

STATE BANK OF INDIA
INTERNAL AUDIT DEPARTMENT, HYDERABAD

TERMS & CONDITIONS FOR EMPANELMENT OF CHARTERED
ACCOUNTANT FIRMS AS CONCURRENT AUDITORS

- 1) Preference will be given to those firms which have ICAI trained Concurrent Auditors and those firms which have concurrent audit experience in State Bank of India (SBI).
- 2) Concurrent Auditors shall normally be positioned at the location where the selected Branches / CPCs / special outfits operate.
- 3) Concurrent audit to be done on daily basis. Trained representative of the firm (Articled Clerk trained by ICAI on concurrent audit) / retired commercial banks officers /qualified Chartered Accountants to be available on all days.
- 4) One of the Principal Partners or senior partner to visit the branch at least once in a week, depending on the business and risk profile of the branch/BPR Outfits. Number of visits may be increased by CAO depending upon the volume and need at the branch / outfit under concurrent audit. At the areas, where the firm do not has its office but allotted Concurrent Audit, the partner should visit the branch at least once in a month.
- 5) Bank will impose financial penalty for unauthorized absence, non-detection of income leakage, major lacunae in conduct of account including reporting to RBI/ ICAI (as per **Annexure- V**).
- 6) Bank may impose non-financial penalty leading to termination of contract for instances of failure to comment on fraud, misappropriation of funds, any other serious irregularities which result in loss to the Bank.
- 7) If there is any change in the constitution of your firm or you suffer from any statutory disqualification, you must inform the Bank immediately.
- 8) CA firms to furnish personal details / comply with KYC norms, viz., proof of identity and address proof / contact numbers / contacts in case of emergency, etc., of all the representatives of the firm who visit the Branch / CPC, for security reasons.
- 9) The partners / representatives of CA firms who visit the Branch / CPC shall make their presence in a register maintained for the said purpose.
- 10) CA firms shall liaise with the Branch / CPC on a regular basis and provide their periodic audit plan and enable the Branch / CPC to furnish / provide documents without affecting loss of audit man days for CA firms and / or customer service is not affected in the Branch / CPC.
- 11) The representatives of the CA firms shall not enter prohibited / restricted areas, viz., IT server room, record room, strong room, locker room and / or any other security related areas without the prior approval from the Branch Manager.

12) CA firms shall not hold any documents overnight in their custody. Hence, all vouchers / books/ registers/ security document / title deeds / any other documents / vital correspondence, etc., are to be returned to the officials of the Branch / CPC on each day.

13) Branch / CPC shall be advised to provide applicable " Enquiry" rights / access to the Bank's Core Banking System to the representatives of the CA firm.

14) CA firms shall not seek copies (hard / soft /photostat) of Bank's instructions / circulars / vital correspondence / study materials, etc.

15) Branch / CPC will be providing reasonable level of stationary.

16) CA firms shall submit their bill / invoice on a monthly basis.

17) CA firms to furnish their bank account details along with IFSC code to enable the Bank to credit the audit fee to the credit of their account on a monthly basis.

18) CA firms shall endeavour to maintain continuity of their Assistant / Articled clerk at the Branch / CPC, so that there will not be any compromise on the quality of assigned tasks due to frequent change of Assistant / Articled clerk.

19) The Concurrent Auditor will be fully responsible for the quality of the audit, timely completion of audit and submission of the audit reports and reporting to controllers.

20) Subject to the other provisions of this document, firm allocated to any branch can be reallocated to any other branch for any period as per the requirement of the Bank.

21) Documents will be executed by all the partners before taking up the assignment of current audit of allotted branch.

22) The auditors engaged for CA are authorized to have access to any documents and records considered necessary for the performance of their functions within the auditee unit. He can also request members of the staff and management of the auditee unit to supply such information and explanations, as may be needed in carrying out his work, which is to be provided within a reasonable period of time.

23) Any change in the name, address, constitution and partnership deed must be reported to bank within 15 days of such change with necessary supporting documents. Failing which, it will be treated as deliberate suppression of facts by the firm and thereby making them liable to compensate the bank for such change. In such eventualities, bank also reserves its right to terminate the contract with such firm without notice.

24) New partners are to sign documents within 15 days of joining and not doing so will attract the provision relating to deliberate suppression of facts.

25) Outgoing partner will remain liable to Bank to the extent and period as determined by the Bank on case-to-case basis.

26) Firm when engaged as concurrent auditor cannot assign/subcontract the job in any sense of the term and in any form whatsoever it may be to any other person. Any

assignment/subcontract of the job in some others favour either through operation of law or otherwise will deem the original contract as terminated.

27) In case any information furnished during the application process is found at any point of time, to be incorrect, SBI will not only summarily reject the application / terminate the contract without any notice, but also the applicant may be blacklisted from any future such process with the Bank.

28) SBI may share such information with ICAI, Reserve Bank of India (RBI) or Indian Bankers' Association (IBA) which is the voluntary representative body of all banking institutions in the country or any other organization, who, in turn, may share the information among its member institutions.

29) Any terms and conditions beyond the scope of this process added by the bidder, whether implicitly or explicitly stated in any of the responses, will be ignored.

30) Notwithstanding anything contained herein above, the Bank reserves its right to terminate the contract by giving 30 days prior notice to the other side without assigning any reason.

31) It is the responsibility of the CA Firm to inform the CAO immediately in case they are selected as Statutory Auditor / any other auditor in SBI.

32) Our Firm will take up Concurrent Audit assignment at not more than 3 branches / CPCs / special outfits across India. If Bank finds at a later stage that our firm has taken up assignment at more than 3 branches / CPCs / special outfits, Bank reserves the right to cancel all the assignments of the firm.

Place:

Date:

Signature of the applicant with seal