



E-NEWSLETTER FOR
MARCH 2026
OF
BRAHMAPUR BRANCH OF
EIRC(ICAI)



MARCH 2026

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1st-31st



CHAIRPERSON'S MESSAGE

Dear Members,
Greetings!

It gives me immense pleasure to address you through this newsletter. As I complete one month in office as Chairperson of the Brahmapur Branch, I take this opportunity to reflect on a period that has been both engaging and productive.

Being the founder Chairperson of EICASA ,it was befitting that the first event I conducted as the Chairperson of our branch was a student seminar.

The celebration of Holi, was followed by a series of technical seminars and programmes for members and students, which witnessed commendable participation. Such initiatives reaffirm our commitment towards continuous professional development and knowledge enhancement.

As we mark the close of the financial year and prepare to embark upon a new one, it is imperative that we remain steadfast in our pursuit of professional excellence.

The Brahmapur Branch remains committed to serving the professional interests of its members and students, and to contributing meaningfully towards the growth and development of the fraternity.

I look forward to your continued support and active participation in all our future endeavours.

With warm regards,

CA K. Seeta Rajani
Chairperson
Brahmapur Branch



Why Automation Demands Action — Now

Routine Tasks at Risk

Over 40% of accounting tasks — data entry, reconciliations, compliance filings — are being automated by AI-driven tools.

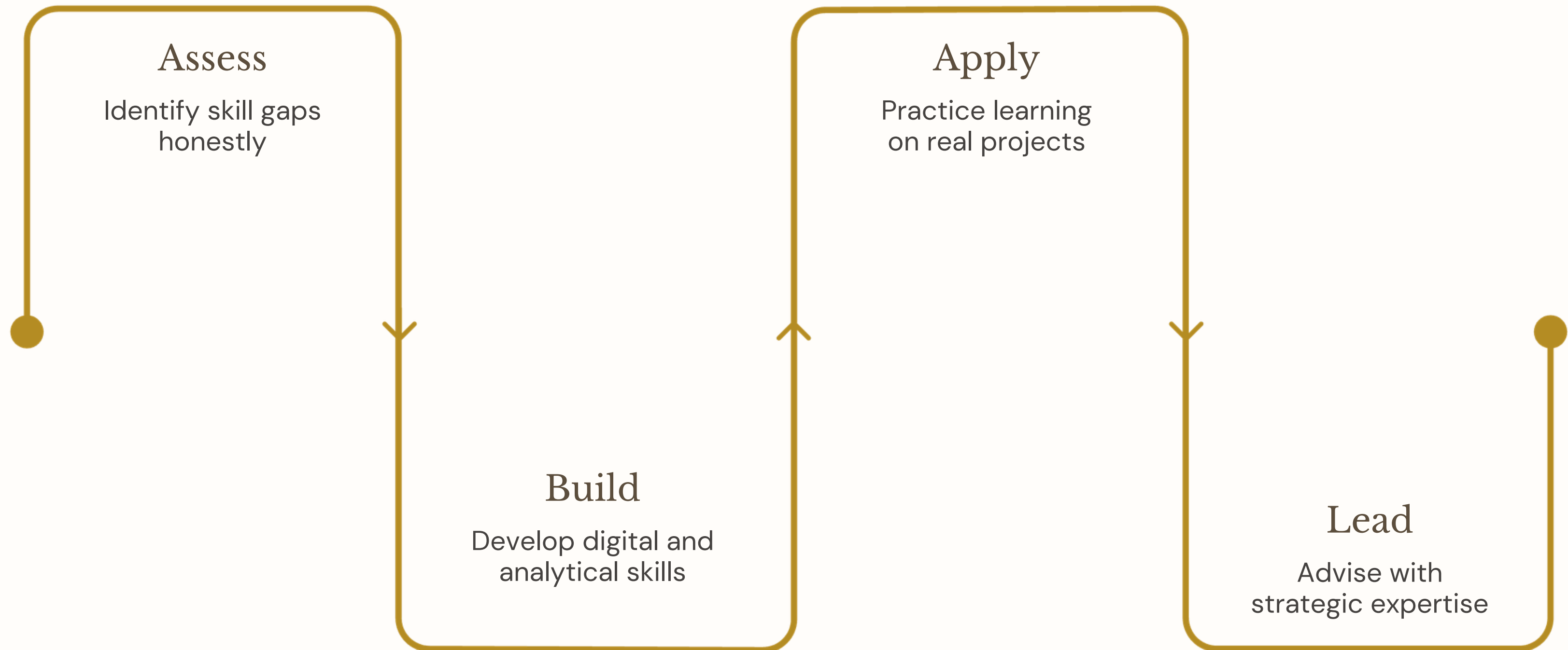
The Skills Gap is Widening

Employers increasingly seek professionals with analytical, advisory, and digital competencies beyond traditional bookkeeping.

Opportunity, Not Threat

Automation frees CAs to focus on higher-value work — strategic counsel, risk advisory, and business growth.

The Upskilling Roadmap for CA Professionals



Continuous professional development is not optional — it is the foundation of relevance in an automated world. Start with an honest assessment, invest in targeted learning, and evolve into a trusted strategic advisor.

Key Skills to Cultivate Today



Data Analytics

Harness tools like Power BI, Excel advanced analytics, and Python to derive actionable financial insights.



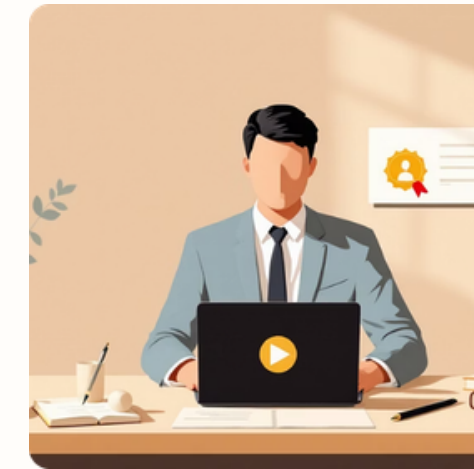
Digital Tools & ERP

Proficiency in cloud accounting, GST portals, and ERP systems is now a baseline expectation for modern CAs.



Advisory Mindset

Shift from compliance executor to trusted business advisor — adding value through judgement, not just numbers.



Lifelong Learning

Leverage ICAI CPE programmes, webinars, and branch seminars to stay current with evolving standards and technology.

Bank Branch Audit: Key Aspects & Challenges

- CA RAVI SHANKAR SAMANTARAY

Introduction

As we all know March is the Month of Preparing for Bank Branch Audit, here I am come up with brief Article on Bank Branch Audit, 2026. A Bank Branch Audit is an essential regulatory requirement that ensures the accuracy, transparency, and compliance of a bank's financial records. With stringent Reserve Bank of India (RBI) guidelines, statutory auditors play a crucial role in verifying the branch's adherence to banking regulations, internal controls, and risk management frameworks.

Objectives of Bank Branch Audit

1. Verification of Financial Statements - Ensuring the correctness of Trial Balance, Profit & Loss Account, and Balance Sheet.
2. Compliance with RBI Guidelines - Reviewing adherence to Income Recognition, Asset Classification, and Provisioning Norms (IRACP).
3. NPA Classification & Provisioning - Identifying non-performing assets (NPAs) and verifying adequate provisioning.
4. Assessment of Internal Controls - Evaluating cash handling, loan documentation, inter-branch transactions, and reconciliation procedures.
5. Detection of Irregularities & Frauds Identifying fraudulent transactions, evergreening of loans, and regulatory violations.
6. Long Form Audit Report (LFAR) Preparation Providing insights into credit risk, operational risk, and cybersecurity measures.

Key Areas of Bank Branch Audit

1. Advances & NPA Classification

- Review loan sanctioning process, credit monitoring, and security documentation.
- Verify correct NPA classification and provisioning calculations.
- Ensure no restructuring of loans to avoid NPA recognition (evergreening).

2. Deposits & Interest Income

- Validate interest accruals, maturity schedules, and premature withdrawals.
- Check KYC & Anti-Money Laundering (AML) compliance in deposit accounts.

3. Cash & Reconciliation of Accounts

- Conduct physical verification of cash balance at the branch.
- Examine suspense accounts, inter-branch reconciliation, and ATM cash balances

4. Income & Expenditure Verification

- Ensure correct recognition of commission income, processing fees, and penalties.
- Verify expense approvals, rent payments, and employee reimbursements.

5. LFAR & Compliance with RBI Guidelines

- Assess cybersecurity risks, data integrity, and IT system vulnerabilities.
- Ensure compliance with RBI's Basel III norms, SLR/CRR requirements, and priority sector lending norms.
- Challenges Faced in Bank Branch Audit
 - Limited time frame for conducting audits due to tight deadlines.
 - Inadequate documentation and missing records in loan files.
 - High dependency on CBS (Core Banking System) without adequate manual checks.
 - Non-cooperation from branch staff due to workload and lack of awareness.
 - Rising digital frauds and cybersecurity concerns in the banking sector.

Conclusion

Bank Branch Audits play a vital role in ensuring financial discipline, transparency, and regulatory compliance. Auditors must maintain professional skepticism, leverage data analytics tools, and adopt a risk-based approach to enhance the effectiveness of audits. As banking regulations continue to evolve, auditors must stay updated on RBI circulars, IFRS implications, and risk management best practices.

AI: A Game Changer for Future Audit Assignments

A forward-looking professional perspective for Chartered Accountants

Presented By : CA.Saroj Ranjan Maharana

(FCA, DISA(ICAI), LLB)

1. Introduction

Artificial Intelligence (AI) is redefining the audit landscape by fundamentally transforming how auditors plan, execute, and deliver assurance engagements. Traditional audit methodologies—largely dependent on sampling, manual verification, and backward-looking analytics—are now being augmented with AI-powered tools that enable full-population testing, continuous monitoring, and predictive risk evaluation. As enterprises digitize rapidly, AI is becoming an indispensable audit catalyst, enhancing audit quality, efficiency, and strategic relevance.

2. How AI Is Transforming Audit Assignments

2.1 Full-Population Testing Instead of Sampling

AI-driven analytics engines can evaluate **100% of transactions**, unlike manual sampling techniques.

This improves audit assurance, uncovers anomalies earlier, and reduces undetected risks.

2.2 Real-Time and Continuous Auditing

AI tools integrated with ERP systems monitor transactions continuously, enabling auditors to assess controls **in real time**, not just annually.

This enhances responsiveness and improves accuracy in high-risk areas.

2.3 Automated Risk Identification and Pattern Detection

Machine learning algorithms recognize trends, unusual patterns, and hidden correlations that humans may miss.

AI highlights:

- ⌘ Suspicious journal entries
- ⌘ Duplicate invoices
- ⌘ Related-party anomalies
- ⌘ Unusual vendor patterns
- ⌘ Cashflow inconsistencies

This strengthens auditors' ability to detect fraud and operational inefficiencies.

AI technologies like OCR and NLP can read, classify, and analyze documents such as:

- ⌘ Invoices
- ⌘ Purchase orders
- ⌘ Contracts
- ⌘ Bank statements
- ⌘ GST returns

Automated extraction reduces manual workload and improves data reliability.

2.5 Enhanced Audit Planning and Materiality Assessment

AI-driven predictive analytics forecast areas of potential misstatement, enabling smarter planning and targeted testing.

Materiality is determined with greater precision using risk-weighted data models.

2.6 Improved Compliance and Regulatory Reporting

AI solutions ensure compliance with standards and laws in real time—helping auditors quickly align with:

- ⌘ Accounting Standards
- ⌘ GST and Income Tax norms
- ⌘ Companies Act requirements
- ⌘ Industry-specific regulations

This reduces risks of non-compliance.

3. Benefits of AI in Audit Assignments

3.1 Higher Audit Quality

Objective analytical models reduce human bias and enhance the reliability of audit results.

3.2 Increased Efficiency and Reduced Manual Labour

AI automates repetitive tasks such as vouching, ledger scrutiny, reconciliations, and documentation.

3.3 Stronger Fraud Detection Capabilities

AI flags anomalies that traditional audits often miss, improving fraud risk

- ⌘ Advisory insights
- ⌘ Internal control improvements
- ⌘ Process optimization recommendations
- ⌘ Strategic risk evaluation

This elevates the audit function from compliance to value creation.

4. Challenges and Risks in AI-Enabled Audits

4.1 Data Quality and Integration Issues

AI tools depend heavily on clean, structured data—something many organizations struggle with.

4.2 Ethical Considerations and Algorithm Bias

AI models must be validated to avoid inaccurate risk scoring or biased interpretations.

4.3 Cybersecurity Risks

Audit data is highly sensitive; AI-driven workflows must ensure strict data protection measures.

4.4 Skill Gaps in the Audit Profession

Auditors must be trained in:

- ⌘ Data analytics
- ⌘ AI tools
- ⌘ ERP systems
- ⌘ Cyber controls
- ⌘ Predictive modelling

Modern audit teams require a hybrid talent profile.

5. The Future of Audit with AI

5.1 Intelligent Audit Assistants

AI bots will support auditors with queries like:

Immutable records combined with AI analytics will further transform assurance quality.

5.4 Entirely Automated Compliance Checks

Regulatory filings, reconciliations, and control validations will be fully automated.

6. Conclusion

AI is not replacing auditors—it is redefining the audit profession.

The future audit environment will demand:

- ⌘ Tech-enabled auditors
- ⌘ Integrated AI workflows
- ⌘ Continuous assurance models
- ⌘ Enhanced analytical capabilities

AI will elevate audit assignments from compliance-driven routines to high-value, insight-driven strategic engagements. Organizations that embrace AI-led audit transformation will gain superior governance, stronger risk management, and enhanced stakeholder trust.



Women's Day Celebration



Seminar on "BANK BRANCH AUDIT"



WEBINAR BY CA ASHWARYA AGARWAL



HOLI CELEBRATION '26