



# UCO BANK

(A Government of India Undertaking)

(Bank incorporated in India with limited liability)

2/F, Astoria Building, 34 Ashley Road, Tsim Sha Tsui, Kowloon, HONG KONG

TEL: (852) 25249240 FAX: (852) 28106954, 25246619 E-MAIL: hkmain@ucobank.co.in

SWIFT: UCBAHKHH WEBSITE: www.ucobankhongkong.com

Ref: CE/GEN/109/2024-25

Date: 06.12.2024

## **Notice for Empanelment of Concurrent Auditor for UCO Bank Hong Kong Branch**

UCO Bank, Hong Kong Branch invites applications from eligible and interested firms / Companies for conducting concurrent Audit of Hong Kong Branch on monthly basis.

### **ELIGIBILITY CRITERIA FOR ENGAGEMENT:**

1. Applicant should have qualified CPA firm and registered with The Hong Kong Institute of Certified Public Accountants (HKICPA)
2. CPA Firms would also be required to submit a declaration that they are full time practising Chartered Accountants, not employed elsewhere, do not have any other business interest with UCO Bank and not a Director in UCO Bank or related to any of the present Directors of UCO Bank.
3. The Concurrent Audit firm shall not have any professional or commercial relationship either direct or indirect with borrowers / beneficiaries of the branch / department.
4. The Auditors' Services should not have been terminated or stopped by our Bank earlier for (i) want of satisfactory performance or (ii) serious acts of commission or omission or (iii) professional misconduct or (iv) any other adverse reasons.
5. If the name of the Concurrent Auditor is appearing in the list of Third-Party Entities - TPEs prepared by IBA, or list of entities blacklisted by professional bodies such as HKICPA or blacklist by other Banks, then no empanelment would be considered.
6. Audit firms should preferably have qualified Information System Auditor (CISA / DISA) with necessary exposure of system audit. Since the branch is fully computerized, system audit shall form an integral part of audit of the Bank.
7. Audit firm should not have been disqualified by any Bank / HKMA / RBI / HKICPA, while taking-up audit work on earlier occasions.
8. Weightage would be given to the CPA Firms where the partners themselves are Ex-Bankers or the firm(s) has got tie-up with Ex-Bankers with requisite experience and exposure.
9. It is to be ensured that the audit firm or any sister / associate concern / network firm is not conducting the statutory audit of the Bank or any of its branches.



10. Weightage will be given to a firm having exposure in conducting Concurrent Audit of the Bank branches for other Banks in Hong Kong.

11. The firm should have necessary office set up and adequate personnel to ensure proper deployment and timely completion of the assignments.

12. The firm will not be allowed to sub-contract the audit work assigned to any outside firm or other persons even though such persons are qualified CPA firms.

13. A declaration to be furnished by the firm that credit facilities availed by the firm or partners of firm in which they are partners or directors, including any facility availed by a third party for which the firm or its partners are guarantor/s, have not turned non performing asset or are existing non- performing assets, as per the prudential norms of RBI. In case the declaration is found incorrect, the assignment would be immediately terminated, besides the firm being liable for any action under HKICPA / HKMA / other Regulatory Authority guidelines.

## **II. SCOPE OF CONCURRENT AUDIT:**

1. Areas covered in the Bank's Standard format / module for Concurrent Audit and mentioned in Audit & Inspection Policy of the Bank. Concurrent Auditor would examine all the transactions and identify the ones which are not as per the Bank's laid down rules / circulars and guidelines / instructions received from Regulators and authorities like HKMA, RBI and Hong Kong Government etc. from time to time.

2. Every month Concurrent Auditor would also check if there is any wide variation in the cost of deposits and yield on advances as compared to the previous periods. A copy of the guidelines on the manner of conducting the audit will be provided to the firm at the time of allotment of branches and thereafter from time to time.

3. Concurrent Auditors will also get rectified all the irregularities identified by them during the course of the audit. Monthly Concurrent Audit reports should be released within 10th of succeeding month.

4. Comment on Bank's policies or Evaluation of the decisions taken by Branch Managers / authorized officials are beyond the scope of Concurrent Audit. However, any violation of delegated powers as laid down by the Bank and violations of laid down policies, system and procedures of the Bank are within the scope of the Concurrent Audit.

## **III. REQUIREMENTS FROM AUDIT FIRMS:**

1. Concurrent Auditors shall be required to carry out the assignment in a professional manner and in case of any misconduct or negligence, the Bank is free to report the matter at any time to HKICPA / HKMA / RBI /other Regulatory Authority. This will be in addition to the disengagement from the Concurrent Audit assignment.



2. Bank would provide to the Concurrent Auditors a suggestive / illustrative checklist of items / areas to be checked daily / weekly / monthly / quarterly and Concurrent Auditors should identify the deficiencies / irregularities in accordance with the checklist.
3. Concurrent Auditors shall be required to get rectified all the irregularities identified by them during the course of Audit and report only those irregularities, which remained un-rectified, with reasons as to why the same were not rectified and release the Concurrent Audit Report on or before 10<sup>th</sup> day of succeeding month. Branch / offices under manual Audit would submit the Monthly report to respective Branch.
4. The Concurrent Auditor would also be required to report immediately to the Bank's higher authorities wherever any serious irregularity or transactions involving malafide corrupt practices and gross indiscipline or any fraudulent transaction is detected by them.
5. The Concurrent Audit firm shall not lobby directly or indirectly for considering any credit proposals of their friends / clients to the Bank / auditee branch.
6. The Concurrent Audit firm should furnish the name, qualification and skill set of the persons, who shall be conducting audit in the branch, to the Bank before commencing audit assignment and such persons will have to continue audit for all the Twelve (12) months.
7. The Monthly Audit Report has to be released on or before 10<sup>th</sup> day of succeeding month. Branches / Offices under manual Concurrent Audit are required to be submitted in an approved structured format, provided by the Bank within 10<sup>th</sup> day of succeeding month. Suitable penal provisions would be applicable for delayed submission of audit reports. The firms should strictly adhere to the format / Online module and the time limit.
8. In case of monthly Concurrent Audits, Auditor has to visit the branch daily out of which the Partners (CPA) of the audit firm must also visit the branch at-least once a week.
9. The firm should execute undertaking of fidelity and secrecy on its letter head in the format prescribed by the Bank.
10. Concurrent Auditors would have to sign Do's & Don'ts statement in order to have proper arm's length relationship with the Branch / Department of which they are conducting Concurrent Audit. Such undertaking would be submitted annually.
11. If the branch is not under Statutory Audit, then all certifications as required in Statutory Audit has to be verified and certified by the Concurrent Auditor.
12. The Concurrent Auditor has to carry out Compliance Audit (Test checking of at least 10% of irregularities) of RBIA (Risk Based Internal Audit) and issue a certificate of satisfactory compliance of reported irregularities in the RBIA report.



13. Since the branch is an overseas branch of UCO Bank, the CPA Firms must have necessary skilled manpower for dealing with Forex Transactions undertaken by the branches including checking of import bills, inward remittance and checking of various forms etc. Auditor has to issue necessary certificates in compliance with HKMA / RBI and other Statutory directives. Further checking of logs generated from SWIFT system to ensure reconciliation for all Financial and Non-Financial messages on daily basis.

#### **IV. TERMS & CONDITIONS:**

##### **(a) Engagement:**

Applications received from the CPA firms in response to the notification, within the given time limit and in the given format fulfilling the prescribed eligibility criteria shall be empanelled by the Bank. The panel shall remain valid for a period of one year unless otherwise advised in writing.

##### **(b) Engagement of Concurrent Auditors & other conditions**

1. Suitable firms would be identified for each assignment and be approved taking into account their experience and exposure, similar activity carried out for the Bank or other Banks, availability of adequately trained resources, location of the audit unit etc. Such approved CPA firms would be issued letters of engagement by the Audit & Inspection Department / UCO Bank Hong Kong Branch.
2. The tenure of the Concurrent Auditor would be initially for one year and would be subject to renewal every year and can be extended maximum up to a period of 3 years overall at Bank's discretion.
3. After completion of specified maximum period of three years, cooling period of one year would be applicable for a firm to become eligible for next engagement. This will be purely at the discretion of the Bank and no rights whatsoever accrue to the firm for such engagement.
4. The Concurrent Auditors should adhere to the audit coverage strictly as per the scope as may be decided by the Bank from time to time.
5. The Concurrent Auditors should not undertake any other activities / assignment on behalf of the branch or unit, other than the activities for which they are engaged, without obtaining the concurrence of the Head Office, Audit & Inspection Department in writing.

##### **(c) Performance Review:**

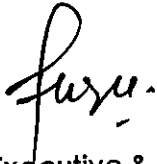
The performance of the engaged firms would be periodically reviewed, once in a quarter and if found unsatisfactory, the Bank may remove the name of the Concurrent Audit firm from the panel of the Bank.



**(e) Dis-engagement:**

The engaged firms may be dis-engaged at the Bank's sole discretion. If the performance of the Concurrent Auditor is found unsatisfactory or any serious act of omission or commission is noticed in their working, their engagement may be cancelled at any point of time. If felt necessary, the matter may be reported to HKICPA and/or HKMA / RBI for necessary action.

The eligible / interested firms / companies may apply at the email [cesec.hk@ucobank.co.in](mailto:cesec.hk@ucobank.co.in) and/or [hkmain@ucobank.co.in](mailto:hkmain@ucobank.co.in) on or before 20<sup>th</sup> December, 2024.



Chief Executive & BH  
UCO Bank  
Hong Kong Branch



**To be placed at Branch Notice Board**

**To Be displayed at Bank's website: [ucobankhongkong.com](http://ucobankhongkong.com)**