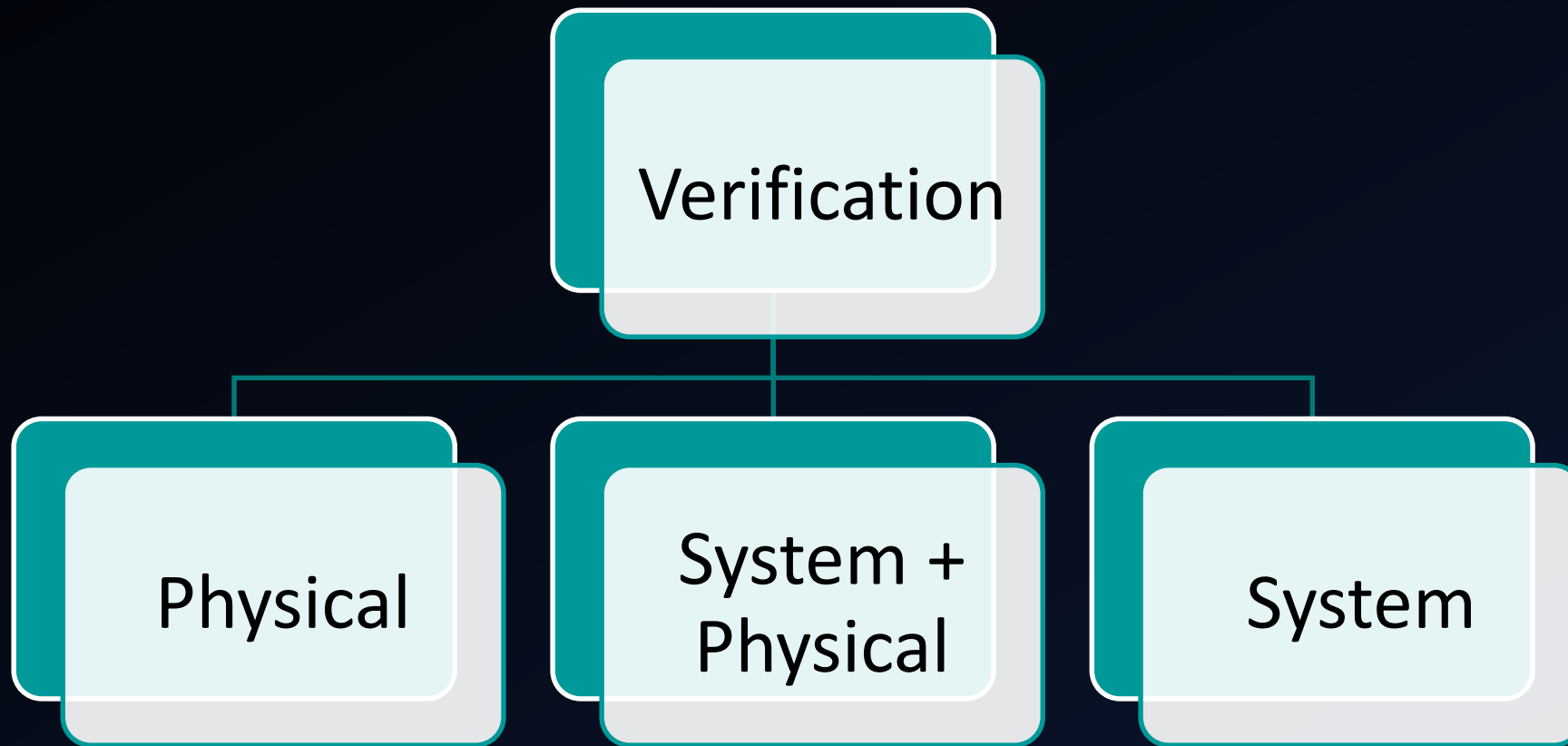


Audit Standards

1. SA 210 – Terms of Audit Engagement
2. SA 310 – Knowledge of Business
3. SA 400 – Risk Assessment and Internal Control
4. SA 320 – Materiality
5. SA 530 – Audit sampling
6. SA 300 – Audit Planning
7. SA 220 – Quality Control for Audit Work
8. SA 500 – Audit Evidence
9. **SA 230 – Audit Documentation**
10. SA 580 – Representation by Management



Audit Planning





Physical Verification

- Cash Balance
- Securities held at Branch including Gold Loans.
- Loan Documentation.
- External Confirmation including borrowers Loans.
- Other Audit Reports



System + Physical

- Vouchers + Expenses Debited
- FD Lien Marking
- Sanction Ticket + Terms
- TDS & Service Tax Returns



System

- Interest change application
- Customer database – Unique Accounts
- Regular + Exception Reports
- Loan Account Ledgers
- Standing Instructions
- Clearing Ledger Accounts



4. Audit Execution



Financial Statement Preparation



Balance Sheet

LIABILITIES	Return No.	CODE	Rs.	ASSETS	Return No.	CODE	Rs.
7. DEPOSITS	10	1,460	1,45,49,77,653	18. CASH AND BALANCE WITH RBI	13	3500	18,80,109
8. BORROWINGS	11	1,990	-	19. BALANCE WITH OTHER BANKS AND MONEY AT CALL & SHORT NOTICE	14	3800	-
9. OTHER LIABILITIES AND PROVISIONS	12	2,600	93,03,359	20. BILLS PURCHASED	2	4000	-
10. SUNDRY DEPOSITS	2	2,330	24,35,349	21. ADVANCES INCLUDING AGRICULTURE	2	4100	21,92,57,143
11. LOCAL CLEARING & CASH REMITTANCE	2	2,500	-	22. SUNDRY ASSET	15	4510	39,61,607
12. DDS ACCOUNT	2	2,510	-	23. BRANCH ADJUSTMENT ACCOUNT	16	5000	58,400
13. HEAD OFFICE ACCOUNT	2	2,520	-	24. LOCAL CLEARING & CASH	2	5500	-
14. HO INTEREST RECEIVABLES	2	2,540	-	25. DDS ACCOUNT	2	5510	-
15. ATM INTER BRANCH	2	2,550	-	26. HEAD OFFICE ACCOUNT	2	5520	-
16. DEBIT CARD INTER BRANCH ACCOUNT	2	2,560	-	27. HO INTEREST PAYABLE	2	5540	-
17. HO-CBS INTER BRANCH	2	2,570	-	28. ATM INTER BRANCH	2	5550	-
18. NET PROFIT		2,900	-	29. DEBIT CARD INTER BRANCH	2	5560	-
				30. HO-CBS INTER BRANCH	2	5570	1,16,49,45,867
				31. NET LOSS		5900	7,66,13,235
TOTAL		3,000	1,46,67,16,362	TOTAL		6000	1,46,67,16,362
31. CONTINGENT LIABILITIES & BILLS FOR COLLECTION	17	8,910	28,44,425				



Balance sheet other than A&D

LIABILITIES	GL_ACCOUNT NO.	AMOUNT	ASSETS	GL_ACCOUNT NO.	AMOUNT
DEMAND DEPOSITS			CASH ON HAND		
SUBSIDY AMOUNT	2025505017	4,40,000.00	CASH ON HAND	1204505001	-6,88,223.00
BRANCH ACCOUNT	2025505009	6,41,999.50	CA WITH STATE BANK OF MYSORE	1027505010	-4,53,233.86
SUNDRY DEPOSITS			BILL PURCHASED AND DISCOUNTED		
SUNDRY DEPOSIT	2025505001	8,727.00	DD PURCHASEDCHEQUES-OTH BANKS	1085505001	-13,800.00
EXCESS CASH FOUND	2025505010	500.00	INTER OFFICE ADJUSTMENT		
DEMAND DRAFTS			AGENCY CLEARING GENERAL AC	1102505001	-65,924.00
CKGB DD			HEAD OFFICE	2025505007	-10,76,27,590.07
CKGB DD A/C	2025505027	2,30,15,961.00	CORE INTERBRANCH A/C	1106505001	-57,78,398.17
CKGB DD	2144505001	1,94,44,192.00	BRANCH CLEARING GENERAL AC	1106505002	-7,58,27,948.11
GPO/SDD			TOTAL INTER OFFICE ADJUSTMENT		
SBM DD	2025505026	29,55,648.00	LEGAL CHARGES	1224505021	-750.00
GPO FOR CKGB	2239505004	91,78,284.00	INT INCENTIVE RECBL FROM GOI	1228505041	-1,23,298.00
GPO ISSUED ACCOUNT	2239505003	21,65,368.00			
OTHER LIABILITIES					
INT NOT COLLECTED A/C- IND	2249070601	30,973.00			
SUNDRY OTHERS	2025505024	40,778.00			



Balance sheet Advances Reco

Type	Amount
CC OD	4,58,33,569.76
Term Loan	4,06,03,294.88
Cheque Purchased	13,800.00
SB Debit Balance	5,086.00
Total	8,64,55,750.64
BS	(8,64,55,750.64)
Diff	-



Balance sheet Deposit Reco

DEMAND DEPOSITS	GL Code	Amount
SUBSIDY AMOUNT	2025505017	10,69,245.00
SUNDRY DEPOSITS		
SUNDRY DEPOSIT	2025505001	3,184.00
BRANCH BUILDING RENT	2025505012	350.00
CURRENT ACCOUNT		
CURRENT A/C-PERI	2001070601	30,11,719.85
CREDIT BALANCE IN CC/OD		
CASH CREDIT-PERI	2002070601	142.00
OVERDRAFT-PERI	2003070601	8,006.21
SAVINGS BANK ACCOUNTS		
SAVING BANK ACCOUNT-STF	2006030601	15,543.20
SAVING BANK ACCOUNT-GROUP	2006500301	9,266.00
SAVING BANK ACCOUNT-INSTN	2006500901	7,855.00
SAVING BANK ACCOUNT-OTH	2006505001	37,151.00
SAVING BANK ACCOUNT-PERI	2006070601	1,55,60,615.56
TOTAL DEMAND DEPOSITS		
TERM DEPOSITS ACCOUNTS		
TERM DEP-PERI	2010070601	12,21,634.00
TERM DEP-GROUP	2010500301	4,40,856.00
RECURRING DEPOSITS ACCOUNT		
RD-STF	2014030601	7,500.00
RD-GROUP	2014500301	5,200.00
RD-PERI	2014070601	1,87,200.75
SAVINGS CERTIFICATE ACCOUNTS		
SPECIALTD-STF	2011030601	63,440.00
SPECIALTD-GROUP	2011500301	10,98,301.00
SPECIALTD-OTH	2011505001	2,07,800.00
SPECIALTD-PERI	2011070601	1,58,08,888.00
TOTAL DEPOSITS : -----		3,87,63,897.57
As per BS		38763897.57
	Diff	0.00



Profit and loss account



Profit and Loss Account

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDING 31- MAR- 2017							
EXPENDITURE	Return No.	CODE	Rs.	INCOME	Return No.	CODE	Rs.
1. INTEREST EXPENDED	5	7,000	9,66,22,453	4. INTEREST COLLECTED	8	9210	2,65,45,045
2. GENERAL CHARGES	6	8,110	89,07,375	5. COMMISSION EXCHANGE BROKERAGE AND OTHER INCOME	9	9480	23,71,547
				6. NET LOSS		9500	7,66,13,235
TOTAL		9,000	10,55,29,827	TOTAL		9600	10,55,29,827

Prepare detailed working with schedules



Possible Exceptions

- Schedules not matching
- Long pending Advances & Deposits
- Trends not matching



Some items Not Dealt @ Branch

1. Provision for Standard Assets & **Non Performing Assets** .
2. Provision for **Taxation** (Income Tax and Wealth Tax)
3. Provision for Pension, Gratuity and Leave encashment etc..
4. Provision for **Audit Fees** including TA/HA for Auditors including Branch Auditors
5. Provision for **Depreciation** on Premises and Furniture & Fixtures
6. Provision for **Interest on Overdue Deposit**
7. Provision for bonus



Broad Areas for Review

1. Balance Sheet - Schedules
 1. Advances
 2. Deposits
 3. Sundry Assets
 4. Sundry Liabilities
2. Contingent Liabilities
3. Inter Branch Reconciliation
4. Cash & Bank Reconciliation



Broad Areas for Review

5. P&L

1. Income Head
2. Expenditure Heads

6. Closing circular issued by Bank's head office

7. Review of

1. Previous years Auditor report + LFAR
2. Inspection + Concurrent + RBI + any other report



Audit Procedures

ADVANCES

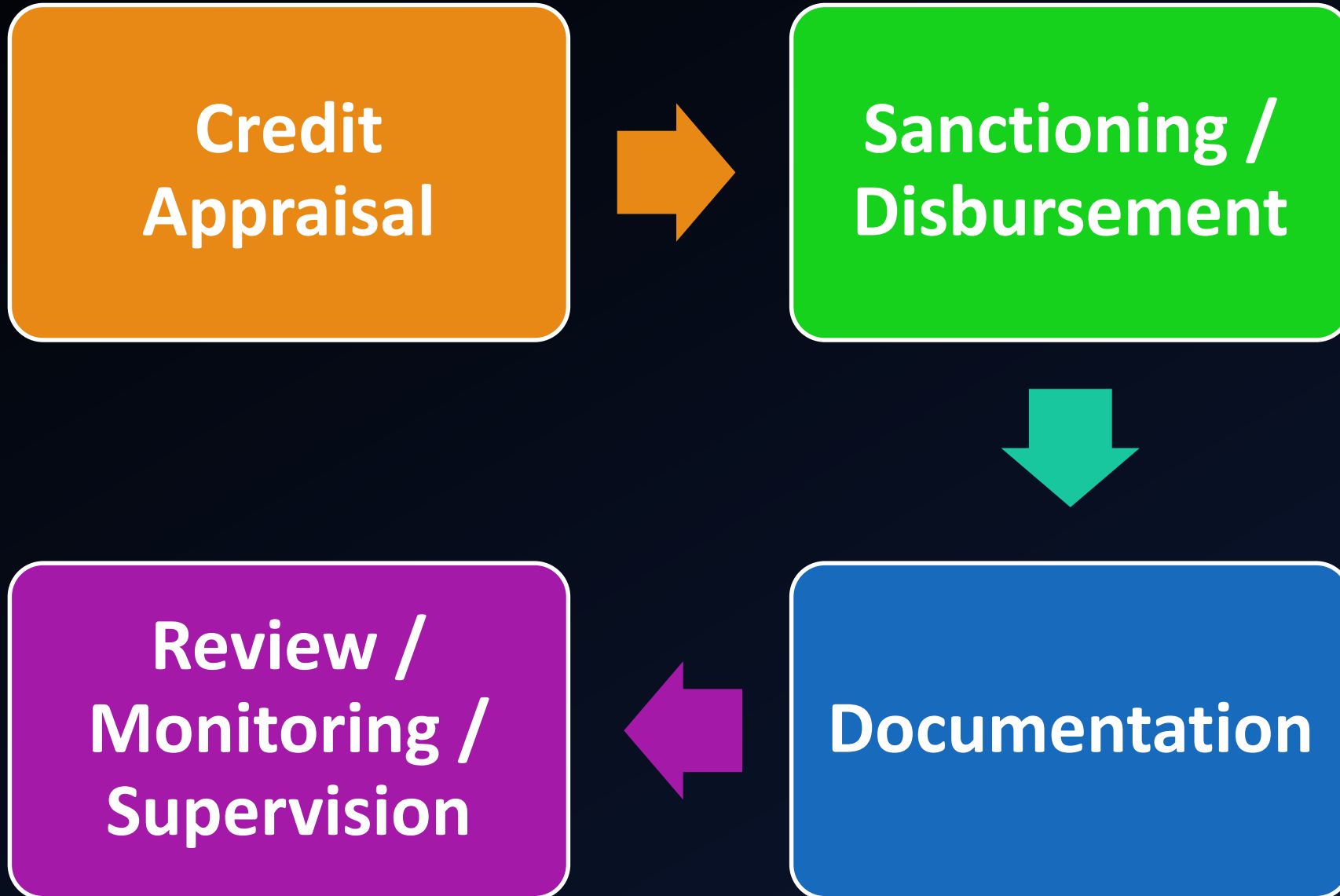


Advances – Accounts to Verify

- Large Advances – OS > 5% of Total Advance (or) Rs 2 Cr – 100%
- Sanctioned During the year – Sample
- Adversely Commented by other Auditors – 100%
- Moved out of NPA – 100%



Advances – What to Verify





Credit Appraisal

- Understand Branch powers for each category of Loan
- New Loan
 - Application form for Loan
 - Documents supporting the Need of Loan
- Renewal / Enhancement
 - Application
 - Reporting to Controlling Authority



Documentation

- Loan Specific Documentation as per the Bank Policy
- Conditions specified in the Sanction Letter
- Mapping of information in the sanction letter with System
- Marking of Lien against Deposits where ever needed.



Review / Monitoring

- List of Accounts not Renewed
 - > 6 months
 - > 1 year
- Collection of Stock / Book Debts / Financial Statements.
- Periodical Physical Verifications + Stock Audits.
- Timely Valuation of Securities.



Audit Procedures

DEPOSITS



Deposits

- Sample Check – Documents
 - KYC – NEW ACCOUNTS
 - NRE, NRNR, FCNR, RFC – Opening Account Forms Conditions
 - Original receipts for matured deposits paid
- Review
 - Correctness of rate of interest on fresh as well as renewed deposits
 - Renewals/Rate of interest for the overdue period
 - Payment of interest on matured deposits done as per Bank's policy



Deposits

- Report on window dressing
 - Large deposits made at the year end - Verify transaction of last 2 days for
 - Trend Analysis
 - Transfers from loan / overdraft / cash credit accounts to current / deposit accounts.
 - Purchase of cheques/bills and credited to current/deposit account



Audit Procedures

CASH , FA, BRS



Physical Verification - Cash

- Verify cash held as on date of commencement of audit (preferable)
- Tally the day's cash with Cash Scroll
- Review records to check branch staff verifying cash independent of the cashier.
- Amounts held are within cash retention limit.
- Ensure there is the custody of joint key holders.
- Movement from chest is properly recorded and authorized.
- Cash remittances (both inward and outward) are made with adequate escort staff and accounted / acknowledged within reasonable time.
- Ensure that adequate insurance cover is available for the cash holding.



Physical Verification

- Security & Stationery
 - Ensure that adequate control is exercised over the security items, stationery, stamps, etc..
 - Closing Stock recorded is adequate and appropriate
- Bank Reconciliation
 - Bank reconciliation statement and ensure that the balances agree with corresponding Bank statements



Fixed Asset

- Additions during the year are reported
- Physical Verification of Assets
- Computation of Depreciation, Bank Specific.
- Adequate Insurance is obtained



Audit Procedures

P&L



Interest

- Check the Interest Rate applied
 - Sanction Letter - Incomes
 - Deposit Certificate - Expenses
- Trend Analysis
 - Previous Income & Expenses with Business Portfolio
- Short debit of interest/ commission on advances with special emphasis on penal interest, commitment charges, processing fees etc..



PnL – Other Expenses

- Scrutinize general expenses register/ledger for unusual items
- Adequate provisions created for expenses incurred but not paid.
- Test check the procedure followed and amount charged off to profit and loss account towards stationery consumed during the year
- Ensure that all expenses in excess of delegated power have been ratified by competent authority
- Ensure that TDS is effected as per rules on all applicable payments.



Audit Procedures

IRAC



Source

- Please refer to the Master Circular No. RBI/2015-16/104
DBR.No.FID.FIC.3/01.02.00/2015-16
 - Income Recognition
 - Asset Classification
 - Provisioning



Income recognition



Policy

1. PA – Accrual
2. NPA – Receipt Basis
3. Exceptions
 1. advances against Term Deposits, National Savings Certificates (NSCs), Indira Vikas Patras (IVPs), Kisan Vikas Patras (KVPs) and Life policies
 2. Central Government Guaranteed Accounts



Asset classification



Assets

Performing

Non-Performing

Substandard –
NPA first 12
Months

Doubtful

Loss -
Uncollectable

D1 :
Substandard
12 months

D2 : D1 for
two years

D3 : Doubtful
beyond three
years



Non performing Assets

1. **TERM LOANS**: interest and/ or instalment of principal remain overdue for a period of more than 90 days in respect of a term loan,
2. **Overdraft/Cash Credit** : the account remains 'out of order'
3. **Bills** : the bill remains overdue for a period of more than 90 days in the case of bills purchased and discounted,
4. **Agriculture**
 1. **Short Duration Crops** : the instalment of principal or interest thereon remains overdue for two crop seasons.
 2. **long duration crops** : the instalment of principal or interest thereon remains overdue for one crop season.

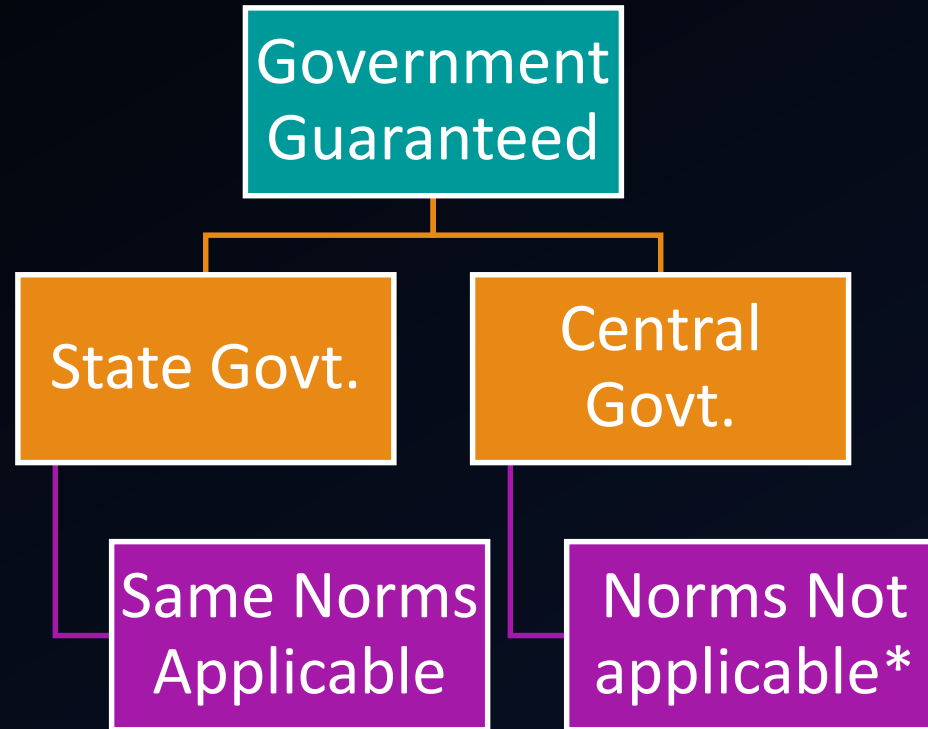


Out of Order

- if the outstanding balance remains continuously in excess of the sanctioned limit/drawing power for 90 days.
- Outstanding balance < sanctioned limit/drawing power, BUT there are no credits continuously for 90 days as on the date of Balance Sheet or credits are not enough to cover the interest debited during the same period



Govt Guaranteed Assets – NPA Norms



*

- Norms Applicable only when the government repudiates its guarantee when invoked
- income shall not be recognised if the interest or instalment has remained overdue >90 days or OOO



Ignore - Accounts with temporary deficiencies

The classification of an asset as NPA should be based on the record of recovery.

Do not classify an advance account as NPA merely due to the existence of some deficiencies which are temporary in nature –

- non-availability of adequate drawing power
- stock statement not regular
- balance outstanding > limit temporarily,
- non-submission of stock statements and non-renewal of the limits on the due date, etc..



Provision



NPA - Norms

Category	Norm	Provision
Loss		100%
Doubtful	Unsecured portion	100%
Secured Portion	Up to one year	25%
	One to three years	40%
	More than three years	100%
Substandard	Partially secured	15%
	Unsecured	25%



PA - Norms

Norm	Provision
Farm Credit to agricultural activities and Small and Micro Enterprises	0.25 %
Advances to Commercial Real Estate (CRE)	1%
Residential Housing Sector	0.75%
All other loans and advances	0.40%
Home Loan Teaser Rates	2%
Later period	0.4%
Restructured	5%



Other areas to focus



Advances - IRAC

- IRAC
 - not 'automated' always. Caution – only status is entered
 - Add In Module in some cases
- Security Valuations and NPA Dates
- Agricultural NPAs – a dicey issue
- **Reversals of NPA to PA are poorly handled**
- Exception reports
 - Borrower Group Report
 - advances above limit, Sanction Amounts
- Conduct a Sample Check before relying



Books Reconciliations

- Reconciliations
 1. Whether balancing books tallies with GL ?
 2. Posting Errors ?
 3. ECS Batch
 4. Direct GL Entries
- Change in GL Link Parameter Codes
 1. GL Codes List with codes other than those in
 2. Reporting Statement – Pointing Parameters for
 3. Nominal Accounts
- Transactions entered & authorised by same person



Clearing

- Clearing

Clearing Exceptions – Returns, Errors

Clearing

Exception and Cheque Returned reports

Whether Schedule modifications allowed

IBD Cheque Numbers

- ECS

Outstanding entries follow up

- CRA - Reconciliation of Cash covers and Audit Rolls

- Short/Excess Claims in Office Claims – O/s Entries

- TOD Report



CERTIFICATES



Beyond Audit Report

- Tax Audit
- BASEL Norms - CERTIFICATE ON CAPITAL ADEQUACY
- Long Outstanding Sundries / Suspense
- BG Commission workings?
- Interest Subvention 1.5% and 2% ?



General List -Certificates

1. Certificate on Prudential Norms and Memorandum of Changes (MOC)
2. Certificate on Demand & Time Liability (DTL) position and Cash Balance.
3. Certificate on Serious Irregularity.
4. Certificate on Sundry Assets
5. Certificate on verification of inventory items of high value.
6. Exposure to Sensitive Sectors .
7. Details of restructured loan account
8. Interest Subvention up to 3lacs
9. CSI Interest subsidy scheme for Educational loan.
10. Certificates on national rural livelihood mission.
11. Interest subvention on rupee export credit
12. Certificate for claims from Govt State / Central.



Demand & Time Liability (DTL)

Auditors have to Certify that

- RBI Statement submitted by the branch
- on the notified Fridays mentioned in the format
- are in accordance with the Day Book/Trial Balance of the Branch.

Auditors are also to Certify the

- Cash and Balance with Banks reported in the relevant RBI Statement
- for the odd date mentioned in the format



Interest subvention

- List of Renewed Account
- List of Newly opened accounts
- Incentive passed on the customers

Create a Working report from Advances master



Locker Rent

- Books of Account
 - Cash Basis
- Tax Audit
 - Accrual Basis



Journey to BASEL III

- These guidelines became effective from April 1, 2013 in a phased manner. And will be fully implemented as on March 31, 2019.
- Scope : LOAN ACCOUNT CLASSIFICATION
 - Corporate vs NON- Corporate
 - Real Estate – Commercial vs Residential
 - Capital Market Exposure

$$\text{CARR} = \frac{\text{Eligible Total Capital funds} \times 100}{\text{Credit Risk RWA} + \text{Market Risk RWA} + \text{Operational Risk RWA}}$$



Serious Irregularity

Incase any matter susceptible to be fraud or fraudulent activity or any foul play

- in any transactions noticed
- to be reported to the Top Management of the Bank and
- to Reserve Bank of India

Also the auditor has to send a separate report simultaneously to the Chairman and Managing Director of the Bank and to the Department of Banking Supervision, Reserve Bank of India

In cases where the fraud involved is Rs. 100 lacs and above auditors have to report such instances directly to Reserve Bank of India.



Sundry Assets

- In the Books of the Bank Balance Sheet, there would be an account head called "Sundry Assets" .
- Branches generally take balancing of this subsidiary every month and also submit a copy to Head office. Ask & Review for the previous statement.
- Auditors Certificate has to be issued basing on items outstanding **for more than six months** in Sundry Assets.

100% risk weight for Capital Adequacy
Ratio.



Inventory Items of High Value

Verification - Existence

- Could be in Branch Books or centralized HO books(statement forwarded by HO).
- Physical verification of high value inventory items of Rs.50,000/- and above (original cost)

Report – Recoverability / Impairment

- This statement is issued for comment on impairment of the Assets as per AS28.
- Test for the impairment as per the Accounting Standard



5. Building Working Papers



Why Analyse thro' Excel...

- ExcelKnown Program.....
- Analytical capabilities available in Excel
- Portability of data and results
- Easy for documentation



Excel Formulas

- Import of Data from CSV to Excel
- Split data Text to Columns
- Conditional Formatting
 - Identify Duplicate
 - Highlight Exceptions
- Date Formatting
 - Over come MM/DD/YY



Excel Formulas

- Pivot Tables
- If Formula
- Concatenation
- Graphs
- Sum If
- VLOOKUP



Import Data into Excel

- Open the file from Excel by using the Command -File, Open
- Go thro' Text Import Wizard – 3 steps
 - Choose Fixed width
 - Introduce Manual breaks
 - Format the data into Date/Number/ wherever required
- Keep the Source text file in one sheet and Create a Copy of the worksheet
- Go to the working Copy
- Click on the left-most corner and click any column edge to make the data fit to the columns
- Correct the heading & have it in a single cell
- Follow the Logic of the Data for removing unwanted rows from the data so as to make the excel sheet conform to “listing” format



Remove Unwanted Rows

- From Column B copy the Hyphens
- Find & Replace “- - - - -” with Blanks from Column B
- Find & Select – Go to Special
- Select Blanks
- Delete Sheet Rows
- Remove other unwanted Rows that contains words such as:
 - “Customer No”
 - “Segment Total”
 - “Product Total”,
 - “Grand Total” etc.,

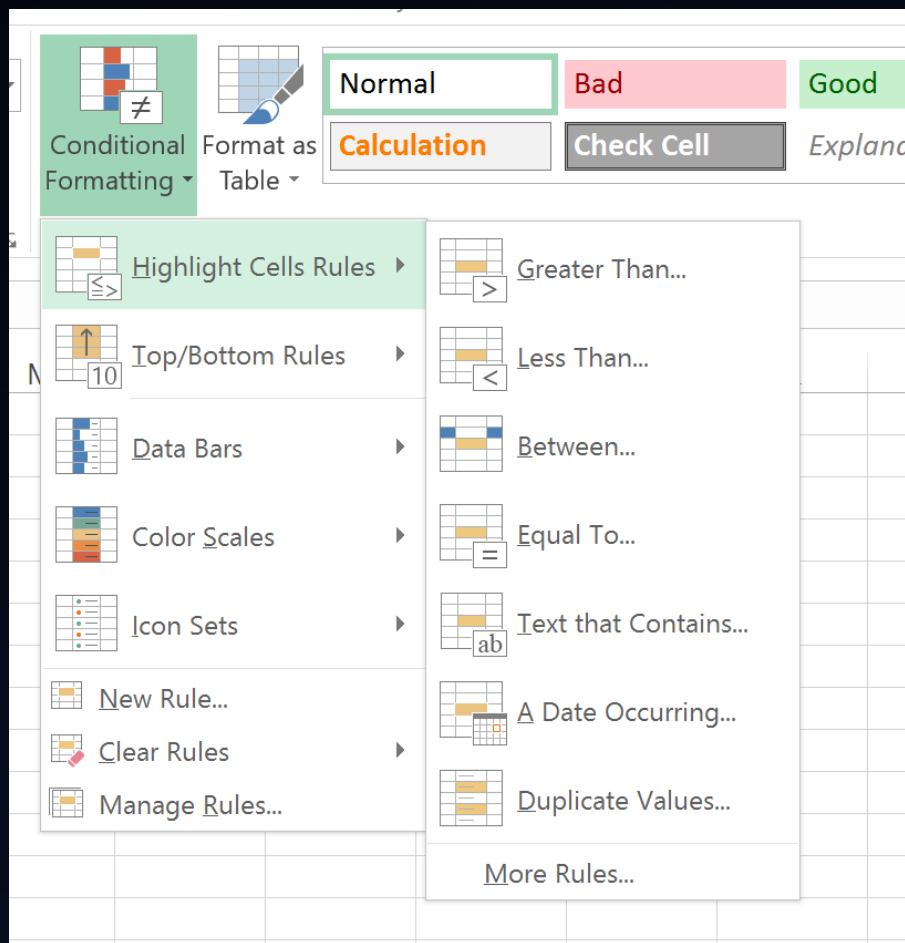


Formatting Xl sheet

- Copy the heading from the Previous Sheet
- Insert New Column for Sl No.
 - Fill in sl no in the column
 - If sl.no column is there, the sheet can be restored back to the original level at any time
- Find Replace Commas from the columns that contain amounts and format them as Num bers
- File save as xl
- Filter the account head & Compare with the Original Text file for the accuracy of the data in xl file



Conditional Formatting





PIVOT TABLE

Loan Code	Product Code	2Lacs and Above		less than 2lacs		Total	Total # Amt
		# Cust	# Amt	# Cust	# Amt		
⊕ 10400				1	29,551	1	29,551
⊕ 10500		12	92,92,543	43	20,48,452	55	1,13,40,995
⊕ 10600		1	5,00,000	6	4,59,150	7	9,59,150
⊕ 10700				2	54,923	2	54,923
⊕ 10800		1	5,80,555	1	1,41,190	2	7,21,745
⊕ 11000				5	86,893	5	86,893
⊕ 11100				3	67,494	3	67,494
⊕ 11200				5	3,01,963	5	3,01,963
⊕ 11500		48	2,93,31,573	62	70,17,420	110	3,63,48,993
⊕ 11600		80	5,71,87,045	22	18,18,943	102	5,90,05,988
⊕ 14200				25	3,60,898	25	3,60,898
⊕ 20700				1	8,188	1	8,188
⊕ 21700				1	20,000	1	20,000
⊕ 24600		12	2,47,85,621	11	8,29,044	23	2,56,14,665
⊕ 24800		1	16,82,589			1	16,82,589
⊕ 25100		21	1,03,04,695	229	1,29,72,276	250	2,32,76,971
⊕ 33000		46	1,50,16,371	196	1,66,76,471	242	3,16,92,842
⊕ 45100		7	38,58,129	13	5,05,800	20	43,63,929
⊕ 45200		2	4,82,641	10	(1,24,286)	12	3,58,355
Grand Total		231	15,30,21,764	636	43,27,43,69.51	867	19,62,96,133



IF FORMULA

IF (<CONDITION>,<VALUE IF TRUE>,<VALUE IF FALSE>)

Example: Sample Accounts for Review

If(OS > DP, “Check Account”, “ Ignore”)



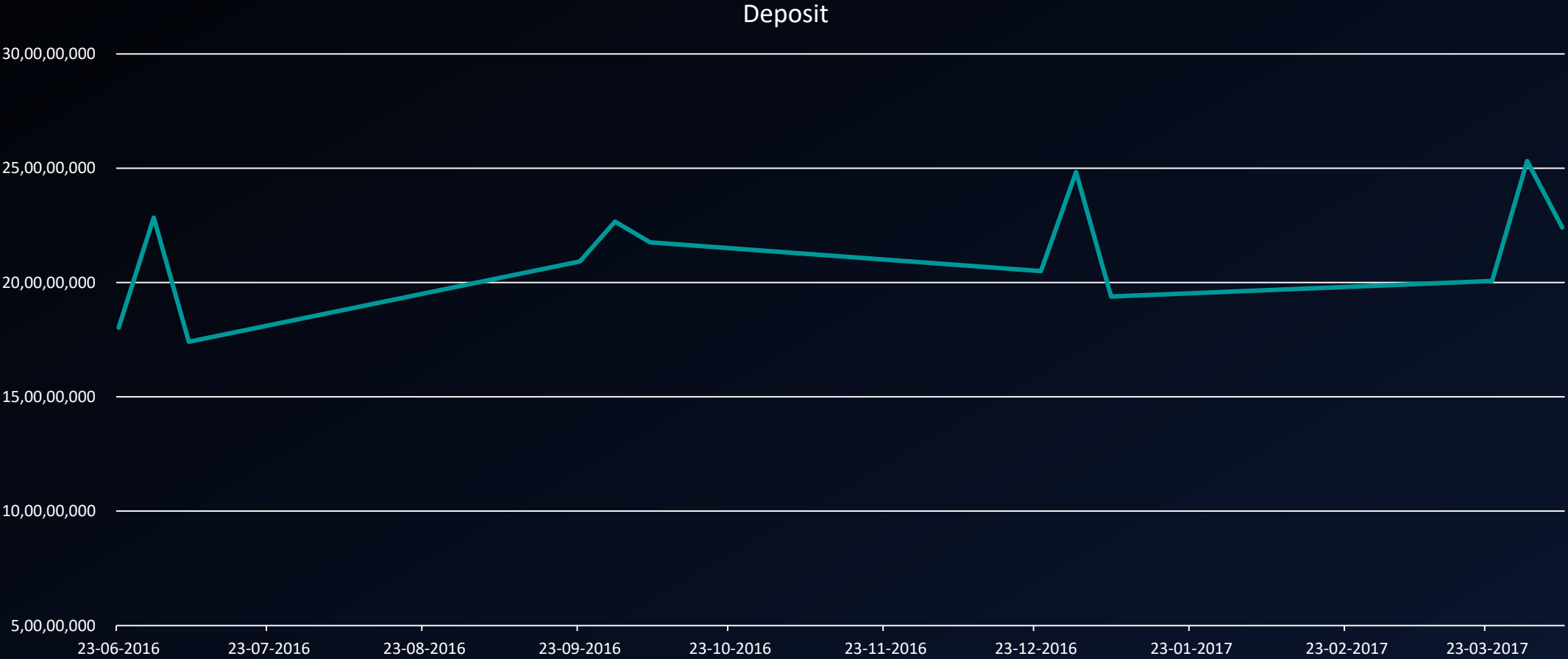
V LOOKUP

Start	End	Category	Secured	Unsecured
13-11-1985	31-03-2013	D3	100%	100%
01-04-2013	31-03-2015	D2	40%	100%
01-04-2015	31-03-2016	D1	25%	100%
01-04-2016	31-03-2017	Substandard	15%	25%
01-04-2017	27-12-2019	Standard	0.25%	0.25%

Date	Category			
01-06-2015	D1	=VLOOKUP(J7,C2:G7,3,1)		
01-06-2016	Substandard			



GRAPHS





BANK AUDIT READINESS CHECK



Broad View on Bank Branch Audit

Audit Planning

- Understand Scope
- Training
- Role Mapping



Audit Execution

- Physical
- System
- System + Physical



Audit Documentation

- Working Papers
- Reconciliation



Reporting



Thank You

For any Clarification, Please Contact

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