

I.S. AUDIT OF CDMS-DPC MODULE -2025

By

INFORMATION SYSTEMS AUDIT DEPARTMENT

Version: Draft

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Audit Duration: 6th Jan, 2025 – 17th Jan, 2025

BACKGROUND

As per approved I.S Audit Plan 2025, Audit of CDMS-DPC Module-2025 Process was carried out during the month of January 2025.

OBJECTIVE

Assess the operational capacity of application w.r.t. regulatory instructions/guidelines, business needs, report generation to ascertain accuracy, and security controls in data capturing and processing to ensure confidentiality and integrity.

SCOPE

Activities to be reviewed include following as per regulatory guidelines:

- Operational Capacity
- Report Generation
- Security Controls
- Data Capturing & Processing

METHODOLOGY

I.S Audit was carried out by requesting relevant documents as per scope. To understand CDMS-DPC Module data compilation, validation and submission process, requirements as per regulatory instructions were submitted to concerned quarters. Audit team reviewed the requested documents and conducted several meetings with concerned personnel to understand the functionality of the DPC Process.

DISCLAIMER

This report does not involve full evaluation of existing systems and controls that is the responsibility of the management. This report is on the basis of data provided and time allocated, hence does not claims to be a comprehensive record of all the existing weaknesses.

INTRODUCTION

Deposit Protection Corporation (DPC) a subsidiary of State Bank of Pakistan has been established for the protection of small depositors to compensate the depositors for losses incurred by them to the extent of protected deposits in the event of failure of a member institution.

All member banks are advised to appropriately install or update their systems including software(s)/ database(s) for maintaining a comprehensive depositor-wise database. Such database must have the ability to identify, on any given date, all the accounts of any single depositor and calculate the total liability of a bank towards that depositor (including any interest/ profit accrued on his/ her deposits). This Management Information System (MIS) will be used by DPC in the event of reimbursement at any given cut-off date.

In order to achieve banking industry-wide standardization of Single Depositor View (SDV) report, a standard format of the report has been developed by the DPC and to facilitate banks in understanding the fields of report and reporting requirements, a document titled “Explanatory Notes on Single Depositor View (SDV) Data” has also been prepared by SBP.

At ZTBL, Single Depositor View (SDV) has been developed within ISAD as per format provided by DPC.

EXECUTIVE SUMMARY

Information Systems Audit Department (ISAD)

AUDIT OBSERVATIONS**1. Mismatch from the source data**

It is observed that several account IDs exists in relevant database tables which are missing from DPC SDV records despite the fact that balances were appearing against these Account IDs on 31.12.2024

Description	Conventional	Islamic	TOTAL As per DB	Amount of deposits as per IMIS DPC-SDV Report 31 Dec 2024
Accounts	22,062,272,717	1,112,645,437	23,174,918,154	23,173,459,480
TDRs	32,988,707,888	242,165,000	33,230,872,888	33,230,872,888
CDRS	9,386,772	139,600	9,526,372	8,973,292
TOTAL	55,060,367,377	1,354,950,037	56,415,317,414	56,413,305,660

Summary of the instances' causing difference is as follows:

	No of accounts	As per DB	As per IMIS	Difference
Missing accounts in DPC SDV	651	2,177,610	165,499	2,012,111

This difference is caused but not limited to following instances:

Account IDs/ StockRegisterID	As per Database	As per DPC SDV	Difference
18-1248	444,929		444,929
461-412	339,800		339,800
209-1696	240,421		240,421
356-1807	85,152		85,152
130-9045	65,092		65,092
130-9043	52,280		52,280
306-189	50,014	14	50,000
21-9793	48,892		48,892
185-2528	47,450		47,450
270-1600	43,872		43,872
76-42029	35,905		35,905
496-91982	30,000		30,000
496-91983	30,000		30,000
1-42592	21,780		21,780
307-2185	20,412		20,412
457-30	20,375	375	20,000
496-91980	20,000		20,000
501-69712	20,000		20,000

Risk Category**High**

Incomplete data in regulatory reporting as compared to the source data from which the report has been prepared will create doubt in the accuracy of the reporting hence may cause penal action from the regulator.

Recommendation

Root cause analysis needs to be performed to determine the reason due to which these instances were left un-identified while preparing DPC-SDV report.

Management Reply**Audit Reply****Status**2. **Difference with SOAs for the year ended 31 Dec 2024**

The total figure of deposits as per the SOA for the year ended 31 Dec 2024 does not match with the collective amount of Deposits as reported in SDV report of IMIS for the audit of DPC. The ineligible deposits and minfah deposits are also taken into account while considering the total deposits.

Particular	Amount of deposits as per IMIS DPC-SDV Report 31 Dec 2024	Accruals 2022 PKR	Total
Eligible	18,815,878,323	11,865,600	18,827,743,922
Ineligible	37,597,427,338	2,242,600,084	39,840,027,421
MINFA and MMA schemes	30,826,716		30,826,716
	56,444,132,376		58,698,598,060
		2,254,465,683	
As per ACF 31 Dec 2024	56,621,158,125		
Difference	- 177,025,749		

Risk Category**High**

Inaccurate data in regulatory reporting can lead to significant financial losses, including fines and penalties, as well as damage to the Banks reputation.

Recommendation

It is essential to prioritize efforts aimed at ensuring the accuracy of data, especially when it comes to regulatory reporting, to avoid potential risks and compliance issues.

Management Reply**Audit Reply****Status****3. Deposit protection more than the limit of 1 Million**

Instruction vide circular: ECD/M&PRD/PR/01/2024-66 dated October 01, 2024 states that:

Quote

“Deposit Protection Corporation (DPC) has increased the guarantee amount for all eligible depositors of its member banks from Rs. 500,000 to Rs. 1,000,000 with effect from October 01, 2024, as decided by the Board of Directors of the Corporation.”

Un-Quote

However, it has been noticed that the total amount of aggregate protection has exceeded against the following below instances:

Unique Identifier by the bank	Depositor ID	No of accounts	Aggregate protection	Aggregate balance
295806	3720188455011	2	1,005,380	2,480,228
6406	3410488207897	2	1,001,838	2,497,598
6409	3410488302897	2	1,001,799	1,819,234
302061	8120250578281	2	1,000,035	3,399,922

Risk Category**High**

Exceed in aggregate protection raises question about the control implementation within the system. Moreover, it may impact the Bank financially and reputationally.

Recommendation

System controls shall be enforced as per regulatory guidelines to ensure compliance and data accuracy.

Management Reply**Audit Reply****Status**

4. **Same Unique Identifier appearing as Eligible and as Ineligible**

Following 49 instances are simultaneously falling under eligible as well as ineligible category. For instance, one account is classified under the eligible category, while another with the same depositor unique identifier is categorized as ineligible. This inconsistency needs to be addressed, as an individual classified as ineligible in one instance should uniformly be categorized as ineligible in all instances.

No of Eligible IDs	No of In-Eligible IDs	Unique Identifier by the bank	Depositor ID	Aggregate protection	Aggregate balance
2	1	281202	3310006925971	1000000	1,873,261
1	2	1759810	PK-3095	1000000	3,414,722,079
1	1	298410	3530119052413	265988	265,988
1	1	53590	3540480166461	75779	81,699
1	1	854852	3130282543941	13176.2	15,176
5	1	235954	3530157251117	9468.21	15,568
1	1	738018	3310421093137	9289	16,289
1	1	142810	3630204377857	8154	16,654
1	9	1760156	PK-00000	7502.47	7,502
2	1	33913	3310286089640	2476.5	5,138
2	2	292825	3520228189486	2333	13,827
2	1	1752214	3310493618201	1849.2	6,849
1	1	328144	3530160249281	1718.79	3,669
2	1	381331	3630123767275	1512.01	10,512
1	1	739048	3630197138593	1026.48	9,026
1	1	1753525	3310459128941	1000	5,000
1	1	373677	7140228814436	900	88,900
2	1	3271	3530118797169	886	1,311
1	1	353140	3630167047893	878	4,478
1	1	363670	3310455746115	842.6	9,343
2	1	890335	3630180556013	829.11	5,329
1	1	147538	3630109453469	811	10,811
1	1	80363	3330287142399	785	8,785
1	1	248070	3630177062137	755	9,255
1	1	77895	3610109958547	755	10,755
1	1	153106	3620376173777	745	2,245
1	1	14078	5160211335417	627.36	627
1	1	148018	3620105654605	587	1,687
1	1	148036	3620135080153	554	1,654
1	1	1658047	3540485040767	506	17,506
1	1	238483	3620140347221	419.6	2,420
1	1	228375	3630147572067	339	8,839

1	1	151638	3120250796955	205	2,205
1	1	231710	3630109434603	166.38	8,666
1	1	1590033	3640287885590	98	274
1	1	683652	3640233242639	85	85
1	2	1276835	3640221676070	80	80
2	1	563624	1299999999999	1	3,007
1	1	190325	3130280492455	0.2	6,000
1	1	1830481	3630156628637	0	2,700
1	1	558713	3530125100047	0	-
1	1	683709	3620105176414	0	1,000
1	1	453392	3110231796026	0	10,000
1	1	347249	3620146022629	0	1,200
1	1	135792	4140696038109	0	42,442
1	1	462359	3630109592669	0	7,000
1	1	106720	3460107807273	0	2,210
1	1	385976	3620390070665	0	1,500
1	1	545794	3310422513903	0	6,000

Risk Category**High**

The lack of proper controls can result in data inaccuracies, which in turn create ambiguities and uncertainties.

Recommendation

It is essential to establish and enforce effective controls to guarantee the accuracy and integrity of data, minimizing the risk of errors and inconsistencies.

Management Reply**Audit Reply****Status****5. Multiple sub categories are mentioned against same Depositor IDs**

38 instances are simultaneously falling under multiple sub-categories against same depositor IDs. Moreover, there is one entry (Sr. No 01) that needs further clarification as it contains information beyond designated categories. Following information in "sub-category" is recorded.

"Persons who have been granted preferential interest or return in deviation from the terms and conditions announced by a member institution which the member institution is obliged to apply to all its depositors of similar category*"

Sub Category	Depositor ID	No of accounts	Aggregate protection	Aggregate balance
Persons who have been granted preferential interest or return in deviation from the terms and conditions announced by a member institution which the member institution is obliged to apply to all its depositors of similar category*,INDIVIDUAL	3310286089640	3	2,477	5,138
INSTITUTION,COLLECTION	PK-00000	10	7,502	7,502
INDIVIDUAL,INSTITUTION	PK-3095	3	1,000,000	3,414,722,079
Government or Government Institutions,INDIVIDUAL	3540485040767	2	506	17,506
Government or Government Institutions,INDIVIDUAL	3520228189486	4	2,333	13,827
Government or Government Institutions,INDIVIDUAL	3630167047893	2	878	4,478
Government or Government Institutions,INDIVIDUAL	3330287142399	2	785	8,785
Government or Government Institutions,INDIVIDUAL	3630109453469	2	811	10,811
Government or Government Institutions,INDIVIDUAL	3530157251117	6	9,468	15,568
Government or Government Institutions,INDIVIDUAL	3130282543941	2	13,176	15,176
Government or Government Institutions,INDIVIDUAL	3130280492455	2	0	6,000
Government or Government Institutions,INDIVIDUAL	3610109958547	2	755	10,755
Government or Government Institutions,INDIVIDUAL	3630147572067	2	339	8,839
Government or Government Institutions,INDIVIDUAL	3310421093137	2	9,289	16,289
Government or Government Institutions,INDIVIDUAL	3310459128941	2	1,000	5,000
Government or Government Institutions,INDIVIDUAL	3310455746115	2	843	9,343
Government or Government Institutions,INDIVIDUAL	3310493618201	3	1,849	6,849
Government or Government Institutions,INDIVIDUAL	3620376173777	2	745	2,245
Government or Government Institutions,INDIVIDUAL	3630109434603	2	166	8,666
Government or Government Institutions,INDIVIDUAL	3630204377857	2	8,154	16,654
Government or Government Institutions,INDIVIDUAL	3630177062137	2	755	9,255
Government or Government Institutions,INDIVIDUAL	3630197138593	2	1,026	9,026
Government or Government	3630123767275	3	1,512	10,512

Institutions,INDIVIDUAL				
Government or Government Institutions,INDIVIDUAL	3540480166461	2	75,779	81,699
Government or Government Institutions,INDIVIDUAL	3620135080153	2	554	1,654
Government or Government Institutions,INDIVIDUAL	3620105654605	2	587	1,687
Government or Government Institutions,INDIVIDUAL	3620140347221	2	420	2,420
Government or Government Institutions,INDIVIDUAL	3630180556013	3	829	5,329
Government or Government Institutions,INDIVIDUAL	3120250796955	2	205	2,205
INDIVIDUAL,Government or Government Institutions	3630156628637	2	-	2,700
INDIVIDUAL,Government or Government Institutions	3620105176414	2	-	1,000
INDIVIDUAL,Government or Government Institutions	3110231796026	2	-	10,000
INDIVIDUAL,Government or Government Institutions	3310422513903	2	-	6,000
INDIVIDUAL,Government or Government Institutions	3620146022629	2	-	1,200
INDIVIDUAL,Government or Government Institutions	4140696038109	2	-	42,442
INDIVIDUAL,Government or Government Institutions	3630109592669	2	-	7,000
INDIVIDUAL,Government or Government Institutions	3460107807273	2	-	2,210
INDIVIDUAL,Government or Government Institutions	3620390070665	2	-	1,500
			1,142,744	3,415,109,350

Risk Category**High**

Lack of automated controls may compromise the compliance of regulatory reporting as it may lead to data inaccuracy and ambiguity in record.

Recommendation

For compliance of regulatory reporting Implementation of automated controls are essentials to ensure data accuracy and avoid ambiguity.

Management Reply**Audit Reply****Status**

6. Missing branches data

It has been noted that not a single depositor data is appearing against 37 branches, which need to be ensured before final submission, as the deposit of these branches will not be insured.

Br Code | Name

10019 | CATTLE COLONY LANDHI KARACHI BRANCH
 11066 | DTB, Gaari Khata, Hyderabad City
 20208 | Kot Adu
 20255 | CHOTI ZAREEN
 20284 | Fatehpur
 20299 | NEELKOT BOSIN ROAD
 21284 | Pindi sultanpur
 21305 | DEPOSIT TAKING BRANCH DHA LAHORE
 22346 | Tranda Sawaye Khan
 24401 | Islamabad
 24451 | Rawalpindi Cantt
 30707 | Rustam
 30716 | Bara
 30721 | Mingora
 30722 | Dagar Bunair
 30740 | Timergarah
 30750 | Bajur khar
 30811 | Lakki Marwat
 30814 | Domail
 30823 | Sadda
 30824 | Deposit Taking Branch, Karkhano Market
 30903 | Oghi
 30905 | Dasu
 30911 | Batagram
 30917 | Darband
 30919 | Lassan Nawab
 30934 | Astore
 30935 | Khaplu
 30943 | Shigar
 40923 | TUMP
 40925 | JIWANI
 40933 | AWARAN
 50001 | HO Accounts
 50002 | Karachi
 50123 | Karachi Tr
 90001 | HO ISLAMIC A/C BRANCH
 90002 | ISLAMIC TREASURY KARACHI

Risk Category**High**

Incomplete data can lead to eligible depositors being unjustly excluded from coverage, which may not only harm the Banks reputation but also result in regulatory penalties and other complications.

Recommendation

A comprehensive validation of data should be conducted before submission to the regulator to ensure that all information is accurate, complete, and in compliance with regulatory requirements. This proactive approach helps mitigate the risk of errors, compliance breaches, and any potential legal or reputational issues that could arise.

Management Reply**Audit Reply****Status**

7. **Depositor identifier is repeated against different Depositor Identifier By Bank**

Depositor Identifier should be unique for each customer, however same deposit identifier is used multiple times against different customers having different names. Despite it is clearly mentioned under clause “Unique Identifier for Single Depositor View” of EXPLANATORY NOTES ON SINGLE DEPOSITOR VIEW (SDV) DATA by DPC Subsidiary of SBP.

Quote

A unique depositor identifier is required to access the information/ records of a single depositor such as Computerized National Identity Card (CNIC) Number, National Tax Number (NTN), Passport Number etc...

Un-Quote

Respective instances are placed as under:

Titles	Depositor ID	No of accounts	Aggregate protection	Aggregate balance
AFC FAROOQABAD KASHIF JAVED, M. ASLAM, SARWAR NIAZ Ss/O M. ISHAQ MUHAMMAD ASLAM S/O MUHAMMAD ISHAAQ	3540412303033	3	5,719	5,719
AFC Muridkey JAHANZAIB AFZAAL GERNAL MANAGER	3540107089627 PK-AJK	2	10,749	10,749

AK GOVT CO- OPERATIVE BANK/MANAGER A Administrator Zakat And Usher		2	-	37,637,222
KHAN MUHAMMAD MUGERI MR. MUNWAR ALI QAZI	4530217457189	2	14,673	14,673
SARDAR ZAHEER AHMED amo/manager	3740504312493	5	3,991	3,991
M BUX NAMDAD,MUHAMMAD BUX SS/O SHAH ALAM	3320213216289	2	10,305	10,305
MUHAMMAD NAZAR NAZIR AHMED	3530189723065	2	40,855	40,855
ASHAN ALI MITHAL S/O MOHAMMAD YOUNIS	4510349153447	2	1,863	1,863
M IQBAL MST SHAZIA	1111111111116	2	30,177	30,177
MUHAMMAD AMEEN MUHAMMAD AMIN,MUHAMMAD SHAREEF	3120103569699	2	5,800	5,800
RASHEED AHMED SHAFIYA MAI GHULAM RASHEED	3120171327235	2	3,725	3,725
ZAHIDA PERVEEN ZAHIDA NOREEN	3130274625486	2	3,128	3,128
NAJI FAISAL URF NAJIB FAISAL CURRENT ACCOUNT	3540177986189	2	6,050	6,050
BASHIR AHMED SHABEER AHMMED	3120103665037	2	1,855	1,855
MUSHTAQ AHMAD ASHIQ HUSSAIN	3120156111261	2	12,567	12,567
Muhammad Arshid MUHAMMAD ARSHAD MAHMOOD KHAN	3310675065181	2	11,160	11,160
GHULAM HUSSAIN MALIK ABID HUSSAIN	3610210453241	2	973	973
ALLAH WASAYA ZAFAR IQBAL	3232323232323	2	2,650	2,650
HASNA GUL HINA GULL	3210212422908	2	2,570	2,570
AHMED YAR REHMAT KHAN	9900000000693	2	23,135	23,135
BATTA AHMED ZAHOR	3430211223354	2	1,820	1,820
ABDULMAJEED GHULAM MUHAMMAD	9900000000123	2	3,024	3,024
MUHAMMAD HANIF MEHER AJMAL	3660253767815	2	1,802	1,802

NAZIR ALI NAZAR HUSSAIN	3520188220923	2	2,344	2,344
MUHAMMAD KHAN MISCELLIENOUS	9999999999910	2	820,450	820,450
ABID KARIM M KHALID M ABBID	3120193061641	2	1,175	1,175
AYESHA MAI ASHOO MAI	3120167955378	2	10,306	10,306
JKLJKLAJKL MUHAMMAD BILAL	9111111111111	2	1,083	1,083
BAQAR ALI CD MISCELLANCE	1234567891234	2	1,000,000	1,594,177
RAHMAT ALI BARKAT ALI	3240297011109	2	2,264	2,264
MUHAMMAD BIBABIB ABUBAKR MUHAMMAD BNIA MEAN ABU BAQAR	3330154210767	2	14,755	14,755
EISSA KHAN SULEMAN	9900000000218	2	8,196	8,196
MUHAMMAD ANWAR M.AYUB	3120202950673	2	1,718	1,718
LAL KHAN ABDUL SHAKOOR	9932610101010	2	650	650
MUHAMMAD ASLAM MUKHTAR AHMAD	0000000000123	2	1,800	1,800
MUHAMMAD BASHIR BASHEER/GHULAM	3310632478263	2	805	805
MUHAMMAD MAROOF KHOLA SUNAM RAYE	3110563983445	2	305	305
HAQ NAWAZ MANZOOR AHMED	3430211898101	2	19,955	19,955
MUHAMMAD BOOTA CURRENT ACCOUNT	3410204469029	2	16,849	16,849
INCHARGE FOOD CENTER GHAZI GHAT MUHAMMAD KASHIF	3230466101077	2	16,325	16,325
			2,117,571	40,348,970

Risk Category

High

Lack of controls lead to incorrect data thus causes confusion, and may lead to irregularities.

Recommendation

All efforts shall be made to enforce control so that Correct and complete data especially for regulatory reporting can be made available.

Management Reply

Audit Reply**Status****8. Different “Unique Identifier” are allotted to same Depositor ID**

It has been observed that more than one unique depositor identifier is allotted against single Depositor ID. This is conflict with regulatory guidelines as same unique depositor identifier can be allotted to single Depositor ID containing multiple accounts. Few instances are as under:

Unique Identifier by the bank	Depositor ID	No of accounts	Aggregate protection	Aggregate balance
1759743 1759737 1759738	PK-10224000158	161	-	1,191,509
1760186 1759787	pk-2567068-9	11	-	1,209,139,029
1759780 1759691	PK-AJK	2	-	37,637,222
1760166 1760167 1760357	PK-000000	322	-	-

Risk Category**High**

Fail to comply regulatory guidelines/instruction may lead to financial and reputation loss.

Recommendation

All relevant depositor data shall be maintained in the light of regulatory guidelines.

Management Reply**Audit Reply****Status****9. Incorrect CNIC Nos.**

Instances have been identified where the CNICs registered for depositors are incorrect, with certain records missing the required 13 digits. These discrepancies highlight a critical issue in data accuracy, and some specific examples are provided below:

Depositor Identifier Type	Depositor Identifier Number	Depositor name	Aggregate balance
NATIONAL IDENTITY CARD	28691377601	RIASAT ALI	5475
NATIONAL IDENTITY CARD	28691377601	RIASAT ALI	5475
NATIONAL IDENTITY CARD	0	KARAMAT ALI	37000

NATIONAL IDENTITY CARD	0	EXECUTIVE ENGINEER B&R KHARMANG	37000
NATIONAL IDENTITY CARD	75571152829	MUHAMMAD KHAN	4416.56
NATIONAL IDENTITY CARD	28763396339	NASEEM ULLAH	15000
NATIONAL IDENTITY CARD	28779579177	MUHAMMAD AKRAM KHAN	5000
NATIONAL IDENTITY CARD	28631522277	TARIQ NASEEM	850
NATIONAL IDENTITY CARD	28665614217	MUHAMMAD ISHAAQ	18895
NATIONAL IDENTITY CARD	28745125875	riasat ali	805
NATIONAL IDENTITY CARD	28736252302	ALLAH DITTAH	10100
NATIONAL IDENTITY CARD	28749355528	MUHAMMAD SABIR	1097
NATIONAL IDENTITY CARD	28727186914	GULAAM HAIDER	10100
NATIONAL IDENTITY CARD	28764205686	MUHAMMAD ASHIQ	850
NATIONAL IDENTITY CARD	28746228397	MUHAMMAD ASHRAF	960
NATIONAL IDENTITY CARD	28676276144	shabeer hussain	1060
NATIONAL IDENTITY CARD	28754361459	hassan muhammad	1400
NATIONAL IDENTITY CARD	120	MUHAMMAD SHARIF	850
NATIONAL IDENTITY CARD	119	ABIDA GULFAM	750
NATIONAL IDENTITY CARD	118	MUHAMMAD HUSSAIN	1850
NATIONAL IDENTITY CARD	2	MUSHTAQ AHMAD	5050
NATIONAL IDENTITY CARD	123	MUKHTAR AHMAD	850
NATIONAL IDENTITY CARD	152	IRSHAD AHMAD	850
NATIONAL IDENTITY CARD	147	MUHAMMAD NAZIR	150
NATIONAL IDENTITY CARD	127	MUHAMMAD NAWAZ	150
NATIONAL IDENTITY CARD	112	WAQAS AHMAD	850
NATIONAL IDENTITY CARD	37	JAHAN ZAIB	850
NATIONAL IDENTITY CARD	24	KALSOOM BIBI	1000

Risk Category

High

Incorrect data can lead to confusion and inconsistencies, potentially resulting in compliance issues that could affect regulatory adherence.

Recommendation

Accurate and complete data is essential, particularly for regulatory reporting, as it ensures compliance, reduces the risk of errors and is essential for reputation of the Bank

Management Reply

Audit Reply

Status

10. Corporate accounts marked as eligible.

As per the State Bank of Pakistan's regulations, depositor accounts associated with Corporations, Modarbas, and Mutual Funds are classified as "Ineligible" for deposit protection. However, a review of the SDV report has revealed instances where accounts marked as "Eligible" have been incorrectly categorized under the "Corporation" subcategory. This discrepancy violates the regulatory instructions. Several such records are provided below for reference:

Bank Code	Reporting Date	Eligible/ Ineligible	Sub Category	Depositor Identifier Type	Depositor Identifier Number	Depositor Identifier By Bank	Depositor name
10	01/01/2025	ELIGIBLE	CORPORATION	NATIONAL IDENTITY CARD	3520228122413	1046202	Muhammad Shafiq Ch.
10	01/01/2025	ELIGIBLE	CORPORATION	NATIONAL IDENTITY CARD	4220116339895	1374213	MUHAMMAD RAZA
10	01/01/2025	ELIGIBLE	CORPORATION	NATIONAL IDENTITY CARD	9927036000393	1410515	Qazi Abdul Majeed
10	01/01/2025	ELIGIBLE	CORPORATION	NATIONAL IDENTITY CARD	3720357752611	1571704	GHULAM MUHAMMAD
10	01/01/2025	ELIGIBLE	CORPORATION	NATIONAL IDENTITY CARD	3720357752611	1571704	GHULAM MUHAMMAD
10	01/01/2025	ELIGIBLE	CORPORATION	NATIONAL IDENTITY CARD	3720357752611	1571704	GHULAM MUHAMMAD
10	01/01/2025	ELIGIBLE	CORPORATION	NATIONAL IDENTITY CARD	3720357752611	1571704	GHULAM MUHAMMAD
10	01/01/2025	ELIGIBLE	CORPORATION	NATIONAL IDENTITY CARD	3720357752611	1571704	GHULAM MUHAMMAD
10	01/01/2025	ELIGIBLE	CORPORATION	NATIONAL IDENTITY CARD	3520248916443	158156	SYED MUHAMMAD HASNAIN ZAIDI
10	01/01/2025	ELIGIBLE	CORPORATION	NATIONAL IDENTITY CARD	6110119991433	1743110	TALAT MASUD
10	01/01/2025	ELIGIBLE	CORPORATION	NATIONAL IDENTITY CARD	4230108282825	219120	SULTAN AHMED
10	01/01/2025	ELIGIBLE	CORPORATION	NATIONAL IDENTITY CARD	3520264539041	527137	CHAUDHRY ZAHOR AHMAD
10	01/01/2025	ELIGIBLE	CORPORATION	NATIONAL IDENTITY CARD	3520256818843	612250	MUHAMMAD RAHAT SADIQ
10	01/01/2025	ELIGIBLE	CORPORATION	NATIONAL IDENTITY CARD	3610355027941	729589	SYED FARRUKH MEHDI JAFRI
10	01/01/2025	ELIGIBLE	CORPORATION	NATIONAL IDENTITY CARD	3610355027941	729589	SYED FARRUKH MEHDI JAFRI
10	01/01/2025	ELIGIBLE	CORPORATION	NATIONAL IDENTITY CARD	3610355027941	729589	SYED FARRUKH MEHDI JAFRI
10	01/01/2025	ELIGIBLE	CORPORATION	NATIONAL IDENTITY CARD	3610355027941	729589	SYED FARRUKH MEHDI JAFRI
10	01/01/2025	ELIGIBLE	CORPORATION	NATIONAL IDENTITY CARD	3520289189325	890753	Naseer Ahmed
10	01/01/2025	ELIGIBLE	CORPORATION	NATIONAL IDENTITY CARD	3520295996135	890754	Tahir Lateef Sheikh
10	01/01/2025	ELIGIBLE	CORPORATION	NATIONAL IDENTITY CARD	7150196294453	922893	M/S NA COOPERATIVE BANK LTD GILGIT

10	01/01/2025	ELIGIBLE	CORPORATION	NATIONAL IDENTITY CARD	7150112545458	922996	M/S NORTHREN AREAS PROVINCIAL COOPERATIVE BANK GIL
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Risk Category**High**

Failure to comply with regulatory instructions can lead to significant financial and reputational damage.

Recommendation

Maintaining the accuracy of data in alignment with regulatory guidelines is essential for ensuring full compliance. Comprehensive compliance shall be ensured by the Bank especially regarding to data accuracy.

Management Reply**Audit Reply****Status****11. No declaration sign-offs being performed at branch level**

Internal Circular No. OD/24/2020/1325, dated 08-09-2020 by the Bank, outlines the "Deposit Protection Mechanism for Banking Companies" and provides specific instructions regarding the process to be followed by branches in relation to deposit protection. Point 3, concerning new accounts, states:

Quote

“

Taking declaration in respect of individual accounts under as per DPC attached declaration.

”

Un-Quote

However, upon visiting branches to assess the implementation of the DPC process, it was noted that no declaration sign-offs were being obtained at the branch level, which is in violation of the prescribed instructions.

Risk Category

High

Eligible depositor may get deprived of respective protection if the Data is not up to date.

Recommendation

All efforts shall be made to ensure correct and complete data.

Management Reply**Audit Reply****Status****12. Presence of Senior Management Accounts in Eligible Category**

Accounts of Members of Board of Directors and senior management of a member institution including Chief Executive Officer and Key Executives are instructed by SBP to be placed in ineligible category. However, upon assessment of SDV data it is observed that senior management and Key Executives are placed in eligible category. This conflicts the regulatory guidelines. Few such instances are as under

Eligible/ Ineligible	Sub Category	Depositor Identifier Type	Depositor Identifier Number	Depositor Identifier By Bank	Depositor name	Father/ Husband name	Fit For STP
ELIGIBLE	INDIVIDUAL	NATIONAL IDENTITY CARD	3520170928865	1841983	TAHIR YAQOOB BHATTI	MUHAMMAD YAQOOB BHATTI	YES
ELIGIBLE	INDIVIDUAL	NATIONAL IDENTITY CARD	4220197361183	1817396	ZEESHAN MAZHAR	MAZHAR MUSTAFA	YES
ELIGIBLE	INDIVIDUAL	NATIONAL IDENTITY CARD	3840322466461	430171	WAQASS AHMAD	ALI SHER	YES
ELIGIBLE	INDIVIDUAL	NATIONAL IDENTITY CARD	3840322466461	430171	WAQASS AHMAD	ALI SHER	YES
ELIGIBLE	INDIVIDUAL	NATIONAL IDENTITY CARD	3740502378127	1880467	BAKAR AHMED	ANWAR AHMED	YES

Risk Category**High**

Failure to comply with regulatory instructions can result in both financial and reputational damage.

Recommendation

All effort shall be made for the correctness of data as per regulatory needs.

Management Reply

Audit Reply

Status

13. Account with incomplete record marked FIT for STP

The DPC instructions in CL-01-Annex-B emphasize that incomplete data slows down the reimbursement process, requiring frequent manual checks and causing delays in payments to protected depositors. Therefore, ensuring complete data is crucial for the SDV database. The bank should regularly verify and update key depositor information, such as contact details, mailing address, account type, and account status.

Number of instance are observed where information recommended as above is found missing but still the account is marked as “YES” in “fit for Straight through payment (STP)”. This contradicts the regulatory guidelines regarding STP which states that:

Quote

“If the bank is satisfied to pay the protected amount to eligible depositor without further checks/ verification details, the accounts should be marked as Yes i.e. "Fit for Straight through Payout (FFSTP)". In other words, FFSTP accounts will proceed for payment without further checks or manual assessment and the depositor shall receive protected amount preferably within seven days. In this regard, the regular verification of key fields by the bank is important for an account to qualify for FFSTP. Generally, the following fields of SRF at Annexure A are important for verification purpose.

S.No	General Info. Block	Depositor Info. Block	Branch Info. Block	Account Info. Block
1	Eligible/ Ineligible	Depositor Identifier Number	Branch Code	Account Number
2		Depositor Identifier by Bank		Account IBAN
3		Depositor Name		Conventional/ Islamic
4		Date of Birth (For Individuals)		Single/ Joint
5		Father Name/ Husband Name (For individuals)		Active/ Dormant
6		Mailing Address (For Other than Individual/ sole Proprietors)		Account Status1
7		Contact Mobile		Account Status2
8		Contact Office- (For Other than Individual/ sole Proprietors)		Lien Marked
9		Guardian Name (For minor Accounts)		
10		Guardian Relation (For minor Accounts)		

”

Un-Quote

Few such instances are as under

Eligible/ Ineligible	Sub Category	Depositor	Depositor Identifier Number	Depositor	Depositor name	DOB	Father/ Hu	Depositor	Contact M	Contact O	Contact O	Guardian F	Guardian F	Fit For STP
ELIGIBLE	INDIVIDUAL	NATIONAL	3810322488663	11118	EXE. ENG BUILDING E	-	-	-	-	-	-	-	-	YES
ELIGIBLE	INDIVIDUAL	NATIONAL	3540415633037	1205031	ASSISTANT FOOD CO	-	-	-	-	-	-	-	-	YES
ELIGIBLE	INDIVIDUAL	NATIONAL	3840345084563	134203	XEN HIGHWAY DIV S	-	-	-	-	-	-	-	-	YES
ELIGIBLE	INDIVIDUAL	NATIONAL	3840135556099	134370	XEN HIGHWAY DIVISI	-	-	-	-	-	-	-	-	YES
ELIGIBLE	INDIVIDUAL	NATIONAL	3840135556099	134370	EXECUTIVE ENGR HIC	-	-	-	-	-	-	-	-	YES
ELIGIBLE	INDIVIDUAL	NATIONAL	3840135556099	134370	XEN SHAHPUR DIVISI	-	-	-	-	-	-	-	-	YES
ELIGIBLE	INDIVIDUAL	NATIONAL	3840308657827	135814	XEN HIWAY M&R FAI	-	-	-	-	-	-	-	-	YES
ELIGIBLE	INDIVIDUAL	NATIONAL	3840308657827	135814	XEN HIWAY M&R FAI	-	-	-	-	-	-	-	-	YES
ELIGIBLE	INDIVIDUAL	NATIONAL	3840308657827	135814	XEN HIWAY M&R FAI	-	-	-	-	-	-	-	-	YES
ELIGIBLE	INDIVIDUAL	NATIONAL	3840308657827	135814	XEN HIGHWAY M & R	-	-	-	-	-	-	-	-	YES
ELIGIBLE	INDIVIDUAL	NATIONAL	3840215732367	136186	XEN PHED FAISALABA	-	-	-	-	-	-	-	-	YES
ELIGIBLE	INDIVIDUAL	NATIONAL	3840215732367	136186	XEN PHED MANDI BA	-	-	-	-	-	-	-	-	YES
ELIGIBLE	INDIVIDUAL	NATIONAL	3840583309413	145234	D.G MINES & MINER.	-	-	-	-	-	-	-	-	YES
ELIGIBLE	INDIVIDUAL	NATIONAL	3840583309413	145234	DG. MINES & MINER.	-	-	-	-	-	-	-	-	YES
ELIGIBLE	INDIVIDUAL	NATIONAL	3840583309413	145234	DG ENVIRONMENT P	-	-	-	-	-	-	-	-	YES
ELIGIBLE	INDIVIDUAL	NATIONAL	3630367027815	153136	INCHARGE FOOD CEN	-	-	-	-	-	-	-	-	YES
ELIGIBLE	INDIVIDUAL	NATIONAL	3540412303033	159930	AFC FAROOQABAD	-	-	-	-	-	-	-	-	YES
ELIGIBLE	INDIVIDUAL	NATIONAL	3310076889393	1602234	THE INCHARGE FOOD	-	-	-	-	-	-	-	-	YES
ELIGIBLE	INDIVIDUAL	NATIONAL	3840513863371	1828962	D.G MINES & MINER.	-	-	-	-	-	-	-	-	YES
ELIGIBLE	INDIVIDUAL	NATIONAL	3540107089627	1832149	AFC Muridkey	-	-	-	-	-	-	-	-	YES
ELIGIBLE	INDIVIDUAL	NATIONAL	3660257736015	1859934	Director General Agri	-	-	-	-	-	-	-	-	YES
ELIGIBLE	INDIVIDUAL	NATIONAL	3660257736015	1859934	NIAZ & SONS ZARAI II	-	-	-	-	-	-	-	-	YES
ELIGIBLE	INDIVIDUAL	NATIONAL	3660257736015	1859934	NIAZ & SONS ZARAI II	-	-	-	-	-	-	-	-	YES
ELIGIBLE	INDIVIDUAL	NATIONAL	3660257736015	1859934	NIAZ & SONS ZARAI II	-	-	-	-	-	-	-	-	YES
ELIGIBLE	INDIVIDUAL	NATIONAL	3660257736015	1859934	NIAZ & SONS ZARAI II	-	-	-	-	-	-	-	-	YES
ELIGIBLE	INDIVIDUAL	NATIONAL	3660257736015	1859934	NIAZ & SONS ZARAI II	-	-	-	-	-	-	-	-	YES
ELIGIBLE	INDIVIDUAL	NATIONAL	3660257736015	1859934	NIAZ & SONS ZARAI II	-	-	-	-	-	-	-	-	YES
ELIGIBLE	INDIVIDUAL	NATIONAL	3660257736015	1859934	NIAZ & SONS ZARAI II	-	-	-	-	-	-	-	-	YES
ELIGIBLE	INDIVIDUAL	NATIONAL	3230466101077	193510	INCHARGE FOOD CEN	-	-	-	-	-	-	-	-	YES

Risk Category**High**

Incomplete data causes hindrance in adherence of regulatory compliance. This may cause penalization and reputational loss.

Recommendation

All efforts must be made against the depositor record to ensure data accuracy and completeness to avoid regulatory penalties.

Management Reply**Audit Reply****Status****14. Information not provided by auditee**

During the course of audit following requirements were sent that are not responded by auditee despite reminder:

- External Auditor review of DPC processes and SDV (latest available report).
- Ownership details of complete DPC process.
- Internal SOPs formulated and currently in practice regarding DPC.

- d. Verification process/procedure currently in practice prior to submission of respective Data to SBP.
- e. Review of existing DPC Process.
- f. Recommended Step/changes in the process.
- g. Review of existing Roles/responsibilities and changes recommended.
- h. evidence against the information systems/ SDV database's readiness and efficacy testing conducted under the operational risk framework and Business Continuity Planning (BCP) exercise as per regulatory guidelines

Risk Category**High**

Audit function gets compromised if the required information is not provided timely.

Recommendation

To ensure effective audit process information shall be provided timely.

Management Reply**Audit Reply****Status****15. Record With Incorrect Date of Birth (DOB)**

Upon assessment of SDV data; records with incorrect date of birth but marked fit for STP is observed. This contradicts the DPC instructions vide CL-01-Annex-B under Unique Identifier for Single Depositor View states:

Quote

“

Sensitive Information of Individual Depositors Date of Birth is often viewed as one of the sensitive information of individual depositor, frequently referred by banks as verification details. The provision of data against such fields in SDV database is mandatory (where applicable) to ensure genuineness of a depositor at the time of reimbursement. If not applicable, the relevant field should be left blank without compromising the standard structure of SRF for SDV file.

”

Un-Quote

Few such instances are as under:

Eligible/ Ineligible	Sub Category	Depositor Identifier Type	Depositor Identifier Number	Depositor Identifier By Bank	Depositor name	DOB	Fit For STP
ELIGIBLE	INDIVIDUAL	NATIONAL IDENTITY CARD	3110205640999	1000451	SYED ANWAR SHAH	1598/01/01	YES
ELIGIBLE	INDIVIDUAL	NATIONAL IDENTITY CARD	3640269776729	100046	ABID ALI	1598/01/01	YES
ELIGIBLE	INDIVIDUAL	NATIONAL IDENTITY CARD	3640269776729	100046	ABID ALI	1596/01/01	YES
ELIGIBLE	INDIVIDUAL	NATIONAL IDENTITY CARD	3320222897119	100047	MUHAMMAD MASTI KHAN	1593/01/01	YES
ELIGIBLE	INDIVIDUAL	NATIONAL IDENTITY CARD	3630105204571	1000477	MUNAWER HUSSAIN	1589/01/01	YES
ELIGIBLE	INDIVIDUAL	NATIONAL IDENTITY CARD	3540219792345	100048	ANAYAT ALI	1569/01/01	YES
ELIGIBLE	INDIVIDUAL	NATIONAL IDENTITY CARD	3110290449443	1000482	MUHAMMAD AMIN	1566/01/01	YES
ELIGIBLE	INDIVIDUAL	NATIONAL IDENTITY CARD	3630158982249	1000487	MANZOOR AHMED	1563/01/01	YES
ELIGIBLE	INDIVIDUAL	NATIONAL IDENTITY CARD	9934689355941	1000491	MUHAMMAD ALI	1558/01/01	YES
ELIGIBLE	INDIVIDUAL	NATIONAL IDENTITY CARD	9933672442951	1000499	ASIF IQBAL	1546/01/01	YES
ELIGIBLE	INDIVIDUAL	NATIONAL IDENTITY CARD	3130362929703	100050	IMAM BUX	1546/01/01	YES
ELIGIBLE	INDIVIDUAL	NATIONAL IDENTITY	9933672463860	1000503	JAVAED IQBAL	1459/04/01	YES

		CARD					
ELIGIBLE	INDIVIDUAL	NATIONAL IDENTITY CARD	3630414114371	100051	MUHAMMAD ASIF BODLA	1397/01/01	YES
ELIGIBLE	INDIVIDUAL	NATIONAL IDENTITY CARD	3630414114371	100051	MUHAMMAD ASIF BODLA	1369/01/03	YES
ELIGIBLE	INDIVIDUAL	NATIONAL IDENTITY CARD	3630414114371	100051	MUHAMMAD ASIF BODLA	1357/01/01	YES
ELIGIBLE	INDIVIDUAL	NATIONAL IDENTITY CARD	3630414114371	100051	MUHAMMAD ASIF BODLA	1333/02/02	YES
ELIGIBLE	INDIVIDUAL	NATIONAL IDENTITY CARD	3630414114371	100051	MUHAMMAD ASIF BODLA	1298/06/12	YES
ELIGIBLE	INDIVIDUAL	NATIONAL IDENTITY CARD	3240237998917	1000513	MUHAMMAD AFZAL	1239/05/12	YES
ELIGIBLE	INDIVIDUAL	NATIONAL IDENTITY CARD	9933659339248	1000517	RAZIA BB	1201/01/01	YES
ELIGIBLE	INDIVIDUAL	NATIONAL IDENTITY CARD	9934035342955	1000518	MAQSOOD AHMAD	1198/01/01	YES
ELIGIBLE	INDIVIDUAL	NATIONAL IDENTITY CARD	3540258969839	100052	HAMEED	1197/01/01	YES
ELIGIBLE	INDIVIDUAL	NATIONAL IDENTITY CARD	3310652656541	100053	YASIR ARFAT AHMAD	1196/02/01	YES
ELIGIBLE	INDIVIDUAL	NATIONAL IDENTITY CARD	3310652656541	100053	YASIR ARAFAT AHMAD	1190/03/01	YES
ELIGIBLE	INDIVIDUAL	NATIONAL IDENTITY CARD	3320115757145	1000534	MIRZA	1189/01/01	YES
ELIGIBLE	INDIVIDUAL	NATIONAL IDENTITY CARD	3320119686039	1000539	MUHAMMAD KHAN	1173/01/01	YES

Risk Category**High**

Inaccurate data in regulatory reporting may lead penalization leading to reputational and financial loss.

Recommendation

Data cleansing is recommended to ensure complete and accurate data for regulatory compliance.

Management Reply**Audit Reply****Status**

AUDIT COMMENTS

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