

Annexure-“D”

Empanelment/ Selection of Concurrent Auditors in J&K Bank for the FY 2022-23

1. Eligibility Criteria for Retired J&K Bank officers:

While selecting/ engaging Retired Bank Officer of the J&K Bank for Concurrent Audit assignment/s the following basic eligibility criteria shall be followed: -

- Retired honourably either superannuated or through VRS (not being charge-sheeted & punished for serious lapses/offences, in his / her active service career from the Jammu & Kashmir Bank Limited from middle management grade (MMG i.e. Scale III) & above.
- Is well aware of the computerized environment, well versed and familiar with Core Banking Solutions like Finacle and / or any other banking application software used in the Bank.
- Must have minimum banking experience of 15 years service as an officer in the bank with satisfactory track record.
- Not above the age of 69 years as on 1st August of that year.
- Must be having a sound health i.e. he must be medically fit to carry the assignment of the Concurrent Audit (a certificate from an MBBS doctor to this effect must be submitted with the application). Must be able to travel even to distant Business Units/places for inspection/security verification, in case of need.
- Must possess adequate computer knowledge and should be able to handle computers independently, as the inspection report has to be punched online.
- Must possess the requisite aptitude, analytical ability and flair to take up inspection assignment.
- Must have high sense of involvement and should have the ability to motivate others.
- To be eligible he should not be involved in any sort of investigation or FIR lodged against him after date of retirement for which a clause shall be incorporated in the indemnity bond to be obtained from the retired officer.

2. Terms of Engagement of Retired JK Bank Officers as Concurrent Auditors:-

Tenure of appointment and extension of term: The tenure of the retired bank officers shall be for a period of one year. Only one Business Unit or office shall be allotted to one eligible retired officer. However, the retired officer must not have worked in the allotted branch during five preceding years prior to his retirement. He shall not be retained as Concurrent Auditor for more than two years for the same Business Unit / office but shall be rotated to other branch/office subject to condition that he / she shall not have attained the age of 69 years as on 1st August of that year.

a) Accountability/ /Removal/dis-empanelment of Concurrent Auditors:-

Concurrent Auditors, will be subject to removal/de-listing/de-empanelment in following cases:

- When the Concurrent Auditors have colluded with borrowers or Branch Manager or officials, for pecuniary benefit and failed to report major irregularities and frauds.
- When frauds of financial/other loss/es is/are not detected / not reported.
- When they fail to retain/maintain desired performance in the half yearly review.
- When their performance is not found to be of desired level for two consecutive months by concerned Compliance Department or S&C Divisional Office/Corporate Headquarters or any other Office.
- When they refuse to attend to any inspection/audit assignment or delay it, without proper justifications/reasons;
- When they fail to attend the business unit on regular basis for Concurrent Audit.
- When a Concurrent Auditor resigns/revokes his job in middle of the assigned period.
- Frequent expiry of password on account of non-attendance.
- Asking undue favours from customers of the Bank.
- Any fraud or irregularity not reported by the concurrent Auditor.
- Late submission of Concurrent Audit report by more than five days (before 15th of the month following the month to which the report pertains.)
- Quality of Concurrent Audit report is very poor.
- The auditor fails to display a cooperative/constructive/collaborative approach towards the staff posted at the business unit and does not discuss the vital aspects of his findings with the Branch Manager/ other officials in-charge of various sections/departments;
- Fails to maintain the secrecy of the information of the borrowers/depositors or workings of the unit.
- Auditor is involved in some unlawful activities necessitating the bank to withdraw assignment/ allotment and other event likely to have material effect on the conduct of the Concurrent Audit in the business unit.
- If serious acts of omission or commission are noticed in their working, their appointments may be annulled and they may be blacklisted not only for concurrent audit but also for all other types of audit assignment/s of the bank, after giving them reasonable opportunity to be heard and the fact shall be reported to ACB of the bank.
- Refusal to take up the allotted assignment & non commencement/ completion/non-submission of audit report within prescribed time.
- In case unsatisfactory performance is observed on the part of concurrent auditor or deviation from the terms of engagement, his assignment will be cancelled even before completion of the allocated period of one year.
- Further any MOC surfaced under statutory or other audit and not reported by Concurrent Auditor shall entail disqualification and cancelling of appointment of the concurrent auditor which shall be monitored by the concerned S&C Zone.
- The de-panellment of the auditor will be done by Managing Director & CEO on the recommendations of the Committee empowered for selection in case of unsatisfactory performance while making review. The selection committee for the purpose includes Deputy General Manager (S, C & Audit), Incharge (S, C & Audit) and concerned desk officer.

3. Other Conditions of Engagement:

- i. The auditors will not sub-let/sub-assign the audit assignment to any person/ firm. Selection of Concurrent Auditor/s will be the sole discretion of the bank.
- ii. The Concurrent Audit firm/individual will be liable to be removed at any time at the sole discretion of the bank without assigning any reason.
- iii. The empanelled firms/retired official shall be accountable for the acts of omission and commission during the course of the Concurrent Audit.
- iv. The Concurrent Auditor should strictly adhere to the audit coverage as per the scope of Concurrent Audit as may be communicated /decided by the Bank from time to time.
- v. The Concurrent Auditors should not undertake any other activities / assignment on behalf of the business unit/operational office without obtaining the concurrence of the S,C & Audit Division, Corporate Headquarters in writing.
- vi. The empanelled concurrent Auditors will not be eligible for any leave facility and medical expense reimbursement.
- vii. No out of pocket expenses or traveling allowance / halting allowance would be paid to the Concurrent Audit firms/individuals for carrying out the audit assignment and/ or attending workshops / meetings etc.