

Inspection Software [DARPAN]

Risk Based Internal Audit (RBIA) is expected to be an aid to the ongoing risk management in banks by providing the necessary checks and balances in the system. DARPAN software is developed based on RBIA concept and it incorporates recommendations of Besant Seth Committee. DARPAN encapsulates various modules like Branch Inspection, Application Software Audit, Circle Office Audit, Regional Office Audit, Concurrent Audit and Quarterly Income Audit.

1) **Branch Inspection**

- Planning of subsequent audit based on current gradation is automated
- Review period varies based on the business size of the branches
- Gradation is based on Business Risk and Control Risk
- Queries of Inspecting Officers are segregated based on the product codes
- Dashboard to indicate whether any audit area is pending for audit
- Marks are internally calculated based on business logic
- Zonal inspectorate is allowed to moderate the marks
- Auditors can be inducted/relieved/re-inducted from one inspection to another
- Query wise and Account wise reports can be generated
- Provision to include external auditors as part of auditing staff
- Percentage of Deviation (Risk) in observations are considered for marks calculation

2) **Application Software Audit**

- Request for conducting the audit
- Upload of supporting documents like SRS, User Manual, and Technical Manual etc.
- Planning of audit, Audit team formation
- Marking of observations for various queries with the severity level
- Reply to the observation by the auditee
- Closure of observations
- Risk categorization based on severity level
- Generation of audit report and various other MIS reports

3) **Circle Office Audit / Regional Office Audit**

- Planning of audit based on previous gradation of the Circle Office / Regional Office
- Both General and Information Security (IS) audits are conducted
- Section specific queries/checklists are maintained
- Facility to raise IO specific queries, upload documents for evidence of the observation
- Critical observations can be moved automatically to Executive Summary
- Logic has been built to populate values in calculated fields
- After closure the pending queries are reported to inspection follow-up section
- Risk Perception and Risk Rating as per RBIA
- RBIA related reports can be generated

4) **Concurrent Audit**

- Continuous audit conducted monthly for a period of one year
- Additional queries/checklist/statistical data at the quarter end
- External auditors also are engaged for conducting the audit
- Attendance marking is provided for external auditors
- Both General and Information Security (IS) audits are conducted
- Assignment, audit and closure are maintained separately for general and IS audits
- Critical observations can be moved automatically to Executive Summary
- Risk Perception and Risk Rating as per RBIA at the quarter end
- RBIA related reports can be generated

5) **Quarterly Income Audit**

- Audit is conducted based on predefined checklist
- Marking of Observation by the auditor
- Reply by the branch and acceptance or denial of the reply by IS Auditor
- Income leakage particulars recording
- Generation of various MIS reports