

Annexure II

DO'S AND DON'TS FOR AUDIT & INSPECTION FOR CONCURRENT AUDITORS

Do's

The Inspecting / Internal Auditors should

1. Pre-inspection study of the branch by going through the auditee related off site surveillance reports and prerequisites documents.
2. Prepare proper audit plan based on 1 above.
3. To maintain utmost secrecy with regard to inspection program and its findings.
4. Auditors to display team spirit and avoid misunderstandings / arguments in the presence of auditees.
5. Inspection of the branch has to be commenced before commencement of business hours to verify the physical cash, security arrangement etc.
6. To act in a normal friendly fashion and help to improve normal working of the branch.
7. Discuss his findings with branch officials on daily basis and try to rectify the defects then and there itself.
8. Give auditees a chance to express their opinion while discussing the issues. Getting proper explanation in a co-operative atmosphere will save precious time.
9. In case of difference of opinion with auditee, the auditor should first discuss with the leader of his team. Further discussion with head of Zonal Audit Office level if required, may be made. Besides, discussion if required with CGM / GM (A&I) can also be made for guidance / instruction.
10. If the inspecting officer comes across any information which causes him to suspect any element of fraud, gross negligence, gross incompetence or similar unfavorable actions or tendencies, he should report the matter to the leader of the team immediately.
11. The members of the team should keep continuous dialogue with the leader of the team on important findings and be guided by his advice.
12. Auditor should maintain a neat appearance and a courteous manner.



Don'ts:

1. Auditor need not act overly reserved or unfriendly in order to maintain his independence as an inspecting 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.
2. Auditor should not get involved in heated argument with auditee.
3. Auditor should not give orders to auditee and 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.
4. Auditor should not delay the submission of audit report.
5. Auditor should not discuss sensitive matters of the auditee with others.

