

RBI/2004-05/ 375  
UBD.BPD.( PCB).No.37 /12.05.01/ 2004-05

February 26,2005

Chief Executive Officers of  
All Primary (Urban) Co-operative Banks

Dear Sir,

**Investment Portfolio of Banks- Reporting System**

As you are aware, presently in terms of para (ii) under Audit, Review and Reporting of our circular UBD. Plan No.13/UB.81/92-93, dated September 13, 1992 the banks are required to subject their transactions relating to sale/purchase of government securities to audit by the internal auditors (and in the absence thereof by the Chartered Accountants out of the panel maintained by RCS) and the results of their audit should be placed before the Board of Directors once every quarter. These audit reports should be sent to the Regional Office concerned of Urban Banks Department. The matter has been examined in the light of instructions contained in our circular UBD.BPD.Cir.37/09.06.00/2002-03 dated March 6, 2003 making concurrent audit compulsory for all primary (urban) co-operative banks. The concurrent auditors are required to audit investment portfolio of the banks. Further the Audit Committee of Board is required to oversee the compliance of the internal audit/ concurrent audit observations. It has, therefore, decided that submission of quarterly audit reports to the concerned Regional Office of UBD as mentioned earlier, may be discontinued with immediate effect. However, the half-yearly reviews (as on 30 September/ 31 March) of their investment portfolio put up to their Boards as required in terms of para (i) under Audit, Review and Reporting of our circular referred to above, should be forwarded to the Regional Office concerned of this department by 15 November / 15 May respectively.

Yours faithfully,

(N.S.Vishwanathan)  
Chief General Manager