



ALL INDIA UNION BANK PENSIONERS AND RETIREES FEDERATION
(Affiliated to All India Bank Pensioners & Retirees Confederation – AIBPRC)
(Promoted by All India Bank Officers' Confederation – AIBOC)
(Sponsored by All India Union Bank Officers' Federation – AIUBOF)
163/4, Kutchery Road, Mylapore, Chennai – 600004
E mail i.d: suryanarayananram@gmail.com

Com. P.B. Thomas
Chairman
M: 09447177456

Com. Bihari Patel
President
M: 09825027000

Com. S. Bagchi
Working President
M: 09830981586

Com.R.Suryanarayanan
General Secretary
M: 09884131216

Ref: GS:122/15

10th August, 2015

Shri R.R. Mohanty,
General Manager (HR),
Union Bank of India,
Central Office,
239, Backbay Reclamation,
Nariman Point, Mumbai – 400021

Dear Sir,

Sub: Concurrent Audit System in Commercial Banks – Revision of RBI's Guidelines

In terms of the existing system obtaining in our Bank, branches identified by the Management on the basis of volume of business are being entrusted to Chartered Accountant firms for Concurrent Audit on a regular basis. As you are aware, Concurrent Audit system is regarded as part of Bank's early warning system to ensure timely detection of irregularities and lapses, which also helps in preventing fraudulent transactions at branches.

From our experience we have observed that many of the Chartered Accountant firms employ either Article Clerks or retired Officers from the Banking Industry. In fact, many of our retired Officers have taken up such assignments with many Chartered Accountant firms for audit of various Nationalised Banks.

While on the subject, we may bring to your kind attention that Reserve Bank of India, vide its Circular No. RBI/2015-16/133 dated 16th July, 2015, has issued revised guidelines governing the conduct of Concurrent Audit system in Banks. Instructions have also been given that the modified Concurrent Audit system should be placed before the Audit Committee of Board of Directors of the Bank.

In terms of revised guidelines for Concurrent Audit System in Commercial Banks, under the heading "Appointment of Auditors and Accountability", the option to consider whether Concurrent Audit should be done by bank's own staff or external auditors (which may include retired staff of its own bank) is left to the discretion of the individual banks. It is evident that individual Banks have been given the liberty in the appointment of retired Staff as Concurrent Auditors

You may be aware that many of our Officers have retired under Voluntary Retirement Scheme 2001. During the last 15 years, many Officers have further superannuated, creating a huge bank of Officers with rich experience in diverse fields of banking. In fact, many of them are employed with Chartered Accountant firms on assignment with various Banks. Though the Concurrent Audit of branches is being entrusted with Chartered Accountant firms, the day-to-day inspection of branches is being done by Retired Officers of the Banking Industry, including those from our Bank. We are of the firm opinion that many of our Retired Officers, by virtue of their rich experience, are capable of conducting Concurrent Audit of our branches effectively. The fact that our Retired Officers are fully aware of the operational guidelines of our Bank, they will be in a position to acquit themselves creditably in their assignments as Concurrent Auditors.

In the light of the revised guidelines issued by Reserve Bank of India, we request you to kindly consider appointing our Retired Officers as Concurrent Auditors for our identified branches. We hope our suggestion will be welcomed in a positive manner and suitable instructions will be issued.

Thanking you,

Yours faithfully,



(R. SURYANARAYANAN)
GENERAL SECRETARY