

JILANI COMMITTEE RECOMMENDATIONS - BRANCH LEVEL

(Relating to Internal Control and Inspection/Audit System in Banks which are to be Compulsorily Implemented by Banks)

Sr. No.	Recommendation No. in the WC Report	Nature of Recommendation	Implementation Status at Branch
1	39	Follow-up on major/serious irregularities detected during concurrent audit to be immediately taken up with the LHO. A time bound action programme for rectification to be drawn up and closely monitored. Fraudulent transactions to be reported to Vigilance/chief of Inspection/Audit etc.	
2	41	Smaller/Medium sized branches to rectify irregularities pointed out during inspection/audit within 4 months.	
3	44	Inspectors/Auditors to get majority of irregularities rectified during their stay at the branches concerned and guide them as well.	
4	45	Immediate action to be taken to plug gaps in serious irregularities/revenue leakages which have surfaced due to loop holes in existing procedures, abnormal deviations from laid down procedures/norms in consultation with the departments concerned by issue of fresh guidelines	
5	53	Appropriate control measures should be devised and documented to prevent the computer system from attacks of unscrupulous elements. All aspects of security, reliability and accessibility are ensured before introduction of EDP application in place of manual system by having pilot parallel runs.	
6	54	Various tests to be carried out to ensure that EDP applications have resulted in consistent and reliable system for inputting, processing and generation of output of data.	
7	59	Entire domain of EDP activities be brought under scrutiny of inspection and audit including the underline financial aspects.	
8	61	In order to bring about uniformity of software used by various branches/offices, there should be a formal method of incorporating change in standard software and it should be approved by senior management. Such changes are to be inspected and monitored continuously.	
9	71	Banks should complete enquiries expeditiously and bring to book the delinquent staff to deter others from perpetuating frauds and malpractices. Internal vigilance machinery to be strengthened and its working to be reviewed by the board every six months.	
10	74	Regular checking by inspectors/auditors to verify correctness of information compiled/furnished by branch regarding income recognition, asset classification, provisioning and NPA quantification in conformity with prescribed norms. Discrepancy to be immediately brought to the notice of the branch manager for rectification on the spot.	