

उत्तर प्रदेश ग्रामीण बैंक की सभी शाखाओं एवं कार्यालयों हेतु परिपत्र
अंकेक्षण एवं निरीक्षण विभाग द्वारा जारी

महोदय/महोदया,

विषय: “Management Audit Policy” का क्रियान्वयन

भारत सरकार के दिनांक 07 अप्रैल 2025 के राजपत्र अधिसूचना CG-DL-E-07042025-262329 (F. No. 7/6/2024/ (11)-RRB) के अनुसार, पूर्ववर्ती बड़ौदा यू.पी. बैंक, पूर्ववर्ती आर्यावर्त बैंक एवं पूर्ववर्ती प्रथमा यू.पी. ग्रामीण बैंक के समामेलन के फलस्वरूप 01.05.2025 से “उत्तर प्रदेश ग्रामीण बैंक” अस्तित्व में है। नवगठित बैंक में एकरूपता, पारदर्शिता और परिचालन दक्षता सुनिश्चित करने के लिए मौजूदा नीतियों को एकीकृत कर “Management Audit Policy” को बैंक की Steering Committee द्वारा मंजूरी दी गई है एवं उत्तर प्रदेश ग्रामीण बैंक हेतु तत्काल प्रभाव से लागू करने का निर्णय लिया गया है।

Management Audit Policy में समाहित बिन्दुओं /मार्गदर्शी प्रक्रियाओं पर पूर्ववर्ती बैंकों में पूर्व निर्गत निर्देश तदनुसार संशोधित माने जाएंगे।

सभी शाखाएं/कार्यालय इस परिपत्र की विषय वस्तु को भली भांति समझ लेवें एवं तदनुसार कार्य करते हुए शत-प्रतिशत अनुपालन सुनिश्चित करें।

भवदीय



(घनश्याम सिंह)

महाप्रबन्धक



संलग्नक: Management Audit Policy

Policy Guidelines for Management Audit System

Introduction:

Management Audit involves review of management practices in place at various departments of the Bank to assess if current framework is adequate for department to achieve its objective and identify improvement opportunities. Management Audit does not involve testing of transaction or process level controls. Management Audit is a specialized audit which reviews the qualitative aspects of departments operations.

1. Objectives of Management Audit:

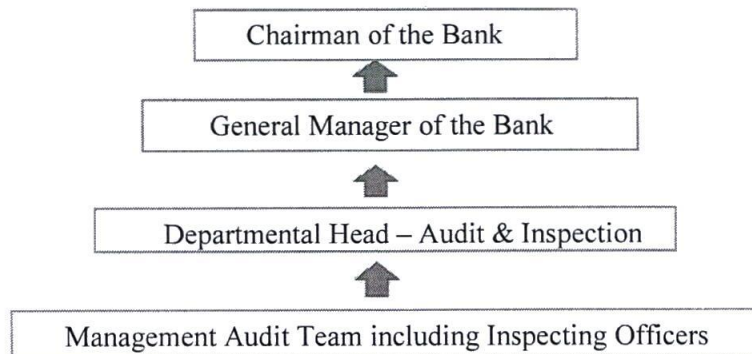
Key Objective of Management Audit is to evaluate the following aspects of the Auditee Unit:

1. Evaluation of the Auditee Unit's performance with it budget / objectives.
2. Assessment of enablers in place at the Auditee Unit to achieve its objectives.
3. Review of synergy between the various Auditee Unit of the Bank.
4. Evaluate level of preparedness of the Auditee Unit against the key emerging risks and competition and suggest on mitigation measures.
5. Review the current operating & management framework and identify improvement opportunities.
6. Assess level of automation at the Auditee Unit and identify automation opportunities.
7. Assessment of Operational efficiency across business operations.
8. Effectiveness of change management practices.
9. Optimal alignment of roles & responsibilities.
10. Alignment of business operations with strategy.
11. Assessment of regulatory compliance.
12. Optimization of Customer Services.
13. Effectiveness of Management Information Systems.
14. Comprehensiveness of policy and procedures.
15. Synergies in Business Operations.
16. Framework for holistic Risk Management.
17. Benchmarking of products / processes / policies.

2. Management Audit Framework

(i) Reporting Structure of Management Audit

The structure of the Management Audit Framework of the Bank is given below:



- Management Audit Team will be headed by a senior executive of the Bank preferably by Assistant General Manager.
- Reporting Authority: General Manager (Audit & Inspection).
- Reviewing & Accepting Authority: Chairman of the Bank.



Brief overview of roles & duties of various stakeholders involved in Management Audit are given below.

(ii.) Execution Framework

Management Audit of Regional Offices & Departments of Head Office will be conducted by a Management **Audit Team headed by not less than the rank of Assistant General Manager** and assisting by an Inspecting Officer under the supervision of General Manager, Audit & Inspection.

3. Coverage & Audit Planning

Management Audit will be undertaken by **Management Audit Team headed by not less than the rank of Assistant General Manager and assisted by an Inspecting Officer under the supervision of General Manager, Audit & Inspection. The team will Cover** Management Audit of Regional Offices, Departments of Head Office/Head Office/Loan Processing Centres/ STCs.

Audit & Inspection Department, Head Office will co-ordinate and will be responsible for the Management Audit function under the supervision of General Manager. **A yearly plan will be made by Audit & Inspection Department, Head Office for conduct of Management Audit. Head of Audit & Inspection Department will identify Executives/Officials under whose leadership the Management Audit will be conducted.** The Management Audit Plan will be finalized in consultation with the General Manager/Chairman.

The RBI/NABARD guidelines as amended from time to time as well as directions given by ACB/Hon'ble Board is to be taken into consideration while deciding the coverage of the Management Audit systems in the Bank.

4. Audit Periodicity

The Auditee Unit covered under Management Audit will be audited annually.

5. Scope and Extent of Checking

The scope of Management Audit will depend on the following :

- i. Role of the Auditee Unit should be reviewed to identify the key focus areas for the Management Audit.
- ii. Specific areas for focus may be identified in case any of the triggers mentioned above are observed
- iii. Any specific areas of the Auditee Unit to be reviewed by the Top Management, ACB or by the department themselves.

6. Audit Reporting

- i. Audit Reports will be prepared in a standard format provided by Audit & Inspection Department, Head Office covering all the aspects and issued after conclusion of each audit assignment and will be distributed as appropriate. The audit format is subject to revision from time to time, in accordance with operational needs and regulatory requirements.
- ii. The observations will be graded and classified based on their impact.
- iii. Audit observations are to be supported by relevant evidences and working papers to substantiate the observations.
- iv. After completion of the Audit, Audit Report shall be sent to Audit & Inspection Department, Head Office **within 07 days from completion of audit.** Subsequently, the same will be submitted to Auditee Unit after due vetting by General Manager, Audit & Inspection.

7. Follow up and Compliance:

- i. Audit & Inspection Department will follow-up the audit reports. The status of observations will be tracked until resolution of all the open observations.
- ii. The summary of status of audit plan, key observations, open audit points will be



presented to the Audit Committee of Board on Quarterly basis until compliance of all open observations.

- iii. Audit & Inspection Department, Head Office will follow up with the Auditee Units and their Reporting Authority for submission of Rectification Certificate **within prescribed period of 30 days**.
- iv. Auditee Units has to submit the **Clean Rectification Certificate, within -30- days from the date of receipt of report** and it should be submitted duly approved by the Reporting Authority of the Auditee Units.
- v. In case complete rectification is not possible within **30 days** from the date of receipt of the Inspection Report then **maximum 60 days may be allowed** (Including 30 days earlier given for submission of CRC, considering unavoidable circumstances) for submitting CRC.
- vi. The auditee units may also be required to provide proof / evidence of compliance to the Audit & Inspection Department, Head Office (if required).

8. Performance Evaluation:

The performance and effectiveness of the Management Audit function will be monitored by General Manager of the Bank against several performance measures / indicators. These would include:

- i. Completion of audit assignments against plan
- ii. Audit actions followed-up and timely status reporting
- iii. Quality and Impact of the observations / recommendations made
- iv. Quality of Audit Reports against standards
- v. Timely submission of Compliance of Audit Report

9. Delegated Authority for Management Audit Guidelines:

The **Chairman** is authorized to issue additional administrative guidelines related to the Management Audit System as and when required.

10. Validity of Policy:

This policy shall remain in force for **three years** from the date of approval, after which it shall be reviewed and revised, if necessary. The Chairman may allow continuation of the Policy for a maximum period of six months from the due date of review in case the policy cannot be reviewed on or before due date.

Any change made by the Govt. of India/ RBI/ NABARD/Board of Directors of the Bank from time to time shall form integral part of the policy with immediate effect and it shall be treated modified to the extent.

