

TERMS AND CONDITIONS

- A. FOR APPOINTMENT OF EXTERNAL CONCURRENT AUDITORS,
B. FOR CONDUCTING CONCURRENT AUDIT / CONTINUOUS AUDIT OF IDENTIFIED BRANCHES AS PER LIST
C. REGARDING METHOD OF REPORTING & REVIEW OF PERFORMANCE**

The following are the terms and conditions for applying for empanelment as Concurrent Auditor in Canara Bank from **1st July 2021 to 30th June 2022:**

I. MANDATORY CONDITIONS FOR APPOINTMENT:

1. Applicant should either be a LLP / Partnership firm or Proprietorship, already **in the panel of the RBI**, which are circulated among the Banks for Statutory Branch Audit of the Banks from time to time. **Registration with RBI and category allotted by RBI are mandatory.**
2. The empanelment and allocation of branches to the auditors will be purely the prerogative of the Bank. Such empanelment shall be initially for a period of **twelve months** and can be extended for a period of one year (twice), subject to condition that maximum period of empanelment is not more than three years (36 months).
3. The Concurrent Audit firm should furnish the name, qualification and skill set of the persons, who shall be conducting audit in the branch, to the Bank before commencing audit assignment and such persons will have to continue audit for all the Twelve (12) months.
4. The Concurrent Audit firm shall undertake that they will not sub contract the audit assignment.
5. The Concurrent Audit firm shall not lobby directly or indirectly for considering any credit proposals of their friends / clients to the Bank / auditee branch.
6. "The eligible auditor / firm should be qualified under provisions of Section 141 of Companies Act 2013 for appointment as auditors of the Bank. Auditors should not be disqualified under Section 141 of the Companies Act, 2013 read with Rule 10 of The Companies (Audit and Auditors) Rules,2014 to accept this appointment."
7. The Concurrent Audit firm or the partners / LLP or its designated partners / or the proprietor or any of their clients should not have any credit facilities with the auditee branch for which they are applying for except credit facilities against their own deposits.
8. The LLP / firm / any partners/designated partners / Proprietor should not have statutory audit (Central audit or Branch Audit), credit audit, valuation of fixed / current assets or any other similar assignments with Bank / or / any branch of Canara Bank.

9. The LLP / firm / any partners/designated partners of the firm / Proprietor should not have any disciplinary matters pending with IBA / ICAI / RBI / National Financial Reporting Authority- NFRA and they should not have suffered any disqualification.
10. The Auditors' Services should not have been terminated or stopped by our bank earlier for (i) want of satisfactory performance or (ii) serious acts of commission or omission or (iii) professional misconduct or (iv) any other adverse reasons.

If the name of the ECA is appearing in the list of Third Party Entities- TPEs prepared by IBA, or list of entities blacklisted by professional bodies such as ICAI or blacklist of other banks, then no empanelment would be considered.

11. The eligible auditor / LLP / Firm should be having sufficient experience in conducting concurrent audits of Banks / Bank branches.
12. The eligible auditor / LLP / Firm should have their office / infrastructure in the proposed Centre / town / city opted for.
13. No weightage shall be given for audit experience in small finance banks and payment banks.
14. Only one branch will be allotted to a selected firm. However, the Bank has the discretion to change the allocation of the branches based on any administrative exigencies.
15. The offer of appointment shall be treated as provisional till the empaneled audit firm takes up the audit assignment within the stipulated date in the stipulated auditee unit.
16. Whenever any of the Proprietor / Partner of the Audit firm / designated partner of a LLP is related to any of the employees / Directors of the Bank, the details and relationship with such employees / Directors should be specifically mentioned in the application and the Bank reserves the right to accept or reject the application depending on the merits/demerits of the case.
17. The Bank has the discretion to withhold, consider, accept or reject any of the application based on any of the RBI / Government / ICAI / NFRA / Internal guidelines of the Bank.
18. Only the audit firm provisionally selected for empanelment shall be communicated through e-mail. No individual intimation shall be sent to the audit firm whose application is not considered for empanelment.
19. The selected / empaneled audit firm should give their consent in writing / undertaking letter in the prescribed format agreeing to comply with and bound by the terms & conditions prescribed by the Bank. The empaneled / selected auditor / Audit Firm / LLP shall sign on the Do's & Don'ts statement in order to have proper "arm's length relationship" with the Branch / Department for which they shall be conducting Audit (Annexure –III).

20. The selected Auditor/ LLP / Firm is eligible for renewal / reappointment for a period of one year (twice) subject to the condition that maximum period of empanelment is not more than 36 months from the date of initial empanelment – as per RBI / Bank's guidelines and at the sole discretion of bank & subject to review of performance by the Bank. The re-appointment / renewal may be to the same branch or to any other branch at the sole discretion of the Bank.
21. The Audit firm shall submit the reports in the prescribed formats covering all the Audit areas advised from time to time which includes quarterly Risk Rating; Quality Audit of branches.
22. The Audit team shall conduct Quality Audit during Concurrent Audit and verify compliance of 100% of Part B observations and 10-15% of Part A observations of previous month. All non- compliance to be reported without exception
23. The Auditors shall certify all the reports under branch statutory audit system, covering NPA provisioning, Insurance Coverage, P & L A/c, CRAR, Certification regarding Tax Audit, LFAR (as per RBI guidelines) and other areas as advised from time to time.

II Methodology of Empanelment:

1. The eligible interested LLPs / Firms / Proprietary Concerns shall apply online on the website i.e., www.canarabank.com during the stipulated period i.e., from 29nd May 2021 to 12th June 2021 only.
2. For applying CPCFT Mumbai & Manipal, audit firms having specialization in Forex/ Diploma or Certification Course in Forex / Already having experience of conducting audit of treasury/ forex related branches will be given preference.
2. **The applicant should not send the hardcopy of the application / annexures to the Bank / branches without being called for.** No correspondence / communication from the applying firms will be entertained by the Bank whatsoever. Only the audit firm provisionally selected for empanelment will be communicated through e-mail.
3. **The applicant can opt for any three branches / units in the order of preference either in one or two Centre / Town / City.**
4. While short-listing the ECAs for empanelment, preference will be given to those Auditors who have given first choice to a specific branch.
5. If no Audit Firm has applied for a branch under “first choice”, then preference is given to the Audit Firm which has opted the branch as “second choice”.
6. If no Audit Firm has applied for a branch either under “first choice” or “second choice” then preference is given to the Audit Firm which has opted the branch as “third choice”.
7. If no applications are received under either “first choice, second choice, or third choice” for any branch, then the Audit Firm nearer to the branch in the “first choice”, "second choice" or "third choice", in that order, may be considered for short-listing (with their consent).

8. A **unique acknowledgement number** for each completed application will be generated and the same will be displayed in the website immediately after submitting the application. This shall serve as a future reference number for the Bank / applicant. The applicant should take printout of the completed / submitted application along with the acknowledgement number for reference.
9. Mere submission of application by the audit firms for appointment as Concurrent Auditor in Canara Bank **shall not entitle them automatically for assignment. The application will be processed and firms / proprietorship selected for empanelment will be communicated in due course.**
10. The appointment / allotment of branches shall be based on the availability of branches and number of audit firms in particular area. The Bank reserves the right to appoint any audit firm for Concurrent Audit.
11. Based on the above, the audit firm will be provisionally selected for empanelment.
12. Bank shall communicate the provisional selection to such firms by way of email / letter and call for hard copies of the application and letter of acceptance which are to be received by the Bank before the specified due dates.
13. After receipt of communication of provisional selection, the audit firm should send the soft copy of the application (signed by authorized signatory) and copies of registration certificate issued by ICAI, proof of UCN registration issued by RBI, proof of documents in support of their other credentials such as CISA/DISA qualification; empanelment letters issued by banks regarding experience of audit, etc., email to inspwingeca@canarabank.com within the specified date.
14. After scrutinizing the signed soft copy of the application; letter of acceptance from the firm; proof of other credentials; Certificates, etc the Bank shall empanel the audit firm for Concurrent Audit for the period from 01.07.2021 to 30.06.2022 (Twelve months only). The empanelment letter shall be subject to correctness of the information furnished/declared in the application / annexures.
15. If the selected firm has not sent soft copies of the application, letter of acceptance duly signed by them within the due date and other details, the provisional selection will stand automatically cancelled. No separate intimation in this regard will be communicated.
16. In respect of firms which are not being selected, no communication will be sent by the Bank and no correspondence will be entertained.
17. Bank may conduct a day's workshop / handholding sessions for selected auditors for familiarization of our terminologies before actual commencement of Concurrent Audit. No traveling / halting allowance or any such allowances will be payable for attending such workshops/handholding sessions.
18. The audit firm which is provisionally selected for empanelment will be communicated through e-mail and the acceptance to Bank's offer is to be

confirmed by the audit firm by way of return e-mail to inswingeca@canarabank.com within 3 days followed by a soft copy of application along with the supporting documents shown below **within 7 days of Bank communicating provisional selection.**

19. The following set of scanned documents are to be directly sent to **inswingeca@canarabank.com** email ID within the specified due date.
- A. Soft copy of application, duly signed by the authorized signatory.
B. Self-attested Soft copies of:
- a) Copy of Partnership deed; Supplementary deed;
 - b) Certificate of Registration with ICAI;
 - c) Certificate issued by the Registrar of Companies (showing LLPIN)
 - d) Copy of LLP Agreement signed by all the partners. (In case there is no LLP agreement, Schedule I of the LLP Act signed by all the partners).
 - e) Copy of DIN/DPIN of the designated partners in case of LLP.
 - f) Copy of UCN Registration with RBI and gradation if any allotted to the Firm.
 - g) Copies of Letters received from Banks assigning the work of Concurrent Audit / Statutory Audit / other audits to audit firm, as reported in the application.
 - h) Letter of acceptance of Terms and Conditions in the prescribed format. (Format as per Annexure - I).
 - i) Any other report / enclosures / evidence which audit firm has mentioned in the application
20. On receipt of the above documents, the Bank shall scrutinize the same and verify the correctness of application / annexures. Thereafter, the Bank shall communicate the appointment by way of e-mail (to the email id given in the application). The offer letter for empanellment / appointment is purely provisional and shall be subject to the applicant taking up the audit assignment within the stipulated date.
21. Procedure relating to issue of Letter of Authority to enable the audit firm to verify relevant files/records at specific branch allotted to audit firm for conducting Concurrent Audit will be informed to audit firm separately while confirming the acceptance / appointment letter. The Audit Firm shall give an undertaking letter in the prescribed format as per Annexure II.

III. Methodology for review of the performance of the auditors:

1. The system of Concurrent Audit has been introduced mainly with the following objectives:
- a) To keep all routine work of the branch under continuous check so as to supplement Bank's efforts to ensure a robust internal control system at the branch in the critical and sensitive areas.

- b) To ensure that violation, if any, in the procedures of the bank are brought to the notice of the management immediately so that timely corrective and remedial steps can be taken.
 - c) To pick up and report early warning signals in right time to alert the management.
 - d) To report serious irregularities/fraudulent activities noticed at the branch to management at the right time.
 - e) To ensure the quality of credit portfolio with due focus on credit appraisal, sanction, creation of security, end-use, monitoring, recovery aspects etc.,
2. The audit firm shall own professional responsibility for concealment of facts / not reporting serious irregularities or losses on account of non-reporting / non detection of early warning signals / frauds.
 3. The Zonal Inspectorate will also evaluate the performance of the auditors at half yearly intervals based on the following parameters:
 - a) Adequacy of the coverage of audit areas and Quality of reporting
 - b) Verification, Detection and Reporting of leakage of income
 - c) Reporting of serious irregularities, early warning signals, deficiencies in appraisal, disbursement and monitoring.
 - d) Physical verification of securities created / charged to the Bank
 - e) Reporting of compliance by the branches on technology / information security and KYC/AML/CFT
 - f) Submission of jotting sheets to branches and follow up for rectification
 - g) Timely completion of audit and submission of Reports
 - h) Contribution to improvement to overall control by the branch
 - i) Attendance of 3-4 days per month by the Chartered Accountants and 3-4 days per week by the Audit team.
 - j) Adherence to time norms for overall attendance
 4. (i) Failure to detect fraud or serious irregularities, which comes to the knowledge of bank at a later date or during subsequent audits / investigations, shall be treated as a deficient service & omission of serious nature.
 - (ii) In such cases, the names of such ECAs (who have done concurrent audit of the branch / unit which witnessed the fraud / serious irregularity during the corresponding period) shall be depanelled by our bank and they shall not be eligible for (a) applying any future empanelment in our bank (such as credit audit, valuation of current assets, etc.) (b) Statutory Audit - for a further period of 5 years.
 5. If the performance is found wanting, then the services of the auditors shall be terminated forthwith with intimation at the discretion of the Bank and such Audit firms shall stand derecognized.

III. Termination / cancellation of Empanelment / Appointment :

1. If the provisionally selected firm has not sent soft copies of the application and other documents duly signed by them within the stipulated time, their provisional selection shall be rejected.
2. If any of the information / documents furnished by the auditor is found to be untrue / incorrect, the Bank's offer shall automatically stand cancelled without entertaining any further correspondence.
3. Deliberate omission of facts, information about disqualification which comes to the knowledge of bank at a later date.
4. Any serious acts of Commissions, omissions, misconduct, deviations in professional ethics or any other reason bank may deem fit and appropriate to the situation.
5. Reported disqualification as per Section 141 of Companies Act 2013 for appointment as auditors of the Bank and also as given in Section 141 of the Companies Act read with Rule 10 of The Companies (Audit and Auditors) Rules, 2014.
6. In case the application is rejected for reasons mentioned above, the Bank shall identify a new auditor for the branch, at its discretion and the applicant shall not claim any right for audit of said or any other branch.
7. Bank reserves the right to terminate & de-panel the empanelment forthwith without any notice and without assigning any reasons in case of (i) proven misconduct (ii) getting any adverse reports or adverse confidential information (iii) bank feels that its interests may be jeopardized, besides reserving its rights for initiating other action as deemed fit.
8. The empaneled ECAs may request for relinquishment of audit assignment due to reasons like death of partner, health grounds; availing of credit facilities from our bank either by the auditor or his relatives.
9. The appointment for Concurrent Audit is purely contractual and for a specific period of **12 months** and the same may be renewed on a yearly basis (twice) subject to satisfactory performance / eligibility of the particular branch for Concurrent Audit. The maximum period of contract shall be restricted to 36 months. However, the Bank reserves the right to terminate the contract at any point of time for whatsoever reasons as the Bank may deem fit.
10. Whenever, the assignment is terminated or relinquishment is permitted, the External Concurrent Auditors concerned are eligible for audit remuneration only up to the end of previous month for which a fully completed report is received. In such cases, Bank reserves the right (i) to adjust the same (audit remuneration) towards commission / omission if any or (ii) withhold the same for a period of 6 months or till suitable administrative decision is taken whichever is earlier
11. After termination of the contract, the auditor / firm shall not use or keep any of the material information given by the Bank like Manuals, ITIOs etc. or make any

representations to public or outsiders as continuing this contract. The auditor / firm shall return all materials belonging to the Bank after termination of this contract / agreement, unless otherwise instructed in writing by the Bank.

12. Whenever termination is made, the ECA shall have no right to demand fees for the unexpired period of empanelment/contract on any ground whatsoever
13. The Bank shall have the absolute discretion in allotting the branch, revising fee structure, stipulating terms and conditions of the appointment like experience in Concurrent Audit of our branches / other banks etc. and termination of the services of the empaneled auditor after giving due notice at any point of time including during the pendency of the contract.
14. Due to rationalization of branches, if any Branch/ Unit merges with another Branch/Unit you will be given opportunity to conduct Concurrent Audit of the acquired Branch subject to the acquiring Branch/ Unit is not under External Concurrent Audit.

If the acquiring Branch is already under Concurrent Audit by External Chartered Accountant, then your firm shall forgo the assignment.

In this regard, decision of Inspection Wing, Head office will be final.

IV. Details of Fee Structure:

1. Monthly Audit fee payable to External Concurrent Auditors.

Aggregate Business (31 st March)	Out Of (A) Advances component	Monthly Remuneration*
A	B	C
Up to & inclusive of Rs 300 Crore	Up to Rs. 50 Crore	Rs.17500.00
	Above Rs. 50 Crore	Rs.21000.00
> Rs. 300 - 500 Crore	Up to Rs. 100 Crore	Rs.23000.00
	Above Rs. 100 Crore	Rs.26000.00
> Rs.500 - Rs.1000 Crore	Up to Rs. 100 Crore	Rs.27000.00
	above Rs. 100 Crore	Rs.30000.00
> Rs. 1000 Crore		Rs.35000.00
Govt. Link cell : Nagpur)		Rs.25000.00
RAH		Rs.50000.00
Reconciliation Wing		Rs.50000.00
(*) + applicable GST payable.		

2. The Audit firm shall follow the time norms for completing the Audit and submitting the Audit report to the branch/Circle/Zonal Inspectorate. If there is any delay in submission of the report or the report is wanting in material aspect 10 % of the monthly Audit Fee will be deducted without any further reference to the auditor till the deficiency continues.
3. Audit fee will be paid [after deducting applicable TDS by the concerned branch within 7 days after receipt of monthly Executive Summary/Quarterly Report, as the case may be.

4. Other than the above, no separate Traveling Allowance/Halting Allowance/Out of Pocket Expenses, fees for inspecting the securities/attending training/workshops, conducting audit of Extension Counters etc., will be paid.
5. Fee structure will be reviewed solely at the discretion of the Management.

V. Methodology for conducting audit / reporting:

1. The audit team should be led by the Chartered Accountant - Proprietorship /Partner of the audit firm with experienced assistants as the work may warrant.
2. Where the stipulated audit fees is Rs.17500/-, then the audit team shall visit the branch @ 3 days/week subject to a minimum of 15 days/month, out of which the Chartered Accountant / Partner of the audit firm shall visit the branch for 3 days, preferably during the end of the month.
3. Where the stipulated audit fees is Rs.21000/- to Rs.35000/- per month, the audit team shall visit the branch @ 4 days/week subject to a minimum of 20 days per month, out of which the Chartered Accountant/Partner of the audit firm shall visit for 4 days, preferably during the end of the month (In case of Continuous audit of PCB/LCB/ RAH/RLC/ RMLC/Reconciliation wing/ Clearing section : Mumbai / Govt. Link Cell, Nagpur, the following clause No.4 is applicable).
4. The Prime Corporate branches (PCB), Large Corporate branches (LCB), Reconciliation Wing : Head Office, Bengaluru, Government Link Cell: Nagpur, Retail Asset Hubs(RAH) and Clearing Section, Mumbai are identified for Continuous Audit. The audit team shall visit such branches / offices on all days of the month and the Chartered Accountant/Partner of the audit firm shall visit for 5 days, preferably during the end of the month.
5. The audit personnel should not be changed to ensure continuity and consistency in the concurrent audit. The audit firm shall conduct appropriate due diligence before employing any personnel who will be entrusted with the work of conducting the concurrent audit of the Bank. The audit firm is also responsible for any commission and omission of its employees which may cause and or likely to cause any loss / damage to the Bank or its clients.
6. If there is any change in the constitution of the firm during the period of appointment it shall be informed to the bank immediately.
7. Before commencing the audit, the members of the Audit team should be properly introduced to the Branch In charge by proper introduction letter containing the specimen signatures and photo/s of the persons conducting the Audit duly attested by the Chartered Accountant – Proprietor / partner of the firm / officials of concerned Zonal Inspectorate.
8. Auditor shall be guided by our Concurrent Audit manual, HO Circulars, Other Manual of Instructions and other guidelines issued by the Bank from time to time (which are available in the branch / intranet of the Bank called “Cannet”) for conducting the audit of the branch. Zonal Inspectorate will provide soft copies of the important circulars, guidelines & ITIOs (Instructions to Inspecting Officers)

to the Email address of the concerned auditors, at periodical intervals. No hard copies will be provided to the auditors.

9. Auditors shall ensure coverage areas in concurrent audit as per RBI norms (minimum items of coverage are given in Annex II of RBI/2015-16/133 DBS.CO.ARS. No. BC. 2/08.91.021/2015-16 dated July 16th, 2015 and Annexure of DBS.CO.ARS.NO.BC. 01 / 08.91.021/2019-20 dated 18.09.2019).
10. In addition to the above the following are the Coverage Norms as per our Bank rules:
 - a. The main role of concurrent audit is to supplement the efforts of the Bank in carrying out simultaneous internal check of the transactions and other verifications and compliance with the procedures laid down.
 - b. The scope of concurrent audit shall be wide enough / focused to cover certain fraud - prone areas such as handling of cash, deposits, advances, foreign exchange business, off-balance sheet items, credit-card business, internet banking, etc.
 - c. In determining the scope, importance should be given to checking high-risk transactions having large financial implications as opposed to transactions involving small amounts.
 - d. All aspects of branch working including (income leakage; money laundering; physical assets like gold jewellery pledged; security items, etc) shall also be looked into and significant audit areas should not escape the attention of the concurrent auditor.
 - e. Security verification charged to the Bank / perfection of documentation should be ensured.
 - f. The reporting format & certificates have to be updated by the concurrent auditors based on the Circulars and other administrative instructions issued from time to time, whenever required.
 - g. The reporting format is a self-contained reporting document.
 - h. The general guidelines indicated in the checklist for RBIA of the branches, administrative instructions issued in the form of Circulars and ITIOs and other instructions shall also be followed by the concurrent auditors.
 - i. The auditors should keep watch on large withdrawals from cash credit accounts with limits of Rs.100 lacs and above and any deviations observed should be reported to the controlling office immediately.
 - j. The Transaction and Reconciliation position of Internal office accounts and GLs transactions to be verified by the auditors and any deviations observed should be reported to the controlling office immediately.
11. The audit team should adopt the following procedure in the matter of reporting their findings
 - a. Auditors to prepare jotting sheets, in duplicate, on daily basis duly listing the findings and hand over to the nodal officer at the branch at the end of the week against their acknowledgement and follow up for prompt rectification / spot rectification. The auditors shall also discuss their findings with the branch in charge at regular intervals.
 - b. As on the last day of the month, the audit firm shall prepare an Executive Summary / quarterly report (as applicable) after discussing with branch in charge and submit it to the branch, controlling office i.e., Circle and ZI in whose jurisdiction the branch falls. Along with the quarterly report meant for Circle Office, the copies of jotting sheets shall be enclosed.
 - c. The Executive Summary should cover the critical areas mentioned in the checklist/guidelines and the irregularities / shortcomings observed during

- the course of the audit. Auditors are however free to report any other deficiencies which they may come across during the course of audit.
- d. Any transactions of serious nature which is unusual / not normal to the banking practice or usual course of business or any other un-healthy practices indulged by the branch staff, persistent irregularities, shortage of securities observed during the physical verification, transactions of fraudulent nature, borrowal accounts giving early warning signals, other serious irregularities like disbursements without proper sanction / incomplete documentation/irregularities as per guidelines defined for Special Report (refer Concurrent Audit Manual updated up to 31.03.2020), income leakages of Rs.Ten lakhs & above in case of Small / Medium & Large branches and income leakages of Rs.Twenty five Lakhs & above in case of VLB / ELB / MCB / PCB & LCB branches, in any account/branch as a whole on a monthly basis may however be reported immediately to the concerned Circle Head and Zonal Inspectorate having jurisdiction over the branch by way of separate letter along with Executive Summary to Circle Head with copy to General Manager, Inspection Wing. Any failure / omission / negligence on the part of the firm shall render the firm liable for action and termination of audit assignment.
 - e. The serious irregularities, if any, noticed shall be covered exhaustively in the executive summary submitted to the Circle.
 - f. The executive summary along with the annexure should be submitted by the auditor so as to reach the controlling office (Circle Office and Zonal Inspectorate) by 7th of the succeeding month. Concurrent Audit report (Quarterly) should be prepared along with the executive summary for the month and submitted to controlling offices so as to reach by 7th of succeeding month.
 - g. The serious irregularities are to be reported to the Circle Office / Zonal Inspectorate on the same day of detection / identification.

VI. Indemnities and penalties:

1. The ECA/s shall indemnify the Bank against all actions, omissions, proceedings, claims, suits, damages and any other expenses for causes attributable to the auditor / firm including any loss suffered on account of any breach of the terms and conditions of the offer of the appointment.
2. If the performance is found wanting, then the services of the ECAs may be terminated / blacklisted with due intimation at the discretion of the Bank and such Audit firms shall stand de-empaneled.
3. The above is without prejudice to referring the issues to the regulators/professional body (ICAI / RBI / IBA) and also claim damages for such unsatisfactory service, whatsoever by the firm or any of its employees.
4. The Audit firm shall follow the time norms for completing the Audit and submitting the Audit report to the branch / Circle / Zonal Inspectorate. If there is any delay in submission of the report or the report is wanting in material aspect 10% of the monthly Audit Fee will be deducted without any further reference to the auditor till the deficiency continues. The decision of the DGM, Zonal Inspectorate shall be final in this regard.