

(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, Karnataka Grameena Bank, Inspection Wing, Head Office, Ballari

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/continuous audit study of the branch / department 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 / department 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/ department 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)