

Notice for Empanelment of Periodic Auditors for Hong Kong Branch

Union Bank of India Hong Kong branch invites applications from eligible and interested CPA Firms/Companies for empanelment of Auditors for conducting Periodical Audit of the Hong Kong Branch for the period from 01.10.2017 to 30.09.2018.

The Scope of audit is mentioned in Annexure –I

Eligibility Criteria

- Minimum 5 years of Audit experience
- Atleast two directors/partners in the firm
- The number of staff in the firm should not be less than 10

Terms and conditions

- Substantive checking of the transaction rather than test checking
- Audit will be done at quarterly rest
- Report should be submitted to branch within 15 days from the completion of Audit

The hard copies of letter of acceptance of terms and conditions, undertaking letter, compliance to “Dos and Don’ts” and undertaking of Fidelity and Secrecy to be sent by the selected Auditors on receiving the offer letter by way of e-mail from Bank.

Eligible/interested CPA Firms/Companies, who are agreeable to the terms & conditions, may apply at email ace.hk@unionbankofindia.com on or before 30.12.2017

Bank will not entertain any correspondence/communication from the applying Firm till selection of the Firm.

CHIEF EXECUTIVE
Union Bank of India
Hong Kong Branch
Suite No 1903-04, 19/F
9Queesn Road, Central
Hong Kong

Scope of Periodic Audit of Branches Located outside India

Scope of Periodic Audit.

Periodic Audit is essentially an audit of transactions carried out with an emphasis on substantive checking rather than test checking. Periodic audit will cover all activities of the branch.

1. Verification of compliance of KYC/AML guidelines:

- Perform independent assessment of the AML/CFT risk assessment and program
- Perform testing on the effectiveness of the KYC/ AML policy and procedures, including the customer risk rating methodology. Ascertain whether policies, procedures and internal controls associated with KYC/ AML laws, rules and regulations were appropriately documented, up to date, and effectively communicated to Bank Staff.
- Perform sample testing of new and existing account documentation, including customer due diligence, for compliance with Regulatory guidelines, KYC/ AML Standard and Bank policies and procedures.
 - Specific areas to consider: High-risk clients, PEPs, High-risk Products or industries, Corresponding Banking relationship and cross border transactions
- Scrutiny of Inward/ Outward Remittances/ LCs/ BGs for Suspicious transactions Verify procedures for screening and reporting of unusual / suspicious transactions.
- Evaluate the automated monitoring systems and management information systems, review monitoring reports and committee minutes associated with customer transaction activities and justification of alert clearing.
- Determine the adequacy of management oversight through review of committee meeting minutes and examining follow up and disposition of investigations of unusual/suspicious activity.
- Review of latest Regulatory examination report and prior audit report and verify the corrective actions taken (or in progress) in response to reported observations.

2. Verification of timely submission of regulatory statutory returns:

- Review new deposit accounts documentation and disclosures for compliance with Local Regulations.
- Review periodic Reports to be submitted by the Compliance Officer to the CEO of the branch.
- Review submission of stipulated Compliance reports to Local Regulators for timeliness and accuracy.
- Review timelines of periodic reporting to Controllers regarding Compliance matters
- Review position in respect of submission of comments/ compliance reports to the Local Regulators/ Statutory Audit/ Central Office Audit.



4. Review of collateral requirements and compliance with all terms and conditions of sanction/approval.
5. Verification of Loan information such as loan amount, interest rates repayment schedule, classification etc.
6. Review adherence to prudential norms and exposure limits.
7. Review conduct of loan accounts viz. repayment, excess drawings, submission of financial and other statements etc.
8. Review of follow up procedures/actions for recovering overdues, adjustment of irregularities
9. Reporting of overdues/ irregularities for confirmation/ information of the appropriate authority
10. Registering bank's lien over the assets with relevant registering authority as per local requirements.

Trade Finance:

1. Determine the availability of policies & procedures covering Trade Finance and compliance thereof.
2. Review control aspects that impact Trade Finance such as structure, segregation of duties and the integrity, knowledge level & competence of personnel.
3. Review import & export letter of credit transactions including opening, advising, confirming and negotiations.
4. Review pertinent financial records and management reports related to Trade Finance to determine that there is proper reporting / recording of assets, liabilities and contingent liabilities and adequate information to control work in process and determine timeliness of processing.
5. Review the adequacy of scrutiny of Bills (Negotiated, Purchased, Discounted, Collected)
6. Review outgoing payments and SWIFT reports to determine their adequacy for purposes of determining that all daily transactions were processed.
7. Review follow up procedures of overdue bills or Charges/ Default cases.
8. Evaluate the access to and safekeeping of Bills and Documents
9. Review compliance to Bank's procedures, regulatory & UCPDC guidelines
10. Sufficient due diligence is done to ensure that the transaction represents an actual trade and has any money laundering precautions are taken.

Human Resources / Personnel & Administration Department:

1. Review and evaluate controls over hiring as well as termination of employees activities, including controls over background checking, accurate and timely set-up and processing, authorization and maintenance of supporting documentation.
2. Review and evaluate controls over Pay roll, overtime and other benefits processing including accuracy, documentation, authorization & approval of all transactions, reconciliation and timely reporting.
3. Determinate job descriptions are adequately documented and job functions are appropriate for personnel assigned.



Deposits:

1. Review and evaluate policies and procedures related to Deposit Operations.
2. Review the adequacy of the internal controls surrounding Deposit Operations.
3. Review and evaluate procedures for opening new accounts and supporting documentation.
4. Review procedures for ensuring proper interest rates are applied to deposits.
5. Review control related to overdrafts by evaluating the method of monitoring overdraft activity and charging service fees to overdrawn accounts.
6. Review controls over dormant accounts and dormant account activity.
7. Review and evaluate adequacy of segregation of duties within deposit operations including mailing of depositor's statements.
8. Evaluate compliance with regulatory laws & guidelines, including KYC & AML, related to the deposit operations.
9. Review the method of calculating interest on deposits
10. Deposit Insurance if applicable, whether premium paid and all stipulations adhered to.

Miscellaneous:

1. Compliance in the area of scanning all existing accounts will be audited at quarterly intervals.
2. New Regulatory requirements, if any, will be made part of the audit plan during the currency of quarterly audit.

-0-0-0-

