

Excel Tips

- CA. Dungar Chand U Jain

For Questionnaire in Connection with the Long Form Audit Report In Case Of Branches, under the heading Assets > Serial number 1(a), observation is sought for the question

Does the branch generally carry cash balances, which vary significantly from the limits fixed by the controlling authorities of the Bank? Whether excess balances have been reported to the controlling authorities of the Bank?

For the first part of the question above, the Auditor is required to obtain the cash retention limit of branch. He should review the cash records and comment, whether cash balance generally exceeds significantly the retention limit or not. For the same, he should verify the instances of cash balances beyond retention limit.

It is advisable to quantify and provide concrete data instead of giving a general or vague observation. Technology using Ms-Excel comes handy to make value addition therein.

Step 1 : Getting the Relevant file / Keying of data

In CBS environment, details of daily cash balances for the year can be generated from the bank as text file or html file. If the same is not available, the balances date-wise can be feeded in an excel sheet for further analysis.

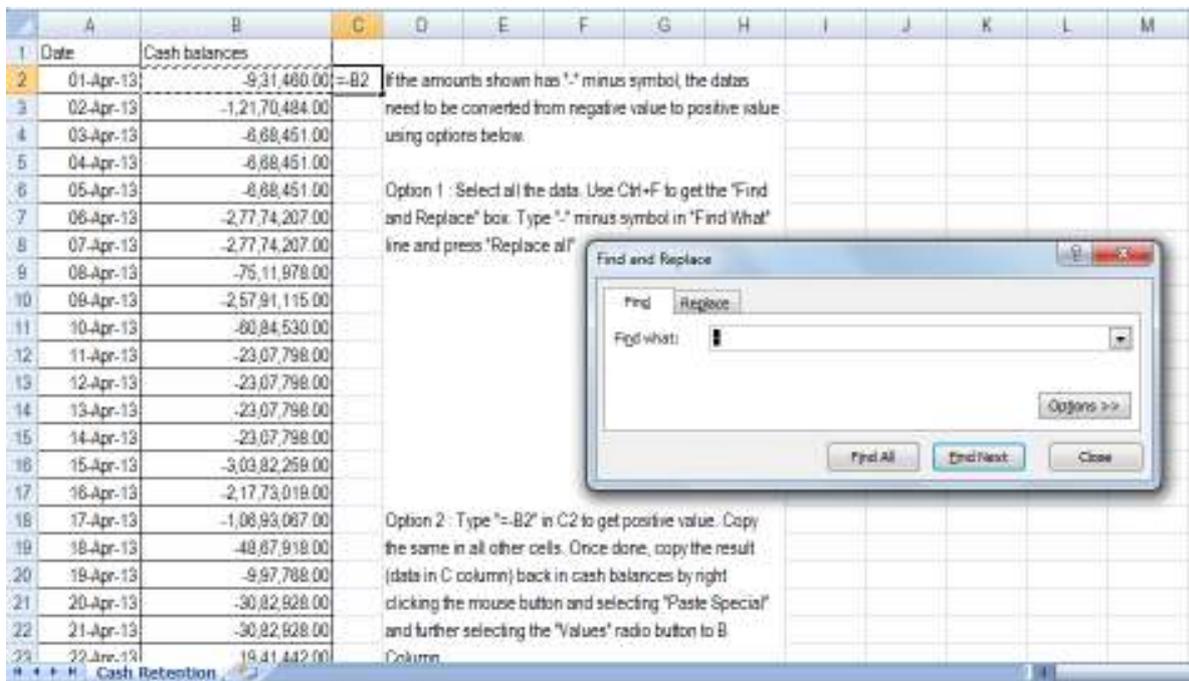
Step 2 : Copy the data into Excel

If the data are in text / html file, the same can be copied to excel directly. Also, if the data copied are not split into proper columns, the same can be converted into meaningful columns by using the option "Text to Columns" under "Data" tab in Excel 2007 or above.

Step 3 : Remove unwanted rows / columns

Remove unwanted columns to see that "Date" column and "Amount Column" are available for analysis for the year.

Step 4 : Converting figures into positive, if negative



Step 5: Analysis of retention using IF Function

Enter the Cash retention limit in the sheet in C1. Then type the formula **=if(B4>C\$1,"Exceeds Limit","Within Limit)** in C4. C\$1 being absolute reference is used as C1 is going to be stable data and will not be changed when dragging downwards. Alternatively \$C\$1 can also be used.

Note : Usage of \$ before the cell reference means the cell will remain stable when dragged/copied horizontally i.e. row wise whereas use of \$ between the cell reference like C\$1 means the cell will remain stable when dragged/copied vertically i.e. column wise

	A	B	C	D
1		Enter Cash Retention Limit	1500000	
2				
3	Date	Cash balances	Analysis	
4	01-Apr-13	9,31,460.00	=IF(B4>C\$1,"Exceeds limit","Within Limit")	
5	02-Apr-13	1,21,70,484.00		
6	03-Apr-13	6,68,451.00		
7	04-Apr-13	6,68,451.00		

Once done, the formula as in C4 can be copied in all the following rows. Same will look as in the following figure.

C4 fx =IF(B4>C\$1,"Exceeds limit","Within Limit")			
	A	B	C
1		Enter Cash Retention Limit	1500000
2			
3	Date	Cash balances	Analysis
4	01-Apr-13	9,31,460.00	Within Limit
5	02-Apr-13	1,21,70,484.00	Exceeds limit
6	03-Apr-13	6,68,451.00	Within Limit
7	04-Apr-13	6,68,451.00	Within Limit
8	05-Apr-13	6,68,451.00	Within Limit
9	06-Apr-13	2,77,74,207.00	Exceeds limit
10	07-Apr-13	2,77,74,207.00	Exceeds limit
11	08-Apr-13	75,11,978.00	Exceeds limit
12	09-Apr-13	2,57,91,115.00	Exceeds limit
13	10-Apr-13	60,84,530.00	Exceeds limit
14	11-Apr-13	23,07,798.00	Exceeds limit
15	12-Apr-13	23,07,798.00	Exceeds limit
16	13-Apr-13	23,07,798.00	Exceeds limit
17	14-Apr-13	23,07,798.00	Exceeds limit
18	15-Apr-13	3,03,82,259.00	Exceeds limit
19	16-Apr-13	2,17,73,019.00	Exceeds limit
20	17-Apr-13	1,06,93,067.00	Exceeds limit
21	18-Apr-13	48,67,918.00	Exceeds limit
22	19-Apr-13	9,97,768.00	Within Limit
23	20-Apr-13	30,82,928.00	Exceeds limit

Step 6 : Using Countif function to get the Summary

Using the countif function, it is possible to obtain the number of the days the cash balance exceeded the retention limit.

	A	B	C	D	E	F	G
1		Enter Cash Retention Limit	1500000				
2							
3	Date	Cash balances	Analysis		Summary:		Formula used
4	01-Apr-13	9,31,460.00	Within Limit		No. of days exceeds limit	293	=COUNTIF(C4:C367,"Exceeds limit")
5	02-Apr-13	1,21,70,484.00	Exceeds limit		No. of days within limit	72	=COUNTIF(C4:C368,"Within Limit")
6	03-Apr-13	6,68,451.00	Within Limit		TOTAL	365	=SUM(F4:F5)
7	04-Apr-13	6,68,451.00	Within Limit				
8	05-Apr-13	6,68,451.00	Within Limit				
9	06-Apr-13	2,77,74,207.00	Exceeds limit				
10	07-Apr-13	2,77,74,207.00	Exceeds limit				
11	08-Apr-13	75,11,978.00	Exceeds limit				
12	09-Apr-13	2,57,91,115.00	Exceeds limit				
13	10-Apr-13	60,84,530.00	Exceeds limit				
14	11-Apr-13	23,07,798.00	Exceeds limit				
15	12-Apr-13	23,07,798.00	Exceeds limit				
16	13-Apr-13	23,07,798.00	Exceeds limit				
17	14-Apr-13	23,07,798.00	Exceeds limit				
18	15-Apr-13	3,03,82,259.00	Exceeds limit				
19	16-Apr-13	2,17,73,019.00	Exceeds limit				
20	17-Apr-13	1,06,93,067.00	Exceeds limit				
21	18-Apr-13	48,67,918.00	Exceeds limit				
22	19-Apr-13	9,97,768.00	Within Limit				
23	20-Apr-13	30,82,928.00	Exceeds limit				

Step 7 : Minimum and Maximum Cash Balance

Additionally, the minimum and the maximum cash balance held during the year can also be provided in LFAR. Workings / Formula for the same as follows :

	A	B	C	D	E	F	G
1		Enter Cash Retention Limit	1500000				
2							
3	Date	Cash balances	Analysis		Summary :		Formula used
4	01-Apr-13	9,31,460.00	Within Limit		No. of days exceeds limit	283	=COUNTIF(C4:C368,"Exceeds limit")
5	02-Apr-13	1,21,70,484.00	Exceeds limit		No. of days within limit	72	=COUNTIF(C4:C368,"Within Limit")
6	03-Apr-13	6,68,451.00	Within Limit		TOTAL	365	=SUM(F4:F5)
7	04-Apr-13	6,68,451.00	Within Limit				
8	05-Apr-13	6,68,451.00	Within Limit		Maximum Cash balance	12,28,03,813.00	=MAX(B4:B368)
9	06-Apr-13	2,77,74,207.00	Exceeds limit		Minimum Cash balance	2,28,968.00	=MIN(B5:B368)
10	07-Apr-13	2,77,74,207.00	Exceeds limit				
11	08-Apr-13	75,11,878.00	Exceeds limit				
12	09-Apr-13	2,57,81,115.00	Exceeds limit				
13	10-Apr-13	60,84,530.00	Exceeds limit				
14	11-Apr-13	23,07,798.00	Exceeds limit				
15	12-Apr-13	23,07,798.00	Exceeds limit				
16	13-Apr-13	23,07,798.00	Exceeds limit				
17	14-Apr-13	23,07,798.00	Exceeds limit				
18	15-Apr-13	3,03,82,258.00	Exceeds limit				
19	16-Apr-13	2,17,73,018.00	Exceeds limit				
20	17-Apr-13	1,06,93,067.00	Exceeds limit				
21	18-Apr-13	48,67,918.00	Exceeds limit				
22	19-Apr-13	9,87,768.00	Within Limit				
23	20-Apr-13	30,82,828.00	Exceeds limit				

Step 8 : Holidays – Exclude or include for analysis...

Alternatively, holidays also can be excluded to get the exact number of working days where the cash balance exceeded the retention limit. Use of various functions like weekday function, choose function and if function in excel can be used to identify the holidays thereby providing cash retention analysis for working days.

But, the objective of the question posed in LFAR is to determine the risk the bank is exposed to, by holding the cash in excess of the retention limit. It is a continuing risk and thus holidays are also to be included for the analysis. Hence it is appropriate to report after analysing full year data without excluding holidays as covered as set out in Step 1 through 7 above.

Step 9 :Why this review ?

The trend of the balances during the year will help the management take decision

i) to review the cash retention limit.

- ii) take insurance cover that may be required for the branch and
- iii) take measures to see that the excess money is put to productive use.

Step 10 : Reporting

Illustrative answer to the question as per above analysis may be therefore as under :

- i) The Cash retention limit of the branch is Rs. 15 Lakhs.
- ii) The Cash balances from April 1, 2013 to March 31, 2014 were verified. Cash balance exceeded the retention limits on 293 days (including holidays) during the year.
- iii) The maximum amount of cash balance was observed on Jan 30, 2014 being Rs. 1228.03 lakhs and minimum amount of cash balance was observed on Mar 22, 2014 being Rs. 2.29 lakhs.

(The author is a Chennai based Chartered Accountant. He can be reached at dungarchand@hotmail.com)