

**LONDON BRANCH**

**SCOPE**

S. No.	Scope of Internal Audit	Area Proposed to Cover	Quarter 1	Quarter 2	Quarter 3	Quarter 4
1	Anti-Money Laundering /Anti-Bribery & Corruption	<ul style="list-style-type: none"> <li>• Evaluation of effectiveness of Bank's Financial Crime ,AML &amp; ABC Policies &amp; Procedures</li> <li>• Review of Bank's Due Diligence Policies &amp; Procedures (CDD/EDD)</li> <li>• KYC, including sanctions &amp; FATCA compliance,</li> <li>• Customer on Boarding/ Periodic reviews and Risk Assessment</li> <li>• Customer Service Management</li> <li>• Transaction Monitoring</li> <li>• Resolution of Alerts/Negative Media</li> <li>• Anti-Bribery &amp; Corruption Compliance &amp; Gift Register</li> <li>• Anti-Bribery Monitoring &amp; Reporting</li> <li>• AML Training</li> <li>• Adequacy of Management Information</li> </ul>	Yes	Yes	Yes	Yes
2	Credit Risk Management	<ul style="list-style-type: none"> <li>• Appraisal &amp; Approval of Credit Proposals</li> <li>• Adherence to Policies &amp; procedures</li> <li>• Advances ( Working Capital , Term Loan/Syndication) ,Loan against deposits &amp; Bills discounting</li> <li>• Limit Monitoring</li> <li>• Interest maintenance</li> <li>• Insurance</li> <li>• Valuation</li> <li>• Monitoring &amp; Review of loans</li> <li>• Recovery &amp; reporting</li> <li>• Irregular/SMA /NPA Review</li> <li>• Recovery of commission/processing charges/misc charges</li> </ul>	Yes	Yes	Yes	Yes
3	Operational Risk Management	<ul style="list-style-type: none"> <li>• Operational Risk Framework</li> <li>• Corporate Governance/ Board Effectiveness</li> <li>• Business Continuity Plan</li> <li>• Penetration Testing</li> <li>• Disaster Recovery Plan</li> <li>• Data Security and GDPR</li> <li>• System Backup</li> <li>• Incidents of frauds/event log/reporting</li> <li>• Internal Loss Data Management</li> </ul>	Yes	Yes	Yes	Yes

4	Regulation & Compliance Risk Management	<ul style="list-style-type: none"> <li>• Policy &amp; Procedures</li> <li>• Compliance Monitoring Plan</li> <li>• Risk Assessment</li> <li>• Regulatory Breaches</li> <li>• New Regulatory / Legal Requirement</li> <li>• Regulatory Reporting               <ol style="list-style-type: none"> <li>1. No of Returns</li> <li>2. Integrity &amp; Accuracy of data used for preparation of Returns</li> <li>3. Review of Controls</li> </ol> </li> <li>• Conflict of Interest</li> <li>• Risk Management Policy</li> </ul>	Yes	Yes	Yes	Yes
5	Trade Finance	<ul style="list-style-type: none"> <li>• All Facilities</li> <li>• Buyers Credit</li> <li>• Limit Monitoring</li> <li>• Bills in Collection /Discounted</li> </ul>	Yes	Yes	Yes	Yes
6	Deposit & Retail Liabilities	<ul style="list-style-type: none"> <li>• Fixed Deposit</li> <li>• Interest on Fixed Deposit</li> </ul>	Yes		Yes	
7	Liquidity Risk Management	<ul style="list-style-type: none"> <li>• Limit Monitoring</li> <li>• Contingency Funding Plan</li> </ul>		Yes		Yes
8	Remittance & Clearing Operations	<ul style="list-style-type: none"> <li>• Inward /Outward Remittance</li> <li>• Clearing Operations</li> <li>• SWIFT Operations, Framework &amp; Governance</li> </ul>	Yes		Yes	
9	Treasury Operations	<ul style="list-style-type: none"> <li>• Deal Confirmation</li> <li>• Deal Approval</li> <li>• Matching Process</li> <li>• Limit Monitoring</li> <li>• Code of Conduct</li> <li>• Training &amp; Development</li> <li>• Interest &amp; Repayment</li> <li>• Oversight Mechanism</li> <li>• Back Office Functions</li> <li>• SWIFT operations</li> <li>• Borrowing and lending in the money market including REPO Borrowing</li> </ul>		Yes		Yes
10	Governance	<ul style="list-style-type: none"> <li>• Governance Structure &amp; Conflict Management</li> <li>• MC, ALCO, AMLOC</li> <li>• Branch Committee meetings</li> <li>• Periodicity ,Attendance, Minutes of Meetings &amp; Action Points tracking</li> <li>• Conduct and Culture</li> <li>• SMCR</li> </ul>		Yes		Yes
11	Correspondent Banks	<ul style="list-style-type: none"> <li>• Controls , Monitoring/Oversight</li> </ul>	Yes			
12	Human Resource	<ul style="list-style-type: none"> <li>• Performance Management</li> <li>• Succession Plan</li> <li>• Hiring</li> <li>• Training &amp; Development</li> </ul>	Yes			

13	Information Technology	<ul style="list-style-type: none"> <li>• Policy &amp; Procedures</li> <li>• Access Management</li> <li>• Physical Control</li> <li>• CYBERSECURITY</li> </ul>		Yes		Yes
14	Health & Safety	<ul style="list-style-type: none"> <li>• Policy &amp; Procedures</li> <li>• Premises security</li> <li>• H&amp;S and First aid arrangements</li> </ul>			Yes	
15	Investment Portfolio	<ul style="list-style-type: none"> <li>• Investment Pre Appraisal</li> <li>• Deal Confirmation</li> <li>• Eligible Securities &amp; Parameter</li> <li>• Matching Process</li> <li>• Investment Portfolio – Review &amp; Reporting</li> </ul>		Yes		Yes
16	Treating Customer Fairly	<ul style="list-style-type: none"> <li>• Policy &amp; Procedures</li> <li>• Training &amp; Development</li> <li>• Compliant Management</li> <li>• Data Protection</li> <li>• Conflict of Interest</li> <li>• Code of Conduct &amp; Transaction Monitoring</li> </ul>			Yes	
<b>Areas Proposed to Cover Total</b>			<b>9</b>	<b>10</b>	<b>9</b>	<b>10</b>

**Timeline for submission of final report:**

The final audit report for each quarter has to be submitted within 45 days from the end of the said quarter.