

13.10 STATUTORY AUDIT POLICY AND APOINTMENT PROCEDURE:

Bank shall host the said approved policy on official website/public domain.

1. The Bank shall shortlist minimum 2 audit firms for every vacancy of Statutory Auditors so that even if firm at first preference is found to be ineligible/refuses appointment, the firm at second preference can be appointed and the process of appointment of Statutory Auditors does not get delayed. However, in case of reappointment of Statutory Auditors by Bank till completion of tenure of continuous term of 3 years, there would not be any requirement of shortlisting and sending names of multiple audit firms to RBI, while seeking approval to appointment.
2. Bank Officials shall carry out due diligence exercise in respect of shortlisted audit firms and report to be filed and presented to the Board for information at the time of approval.
3. The Bank shall place the name of shortlisted audit firms, in order of preference, before their Board for selection as Statutory Auditor. Upon selection of Statutory Auditors by the Bank in consultation with Board and verifying compliance with the eligibility norms prescribed by RBI, the Bank shall seek RBI's prior approval, for appointment of Statutory Auditors.
4. The Bank shall obtain a certificate, along with relevant information as per Form B, of the RBI's relevant circular, from the audit firms proposed to be appointed as Statutory Auditors by the Bank to the effect that the audit firms complies with all the eligibility norms prescribed by RBI for the purpose. Such certificate should be signed by the main partner/s of the audit firms proposed for appointment of Statutory Auditors of the Bank, under the seal of the said audit firm.
5. Bank shall verify the compliance of audit firms to the eligibility norms prescribed by RBI for the purpose and after being satisfied of their eligibility, recommend the names along-with a certificate, in the format as per Form C, of the RBI's relevant circular, stating that the audit firms proposed to be appointed as Statutory Auditor by them comply with all eligibility norms prescribed by RBI for the purpose.
6. While approaching the RBI for its prior approval for appointment of Statutory Auditors, Bank shall indicate its total size as on March 31st of the previous year (Audited Figures), forward a copy of Board Resolution recommending names of the audit firms for appointment as Statutory Auditor in the order of preference and also furnish information as per **Form B** and **Form C**, of the RBI's relevant circular, to facilitate expeditions approval of appointment/reappointment of the concerned audit firm.

7. Upon approval in BOD, Bank General Manager/Chief Executive Officer or in his absence next senior most Officials may submit request to RBI for approval for appointment / reappointment of Statutory Auditor with relevant supporting documents.