

# Bank Audit

Mangali Swapna<sup>1</sup>, C.Mallesha <sup>2</sup>

<sup>2</sup> Asst.Professor

<sup>1,2</sup> School Of Business Management, Anurag Group Of Institutions

**Abstract-** *Prior is to investigate the necessity of internal audit and evaluation functions that can be served during Prior studies have shown that internal audit plays an important role in the status of transparency and be considered as a fundamental pillar for any organization in the world. The aim of this paper the period of before and after the procedure of a bank merger or acquisition.*

The purpose of a statutory audit is the same as the purpose of any other audit to determine whether an organization is providing a fair and accurate representation of its financial position by examining information such as bank balances

## I. INTRODUCTION

Bank auditing is the procedure of reviewing the services and procedures adopted by banks and other financial institutions. It is a routine procedure that all financial services entities must undergo in order to ensure that they are in compliance with industry standards and juridistical regulations.

## II. 3 TYPES OF BANK AUDIT

### 1. Internal audit:

They ensure compliance with laws and regulations and help to maintain accurate and timely financial reporting and data collection.

Internal Audit of the Bank is conducted by the full-time employees of the Bank.

### 2. Concurrent audit:

Concurrent means happening at the time Concurrent Audit means doing the examination of the financial transactions at the time of happening or parallel with the transaction. The only difference between internal and concurrent audit is where as internal auditors are full time employees of the bank. The concurrent auditors are of part time employees the bank.

### 3. Statutory audit or External audit:•

When Audit is made compulsory by law it is termed as statutory audit (statute based audit).

A "statutory audit" is a legally required review of the accuracy of a company's or governments financial records.

## III. PRINCIPAL ENACTMENTS GOVERNING BANK AUDIT

- Banking Regulation Act, 1949
- State Bank of India Act, 1955
- Companies Act, 1956,
- State Bank of India (Subsidiary Banks) Act, 1959
- Banking Companies (Acquisition and Transfer of Undertakings) Act, 1970
- Regional Rural Banks Act, 1976

### Stages in Bank Audit:

1. Study of appointment letter: -A "statutory audit" is a legally required review of the accuracy of a company's or governments financial records. The purpose of a statutory audit is the same as the purpose of any other audit - to determine whether an organization is providing a fair and accurate representation of its financial position by examining information such as bank balances.
2. Preliminary work: -preliminary work is the starting work of the auditors. It's one of the field work done by the auditors, before the examination of the following transactions of bank audit.
3. RiskAssessment: - Risk assessment is a general term used across many industries to **determine the likelihood of loss on an asset, loan, or investment.** Assessing risk is essential for determining how worthwhile an investment is and the best process (es) to mitigate risk.
4. Internal Control Evaluation: -All of this information is then used to make a preliminary assessment of the risks and controls for Merami Berhad unit. The auditor will review the unit's internal control structure, a process which is usually time-consuming. In doing this, the auditor uses a variety of tools and techniques to gather and analyze information about the operation.

5. **Conduct of Audit:-** Preparation of the audit program concludes the preliminary review phase. The audit program establishes the procedures necessary to complete an efficient and effective audit. It includes a detailed plan of the work to be performed as well as the steps required to achieve the audit objectives. There should be sufficient detail for less experienced staff to perform the steps however it should not be overly detailed whereby it might cause auditors to execute steps routinely and override their judgment.
6. **Submission of Audit Report:-** At last the auditors will submit the report to the owners of the company (board of directors).

### Audit Planning

The audit is **complex process of independent examination of data, statements, financial performances of an enterprise for a stated purpose**

#### Key steps in the audit inspection process



### IV. CONCLUSION

The project the position of an Indian system as well as the principal laid down by the Basel committee on banking supervision. This assessment was done in several major areas. From auditing point of view, there is proper follow up of work done in every organization whether it is banking company or any other company the auditing is very important aspect in today's scenarios