



भारतीय रिज़र्व बैंक

RESERVE BANK OF INDIA

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June 11, 2014

The Chief Executive Officer  
All Primary (Urban) Co-operative Banks

Dear Sir / Madam

**Introduction of Information System(IS) Audit for Urban Cooperative Banks**

Please refer to our circular UBD No.POT.PCB.30/09.96.00/2001-02 dated February 12, 2002 advising UCBs to introduce EDP audit system on perpetual basis. It is observed that since then some of the UCBs have adopted technology and have been offering electronic banking, tele banking, electronic clearing/funds transfer, electronic money, smart cards etc to its customers. With a view to integrating the range of services offered by bank branches, providing better customer services, generating MIS reports and various reports for regulators and Government of India, Reserve Bank of India has vide [Circular UBD CO BPD PCB Cir No 14/09.18.300/2013-14 dated September 11, 2013](#) prescribed a calibrated timeline for implementation of CBS for UCBs based on their deposit size.

In view of the above and having regard to risks emanating from adoption of technology, there is a need to introduce IS Audit in UCBs. It is, therefore, advised that

- i. UCBs may adopt an IS audit policy, if not already done, appropriate to its level of operations, complexity of business and level of computerization and review the same at regular intervals in tune with guidelines issued by RBI from time to time.

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**हिंदी आसान है, इसका प्रयोग बढ़ाइए।**

चेतावनी: भारतीय रिज़र्व बैंक द्वारा ई-मेल, डाक, एसएमएस या फोन कॉल के जरिए किसी की भी व्यक्ति की जानकारी जैसे बैंक के खाते का ब्यौरा, पासवर्ड आदि नहीं मांगी जाती है। यह धन रखने या देने का प्रस्ताव भी नहीं करता है। ऐसे प्रस्तावों का किसी भी तरीके से जवाब मत दीजिए।  
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ii) UCBs may also adopt appropriate systems and practices for conducting IS audit on annual basis covering all the critically important branches (in terms of nature and volume of business).

iii) Such audits should be undertaken preferably prior to the statutory audit so that IS audit reports are available to the statutory auditors well in time for examination and for incorporating comments, if any, in the audit reports.

iv) IS audit reports should be placed before the board and compliance should be ensured within the time frame as outlined in the audit policy.

(v) The above instructions may be implemented during the current accounting year i.e April 1, 2014 to March 31, 2015.

Yours faithfully,

(Scenta Joy)  
General Manager