

राजारामबापू सहकारी बँक लि., पेट.

(शेड्युल्ड बँक)

प्रधान कार्यालय, पेट. ता. वाळवा, जि. सांगली.



RAJARAMBAPU SAHAKARI BANK LTD., PETH

(Scheduled Bank)

Head Office - Peth. Tal - Walwa, Dist. - Sangli.

Policy for appointment of Statutory Auditor

1. PURPOSE

1.1. As per RBI circular Ref.No.DoS.CO.ARG/SEC.01/08.91.001/2021-22 dated April 27, 2021, the Bank has required to formulate a Board Approved Policy and formulate necessary procedure thereunder to be followed for appointment of Statutory Auditor (SA). Apart from conforming to all relevant statutory/regulatory requirements in addition to these instructions, this should afford necessary transparency and objectivity for most key aspects of this important assurance function.

2. APPLICABILITY

2.1. This Policy will be applicable to the Bank for Financial Year 2021-22 and onwards in respect of appointment/reappointment of Statutory Auditors.

3. PRIOR APPROVAL OF RBI

3.1. The Bank has required to take prior approval of RBI (Department of Supervision) for appointment/reappointment of Statutory Auditors, on an annual basis. For the purpose, the Bank is required to apply to The Department of Supervision, Central Office, RBI, Mumbai before 31st July of the reference year.

4. ELIGIBILITY CRITERIA OF AUDITORS

4.1. The bank shall decided to appoint a audit firm (partnership firm/ LLPS) for conducting statutory audit

4.2. ELIGIBILITY CRITERIA

Asset Size of Entity as on 31st March of Previous Year	Minimum No. of Full-Time partners (FTPs) associated with the firm for a period of at least three (3) years	Out of total FTPs, Minimum No. of Fellow Chartered Accountant (FCA) Partners associated with the firm for a period of at least three (3) years	Minimum No. of Full Time Partners/ Paid CAs with CISA/ISA Qualification	Minimum No. of years of Audit Experience of the firm	Minimum No. of Professional staff
Above 1,000 crore and Up to ₹15,000 crore	3	2	1	8	12

A) At list two partner of the firm shall have continuous association with the firm for at list ten years.

B) The full-time partner's association with the firm would mean exclusive association. The definition of 'exclusive association' will be based on the following criteria:

- The full time partner should not be a partner in other firms/s
- She/He should not be employed full time / part time elsewhere.

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- iii) She/He should not be practicing in her/his own name or engaged in practice otherwise or engaged in other activity which would be deemed to be in practice under Section 2(2) of the Chartered Accountants Act, 1949
- c) There should be at list one year continuous association of professional staff with the firm.
- D) The audit firm should not be under debarment by any govt. agency, National Financial Reporting Authority (NFRA), the ICAI, RBI or Financial Regulators.
- E) The statutory auditor of the firm should have a fair knowledge of the functioning of the co-operative sector.

5. Procedure for Appointment of statutory auditor

- 5.1. Bank shall shortlist minimum of two (2) audit firms for S.A. so that even if Firm at first preference is found to be ineligible / refuses appointment, the firm at second preference can be appointed.
- 5.2. Bank shall take from RBI prior approval for appointment of SAs.
- 5.3. Bank shall obtain a certificate, along with relevant information as per **form B** from the audit firm. Such certificate should be signed by main partner/s of the audit firm under seal of the said audit firm.
- 5.4. Bank shall recommend the names along with a certificate in the format as per **Form-C** stating that the audit firm comply with all eligibility norms prescribed by RBI
- 5.5. While approaching the RBI for its prior approval for appointment of SA bank shall indicate total asset size as on March 31St of the previous year (audited figures), forward a copy of Board/ACB Resolution. Recommending names of audit firms for appointment as SA in the order of preference and also furnish information as per **Form B and Form C** as mentioned above, to facilitate expeditious approval of appointment/ reappointment of the audit firm.

6. Independence of Auditors

- 6.1. The Board of Directors shall monitor and assess the independence of the auditors.
- 6.2. Concurrent auditors of the Entity should not be considered for appointment as SAs

7. TENURE AND ROTATION

- 7.1. In order to protect the independence of the auditors/audit firms, Bank will have to appoint the Statutory Auditors for a continuous period of three years, subject to the firms satisfying the eligibility norms each year. Further, Bank can remove the audit firms during the above period only with the prior approval of the concerned office of RBI (Department of Supervision),
- 7.2. An audit firm would not be eligible for reappointment in the Bank for six years (two tenures) after completion of full or part of one term of the audit tenure.
