

Loan and Advances Audit Program Format

Lending Verification

1. Client/Branch Information

Branch Name	_____
Audit Period	_____
Auditor(s)	_____
Date of Audit	_____

2. Audit Objectives

- To verify the existence, accuracy, and classification of loans and advances.
- To assess compliance with internal lending policies and regulatory requirements.
- To evaluate adequacy of security and documentation.
- To assess the adequacy of provisioning for doubtful debts.

3. Audit Procedures

Audit Step/Activity	Status/Remarks
Obtain and review the loan and advances schedule.	_____
Select sample accounts for detailed verification.	_____
Verify approval of loans as per credit policy.	_____
Check supporting documents (applications, agreements, sanction letters).	_____
Confirm collateral/security documentation and its valuation.	_____
Examine the repayment schedule and overdue status.	_____
Review classification of performing and non-performing advances.	_____
Test accuracy of interest charged and reserves held for NPAs.	_____
Obtain confirmation of balances from borrowers on sample basis.	_____
Check compliance with regulatory and prudential norms (RBI/other authorities).	_____

4. Exceptions/Findings

Description of Exception/Issue	Reference/Remarks
_____	_____
_____	_____
_____	_____

5. Conclusion & Recommendations

Important Notes:

- This document should be customized based on the organization's internal controls and regulatory environment.
- All findings and exceptions must be properly documented and supported by evidence.
- The scope of sampling should ensure adequate coverage of significant advances and high-risk accounts.
- Ensure confidentiality and security of borrowers' sensitive information during and after the audit.