

SEMINAR ON STATUTORY AUDIT OF BANK BRANCHES

Audit Planning, Long Form Audit Report, Documentation

PRESENTATION BY

CA ATUL C. BHEDA

B.COM, FCA, LLB(GEN), DISA(ICA)

Importance of Audit Planning and reporting

- Well planned is half done
- One should know destination to plan well
- Good planning leads to effective reporting
- Audit destination is report (to express opinion on financial statements)
- Audit planning and reporting are two important stages
- Audit planning is before beginning of field work and reporting is last stage in every audit
- Audit planning helps in controlling audit risks (inherent, control & detection)
- SA 300 – Planning an Audit

Stages in Bank Audit

- 1. Study of Appointment / engagement letter for Branch Statutory audit, with closing circulars.
- 2. NOC from the previous auditor.
- 3. Pre-Audit discussion with branch.
- 4. Audit planning - Understanding of the Branch software MIS / Critical / exceptional reports.
- 5. Execution of the audit

Stages in Bank Audit

- 6. Discussion of the draft branch audit report with bank.
- 7. Preparation of Memorandum of Changes and its effect .
- 8. Submission of audit report to branch and copy to central statutory auditors.

Contents of Letter of Appointment

- Appointment under the Banking Regulation Act, 1949
- Duties and responsibilities of the SBA.
- Particulars of branch(s) to be audited and of the region/zone to which the branch reports.
- Particulars of statutory central auditors (SCA)
- Particulars of previous auditors

Contents of Letter of Appointment

- Guidelines for conducting audit of Branches, completion of audit, eligible audit fees and reimbursement of expenses etc.
- Procedural requirements to be complied with in accepting the assignment, e.g., letter of acceptance, Declaration of indebtedness, declaration of fidelity and secrecy, other undertaking by the firm/SBA, specimen signatures, etc.

Contents of Letter of Appointment

- Scope of work - Besides the statutory audit under the provisions of the Banking Regulation Act, 1949, SBA is also required to verify certain other areas and issue various report and certificates like LFAR, Tax Audit Report, certificates for cash verification on odd dates, Ghosh&Jilani reports etc.

Contents of Letter of Appointment

- A list of documents/working papers which the RBI may require to be handed over. Such documents have to be carefully maintained with all details as to be self-explanatory

Study of appointments letter

- Noting of relevant contents
- Assessment of disqualification of the auditor
- Letter to the previous auditor of NOC
- Preparation of Acceptance letter and declarations
- Engagement letter to the appointing authority
- Assessment of reporting requirements (Time and contents)
- Letter of requirement to the Branch.

Preliminary work

- Knowledge about the branch operations
- Characteristics and Scope of the Audit
- Acquiring the knowledge for effective conduct of Audit
- Risk assessment and evaluation of internal control
- Staff Training

Preliminary work...

- Consider the requirements of various Accounting Standards and Standards on Auditing, to the extent applicable
- Ascertaining the reporting objectives
- Establish Overall Audit Strategy

Knowledge of Business

- Acquire Information of the banking industry
- Information of past events and progress of the bank
- Study of Annual reports of the earlier years
- Banking Journals
- Laws & Regulations applicable

Laws and Regulations applicable

- The banking regulation Act, 1949
- Master Circulars and other circulars issued by the RBI
- The Companies Act
- Guidance Note on Audit of Banks issued by ICAI

Risks in Bank Branch Audit

- .Effect of the statutory and regulatory requirements
- .The scale of banking operations and the resultant significant exposures
- .Extensive dependence on IT to process transactions
- .Continuing development of new services and banking practices
- .Particular nature of risks associated with the transactions undertaken by banks

Risk Assessment and Evaluation of internal control

- Branch Manager meeting
- Meeting and discussion with the bank branch management and understanding the profile of the branch and its business
- Initial review of system
- Review of other Audit observations

Branch Manager meeting

- Review of the Organization chart
- Accounting policies
- Composition of Deposits & Advances
- Staff Strength & Average age
- Shifts & Duty timings
- Positive and grey areas of the branch :
Branch manager's concerns

Initial review of the system

- Meeting with departmental heads
- Division of work and area of operations
- Logistic support expected
- Tentative time schedule of closing work and audit
- Computerization and software used
- List of top ten borrowers
- List of top ten NPA

Review of other audit observations

- Previous year's Branch Audit Report / LFAR
- Internal audit/ concurrent audit Reports
- Credit Audit Report
- Stock Audit Report
- Income- Expenditure /Revenue Audit Report
- IS/IT/Computer/Systems Audit Report
- Any special inspection / investigation report
- RBI Inspection Report

Review of other Documents

- Reporting process between the Head Office & Branches
- Review of RBI circulars
- Review of Circular issued by Head office
- Review of periodical returns from Branch
- Review of Closing Instructions and communication with Branch Auditors

Understand the system in CBS at Branch

- SA 315, Identifying and Assessing the Risks of Material Misstatement Through Understanding the Entity and Its Environment lays down that the use of Information Technology (IT) affects the way control activities are implemented. From the auditor's perspective, controls over IT system are effective when they maintain the integrity of the information and the security of the data such systems process, and includes effective IT controls and application controls. In recent years, most banks have moved towards computerisation of their operations. The degree of computerisation, however, varies among different banks and also among various branches of the same bank. While some branches have been fully computerised, some others have been partly computerised while many others are non-computerised.

Understand the system in CBS at Branch

- Verify controls
- Start of day and end of day report
- Verify exceptional report
- Understand the editable & uneditable fields at Branch
- Creation & entries in Masters
- Various short-cut keys for checking the accounts

Understand the system in CBS at Branch

- System of downgrading & upgrading of Accounts
- Interest calculations
- Generation of reports relating to advances classification and Capital Adequacy calculation, etc.

Planning for conduct of audit

- Audit Team
- Audit schedule
- Audit Program
- Appropriate documentation
- Physical aspects: Travel, boarding etc.
- Reporting requirements
 - Audit facilities, computers, software, etc.
 - Formats
 - Timings for submission
 - Alternative plan for contingencies

The Audit can be conducted in either of the following ways

- Inspection and Observation
- Inquiry and Conformation
- Computation
- Analytical Procedures

Staff Training

- Familiarity with banking operations in different areas (deposits, loans, investments, NPA norms, etc.)
- Deliverables: Audit reports, certificates and returns
- Audit techniques (enquiry, explanations, verifications, sample checks, objective evidence, etc.)

General

- Audit Team should carry :--
 - Copy of appointment letter
 - Authorization letter for the staff member
 - Stationery : pen, pencil, letterheads, worksheets, rubber stamps etc.
 - Copy of norms for reimbursement of expenses such as lodging, boarding, Traveling and local conveyance.

Essential of good Planning

- Knowledge of situation
- Knowledge of resources
- Knowledge of Audit expectations
- Plan to deliver more than expected.

Audit Report and certification

- Branch Returns : correctness of branch returns
- Audit Report : True and fair view
- Memorandum of Changes (MOC)
- LFAR
- Tax Audit Report
- Certificates

Branch Returns

- All returns should be certified
- Correctness of returns should be ensured
- No changes are to be made in returns
- The changes are to be reported through MOC
- Corrections, overwriting, deletions etc. Care should be taken about correct preparation and correct reporting
- Even NIL return should be certified

Audit reports

Exceptions should be noted specifically
(e.g. Provision for taxation, bonus, NPA)

- Auditor's name and membership number should be mentioned
- Date of Audit Report and place of execution should be mentioned
- The report should be on the letterhead

Memorandum of changes(MOC)

- Memorandum of changes for :
 - Assets and liabilities
 - Income and Expenditure
 - Changes in Asset classification
- In case there is no change...MOC with NIL remark should be submitted
- MOC is a part and parcel of the Audit report...Audit report without MOC is an incomplete report.

MOCcontd.

- Signature of the Branch Manager (BM) needs to be obtained on MOC as a token of acceptance
- In a situation where BM does not accept the change suggested by the Auditor,
 - The auditor should issue the MOC, and
 - A suitable note should be attached describing the reasons as to why the auditor feels the change is necessary

Guidance Note on Audit of Banks (2023 Edition)

- <https://www.icai.org/post/guidance-note-on-audit-of-banks-2023-edition>
- A. Foreword and Preface of Past Years
- B. Text of Guidance Note on Audit of Banks (2023 Edition)
- C. Appendices of the Guidance Note on Audit of Banks (2023 Edition)
 - Appendices of Section A - Statutory Central Audit of Guidance Note on Audit of Banks (2023 Edition)
 - Appendices of Section B - Bank Branch Audit of Guidance Note on Audit of Banks (2023 Edition)

27-Mar-23

CA Atul C.
Bheda Mumbai

Guidance Note on Audit of Banks (2023 Edition).....

- <https://www.icai.org/post/guidance-note-on-audit-of-banks-2023-edition>
- D. Text of Relevant Master Circulars Issued by the RBI
 - • List of Relevant Master Circulars Issued by the RBI
 - • Master Circulars
- E. Text of Relevant Master Directions Issued by the RBI
 - • List of Relevant Master Directions Issued by RBI
 - • Master Directions
- F. Text of Relevant Notifications, FAQs and General Circulars
 - • List of Relevant Notifications, FAQs and General Circulars
 - • Notifications, FAQs and General Circulars

Appendices of Section B - Bank Branch Audit

<https://resource.cdn.icai.org/73311aasb-gnab2023-c2.pdf>

- Appendix V : Illustrative Format of Engagement Letter to be sent to the Appointing Authority of the Nationalised Bank by Branch Auditor..... 32-37
- Appendix VI : Illustrative Format of Engagement Letter to be sent to the Appointing Authority of the Nationalised Bank by Branch Auditor (Separate only for Audit of Internal Financial Controls Over Financial Reporting)..... 38-42
- Appendix VII : Illustrative Format of Written Representation Letter to be obtained from the Branch Management 43-49
- Appendix IX : Illustrative Bank Branch Audit Programme for the Year ended March 31, 2023..... 68-87

Documentation

Illustrative list

- Appointment formalities, including appointment letter, NOC from previous auditor, engagement letter etc.
- Latest RBI Master Directions / Circulars, other material for conducting the audit.
- Closing guidelines / circular issued by the bank.
- Summary of the relevant provisions of the RBI master directions, IRAC norms, closing circular used at the branch

Documentation ...

Illustrative list ...

- Details branch audit plan and program as per SA 230.
- Understanding the powers and responsibilities at various levels in the branch.
- Summary of the accounting policies, observations from previous audits, inspection reports, concurrent audits etc. and how the auditor has verified their satisfactory compliances.
- Audit procedures adopted and determination of materiality levels. understanding of the internal controls, IT system controls.

Documentation ...

Illustrative list ...

- Audit working papers and issue trackers. How the issues raised during audit were concluded.
- Financial Statements of the previous year and current year.
- Management certified Trial Balance for the year.
- Various Audit reports such as internal inspection report, concurrent audit reports, previous year statutory audit report..

Documentation ...

Illustrative list ...

- Statement of advances with classification along with various fields duly filled such as security, sanction limits, date of sanction / renewal, outstanding balance etc.
- Specific representation, notes and working papers received by the bank's management on sensitive or significant audit issues or accounts.
- List of latest and updated stock and security statements, valuation and inspection reports

Documentation ...

Illustrative list ...

- List of documents verified and minutes of meeting with the bank's management.
- Copies of supporting documents that are verified and confirmations obtained during the audit.
- Verification of other assets and liabilities.
- Proof of various securities, cash and other assets physically verified during the audit.
- ATM verification details.

Documentation ...

Illustrative list ...

- KYC verification, anti-money laundry verification, FEMA compliance at branches.
- Verification of third party products.
- Off balance sheet items, claims against banks and contingent liabilities.
- Other Bank / RBI balance confirmation.
- Management Representation Letter.
- Various other audit documents / evidence considered in audit process.

Few Important SAs for Branch Audit

- SA 210 (Revised), Agreeing the Terms of Audit Engagements
- SA 220, Quality Control for an Audit of Financial Statements
- SA-230 Audit Documentation
- SA 240 The Auditor's Responsibilities Relating to Fraud in an Audit of Financial Statements
- SA 250, Consideration of Laws and Regulations in an Audit of Financial Statements
- SA-260 (Revised) Communication with Those Charged with Governance
- SA 265 Communicating Deficiencies in Internal Control to Those Charged with Governance and Management .
- SA 300 (Revised), Planning an Audit of Financial Statements
- SA 315, Identifying and Assessing the Risks of Material Misstatement Through Understanding the Entity and Its Environment
- SA 320 (Revised), Materiality in Planning and Performing an Audit
- SA 330, The Auditor's Responses to Assessed Risks
- SA 402, Audit Considerations relating to an Entity Using a Service Organisation .
- SA 450, Evaluation of Misstatements Identified during the Audit

Few Important SAs for Branch Audit

- SA 500 Audit Evidence whilst testing IPE Information Produced by the Entity ('IPE')
- SA 505, External Confirmations
- SA 510 , Initial Audit Engagements- Opening Balances
- SA-520 Analytical Procedures
- SA-540 Auditing Accounting Estimates, Including Fair Value Accounting Estimates, and Related Disclosures
- SA-550 Related Parties
- SA-560 Subsequent Events
- SA-570 (Revised) Going Concern
- SA 580, Written Representations
- SA 600 Using the Work of Another Auditor
- SA-610 (Revised) Using the Work of Internal Auditors
- SA-620 Using the Work of an Auditor's Expert

Few Important SAs for Branch Audit

- SA 700 (Revised), Forming an Opinion and Reporting on Financial Statements ,
- SA - 701 Communicating Key Audit matters in the Independent Auditor's report
- SA 705, (Revised) Modifications to the Opinion in the Independent Auditor's Report
- SA 706, (Revised) Emphasis of Matter Paragraphs and Other Matter Paragraphs in the Independent Auditor's Report
- SA-710 Comparative InformationCorresponding Figures and Comparative Financial Statements
- SA-720 (Revised) The Auditor's Responsibilities Relating to Other Information
- SA-800 Special ConsiderationsAudit of Financial This SA deals with special considerations in the application of SAs in the 100-700 series to an audit of financial statements prepared in Guidance Note on Audit of Banks (Revised 2022) 293 Statements Prepared in Accordance with Special Purpose Frameworks
- SA-805 Special ConsiderationsAudit of Single Financial Statements and specific Elements, Accounts or Items of a Financial Statement
- SA-810 Engagements to report on Summary Financial Statements

LFAR

LONG FORM AUDIT REPORT

Basics

- ❖ LFAR is an internal control evaluation questionnaire.
- ❖ Comprehensive in scope and coverage.
- ❖ Covers both Balance Sheet and Profit & Loss Account.
- ❖ Serves as an important check list for audit planning.
- ❖ Make LFAR part of the audit programme.

Guiding principles for scope and coverage of LFAR for branch auditors

- ❖ Transaction testing for inputs on adequacy of implementation of various policy, regulatory requirements, efficacy of the system and assurance functions at branch level.
- ❖ The threshold fixed for different purposes for comments.
- ❖ Verification of data integrity and data related control systems and processes
- ❖ Not Every adverse comment in the LFAR would necessarily result in a qualification in the main report

Must Do's

- ❖ Study the Questionnaire thoroughly.
- ❖ Each answer should be precise
- ❖ Data should be original and be supported with source document or MRL and just not picked up from concurrent audit report
- ❖ Avoid vague or general comment.

Must Do's

- ❖ Give specific instances of weakness/shortcomings.
- ❖ Start preparing in month of march
- ❖ Main Audit Report and LFAR are two separate reports.
- ❖ Qualificatory remarks MUST be part of the main report.

Must Do's

- ❖ Main Report is a self contained document and should not contain any references to LFAR.
- ❖ Should be sufficiently detailed and quantified to enable expeditious consolidation.
- ❖ Do not make current year's LFAR a replica of previous year.

Must Do's

- ❖ LFAR is of utmost importance to the management as well as the Central Auditors.
- ❖ Finalize Statutory Report and LFAR simultaneously.
- ❖ Should be well drafted and not loosely worded

Must Do's

- ❖ Scope of work carried out should be clearly specified.
- ❖ Extent of verification be stated
- ❖ Should create an impact on the bank management about the quality of work carried out.

Coverage

I Assets

- ❖ Cash
- ❖ Bank Balances.
- ❖ Money at call and Short Notice.
- ❖ Investments (For Branches outside India)
- ❖ Advances
- ❖ Other assets.

II Liabilities

- ❖ Deposits and other liabilities.

Coverage

III Profit and Loss Account.

IV General.

- ❖ Gold/ Bullion / Security Items
- ❖ Books and Records
- ❖ Inter-Branch Accounts
- ❖ Frauds
- ❖ Implementation of KYCAML guidelines
- ❖ Management Information System
- ❖ Miscellaneous

Additional Questionnaire Applicable to Specialised Branches

- ❖ For Branches dealing in Foreign Exchange Transactions
- ❖ For branches dealing in Clearing House Operations, normally referred to as Service Branches
- ❖ For branches dealing in recovery of Non-Performing Assets such as Asset Recovery Branches
- ❖ Implementation of KYCAML guidelines
- ❖ Management Information System
- ❖ Miscellaneous

LFAR for Large / Irregular / Critical Advance Accounts

CA Atul C. Bheda Mumbai

Cash

- ❖ System ensures Joint custody.
- ❖ Periodic checking of cash balance including ATMs
- ❖ Cash balance which vary significantly from the limit fixed by controlling authorities.
- ❖ Balances in books and ATMs tallied
- ❖ Adequate Insurance Cover.
- ❖ *Ascertain procedure and observe during audit*
General scrutiny of cash book.

Balance with RBI, SBI and other Banks *for branches with Treasury Operations*

- ❖ Balance confirmation.
- ❖ Observation on reconciliation
 - Entries records remaining unresponded including currency chest
 - Revenue items requiring adjustment / write offs. (issue MOC / Qualify report)

Balance with RBI, SBI and other Banks (cont'd)

- Entries of RBI/Banks un-responded for more than 15 days
 - If branch is having account with RBI additional matter of entries originated prior to year end but recorded after year end
- ❖ Matters requiring special attention of management.

Money at call and Short Notice

- ❖ Report even if a single transaction
- ❖ Check the year-end balance duly confirmed and reconciled
- ❖ Check interest accrued up to the year-end been properly recorded
- ❖ Check if Instructions /guidelines, of the controlling authorities have been complied with.

Investments

(For Branches outside India)

- ❖ Check the transactions are as per delegated authority by the controlling authorities /
- ❖ Physical verification or evidences of the investments held by the branch whether on its own account or on behalf of the Head Office have been produced?
- ❖ Valuation of investments in accordance with the RBI guidelines or the norms prescribed by the relevant regulatory authority
- ❖ Matured or overdue investments not encashed or not been serviced.

Advances

- ❖ Examination of all large advances and a test check of other advances
- ❖ Questionnaire Broad categories
 - List of accounts examined
 - Credit Appraisal
 - Sanctioning / Disbursement

Advances

❖ Questionnaire Broad categories ...

- Documentation
- Review / Monitoring / Supervision
- Asset Classification, Provisioning of Advances and Resolution of Stressed Assets
- Non-Fund Based facilities

Other Assets

Suspense Accounts / Sundry Assets.

- ❖ Critically Scrutinize these accounts.
- ❖ Details and clarification in respect of entries in excess of 90 days.
- ❖ indicate any unusual items including intangible items

Deposits

- ❖ Compliance with guidelines in respect of inoperative accounts.
- ❖ Instances if not complied with the guidelines.
- ❖ Seek clarification for unusual movements after balance sheet date.

Deposits...

- ❖ Check if the scheme of automatic renewal of deposits applies to FCNR(B) deposits, whether the renewal is made as per the applicable regulatory guidelines and the original receipts / soft copy have been dispatched.
- ❖ Check regulations on minimum balance requirement and levy of charges on non-maintenance of minimum balance in individual savings accounts

Bills Payable / Sundry Deposits / Contingent Liabilities

- ❖ Details of one year old items to be reported.
- ❖ Unusual items and matured withdrawals or debits to be given
- ❖ List of major items of contingent liabilities other than Guarantees, LCs, Endorsements, Acceptances etc.,

Profit and Loss Accounts

- ❖ Existence of system to compute discrepancies in interest / discount commission fees excess short Discrepancies if material to be reported (MOC to be issued)

Profit and Loss Accounts (Cont'd)

- ❖ Compliance with Income Recognition Norms
- ❖ Interest on deposits revealed any excess/short debit of material amount
- ❖ Interest accrued on overdue/matured/unpaid/ unclaimed term deposits
- ❖ Divergent trends in major items of P & L A/c if not satisfactorily explained.

General

- ❖ Gold/ Bullion / Security Items
- ❖ Books and Records
- ❖ Inter Branch Accounts
- ❖ Frauds
- ❖ Implementation of KYCAML guidelines
- ❖ Management Information System
- ❖ Miscellaneous

Ghosh and Jilani committee recommendations

- ❖ Ghosh committee : A high level committee was set up to enquire into the various aspects of fraud and malpractices in the bank and to make recommendations to reduce such instances
- ❖ Jilani committee : A working group was formed to review the internal control and inspection/audit system in bank

GHOSH COMMITTEE RECOMMENDATIONS WERE FOR

- ❖ Improvement in day to day administrative functions
- ❖ For ensuring safety of assets
- ❖ Compliance with the let down policies and procedures
- ❖ Accuracy and completeness of accounting and other records
- ❖ Proper segregations of duties and responsibilities of the staff
- ❖ Timely prevention and detection of frauds and malpractices

Ghosh Committee Recommendations

- ❖ Recommendations divided in to four groups
- Group-A: Recommendations, which have to be implemented by the banks immediately
- Group-B: Recommendations requiring Reserve Bank of India's approval
-

Recommendations

- Group-C: Recommendations requiring approval of Government of India
- Group-D: Recommendations requiring further examination in consultation with IBA.

Ghosh Committee

- ❖ Out of 97 recommendations,
- ❖ 27 required to be reported at the branch level
- ❖ 43 at Regional Office (RO), Zonal Office (ZO), or at Head Office (HO)
- ❖ 27 at both the levels i.e. Branch as well as RO/ZO/HO

JILANI COMMITTEE

Working group to review the internal control and inspection and audit system in banks

Contains 25 questions and to indicate the answer as either "Implemented " or Not Implemented".

JILANI COMMITTEE RECOMMENDATIONS

Broadly divided into three categories

- Dealing with the EDP environment in the banks
- Dealing with the inspection/Internal audit system in the bank
- Dealing with other miscellaneous aspects of functioning of a bank.

NEGATIVE ASSURANCE CERTIFICATE RECOMMEND TO BE ISSUED ON THE GHOSH AND JILANI COMMITTEE RECOMMENDATIONS

- "We have in the course of audit of _____ branch of _____ Bank, and based on a test check procedures adopted in respect of the accounts for the year _____, broadly reviewed the internal control procedures of the Bank considered relevant for audit, as also arising out of the recommendations of the Ghosh and Jilani Committees, and have relied upon the information, explanations and management responses / assertions stated against each item in the statement / format prepared (*certificate nos. _____ and _____); and, except as otherwise stated in our main report and LFAR dated _____, we have not come across anything that causes us to believe that there are any significant / material mis-statements / assertions made, as would have effect on our opinion on the financial statements under audit."



Once upon a time a tortoise and a hare had an argument about who was faster.

- They decided to settle the argument with a race. They agreed on a route and started off the race.





The moral of the story is that slow and steady wins the race.



The hare was disappointed at losing the race and he did some Root Cause Analysis (RCA).

He realised that he'd lost the race only because he had been overconfident, careless and lax.



The moral of the story :

Fast and Consistent will always
Beat the Slow and Steady



But the story doesn't end here.

The tortoise did some thinking(RCA) this time, and realised that there's no way he can beat the hare in a race the way it was currently formatted.

The moral of the story ?

First identify your core competency
and then change the playing field to
suit your core competency

The moral of the story ?

It's good to be Individually Brilliant and to have strong Core Competencies; but unless you're able to Work in a Team and Harness each other's Core Competencies, you'll always Perform below par because there will always be situations at which you'll do poorly and someone else does well.

There are more lessons to be learnt
from this story.....

Note that neither the hare nor the tortoise gave up after Failures.

The hare decided to work Harder and put in More Effort after his Failure.

The tortoise changed his Strategy because he was already Working as Hard as he could.

In life, when faced with Failure, sometimes it is appropriate to Work Harder and put in More Effort.

Sometimes it is appropriate to
Change Strategy and Try
something different. And
sometimes it is appropriate to do
both.

The hare and the tortoise also
Learnt another vital Lesson :

When we stop Competing against
a rival and instead start Competing
against the Situation, we Perform
far Better

To sum up, the story of the hare and tortoise teaches us many things; Chief among them are :

- Fast and Consistent will always beat slow and steady.
- Work to your Competencies.
- Pooling resources and working as a team will always beat individual performers.
- Never give up when faced with failure; and finally,
- Compete against the situation NOT against a rival.

ANY QUESTIONS

THANK YOU