



Ref.No. NB.RRO.JAI/ 2350 /IDD/RCB-Statutory Auditors/ 2022-23

Dated: 23 November 2022

**The Registrar of Cooperative Societies
Government of Rajasthan,
22 Godam Circle,
Jaipur**

Dear Sir

Prior approval of RBI for appointment / re-appointment of Statutory Auditors of StCBs and CCBs for FY 2022-23

With reference to captioned subject, we reiterate that in terms of Section 30 of B.R.Act, 1949 all StCBs and CCBs are required to obtain prior approval of RBI for appointment, re-appointment and removal of Statutory Central Auditors (SCAs)/ Statutory Auditors (SAs) w.e.f. April 01, 2021.

2. In this connection, RBI has since informed us that the proposed guidelines to be issued to StCBs/ CCBs are under examination by RBI. In the meantime, RBI has decided that prior approval of RBI for appointment/ re-appointment of Statutory Auditors for FY 2022-23 in StCBs and CCBs would be accorded by RBI, if the proposed appointment/ re-appointment conform to the existing guidelines issues by NABARD.

3. We, therefore, request you to kindly advise the Rajasthan State Cooperative Bank and all the 29 District Central Cooperative Banks to submit the Name of Auditors for FY 2022-23 to RBI for prior approval immediately with an undertaking that "the proposed appointments/ re-appointments conform to the existing guidelines issued by NABARD".

4. The extant guidelines of NABARD are contained in our Circular No. 14/ IDD 01/ 2015 dated 16 January 2015 to RCS, a copy of which is enclosed for ready reference.

Yours faithfully

sd/-
(Deshraj Maurya)
Assistant General Manager

Encl:- As above

राष्ट्रीय कृषि और ग्रामीण विकास बैंक

National Bank for Agriculture and Rural Development

राजस्थान क्षेत्रीय कार्यालय

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Endtt. No. NB.RRO.JAI/ 2351-2352 /IDD/RCB-Statutory Auditors/ 2022-23 of
date forwarded for information to:

1. Managing Director, RSCB, Jaipur

~~2.~~ Managing Directors, All DCCBs in Rajasthan

Deshraj

(Deshraj Maurya)
Assistant General Manager

Encl:- As above

राष्ट्रीय कृषि और ग्रामीण विकास बैंक

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राष्ट्रीय कृषि और ग्रामीण विकास बैंक

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Ref. No. NB.IDD (Coop)/ 1339 / D-11 / 2014-15

Circular No. 14 / IDD 01 / 2015

16 January 2015

The Registrar of Cooperative Societies
All State Governments

Dear Sir

Statutory Audit of Cooperative Banks

Please refer to our letter No. NB.IDD.RP / 1622 / D-11/ 2013-14 dated 23 September 2013 on the captioned subject. As you are aware, as per Clause 9.20 of the MoU under the Revival package for STCCS, signed by the State Govt. with GoI and NABARD, the audit of StCB and CCBs was required to be conducted by professional Chartered Accountants from the panel approved by NABARD.

2. The 97th Amendment to the Constitution of India has since empowered the State Govts to ensure conduct of audit in cooperatives and also provide a panel of auditors. Section 243 ZM (1) of Constitution 97th Amendment Act, 2011 envisages that "the Legislature of a State may make provisions with respect to the maintenance of accounts by Cooperative Societies and the auditing of such accounts at least once in each year, provided that such auditors or auditing firms shall be appointed from a panel approved by the State Govt. or an authority authorised by the State Government in this behalf".

3. As the business in Cooperative Banks, i.e. StCBs and DCCBs needs to be conducted in a manner not detrimental to the interests of the depositors and as these entities being banks are subject to the regulatory provisions of the Banking Regulation Act, 1949 (AACS), it is essential that the statutory audit in StCBs and DCCBs need to be conducted by Chartered Accountants.

4. Keeping in view the provisions of the 97th Amendment of the Constitution, it has been decided that RCS of the State Govts may provide a panel of CAs to these banks, for conduct of statutory audit from the year 2014-15 onwards. Accordingly, we forward herewith a set of broad guidelines in this regard in Annexure I for your ready reference. We hope that the same would facilitate you to provide a suitable panel to the Cooperative Banks in your state from the year 2014-15 onwards. States, if they so desire, may also approach NABARD to provide a panel.

Yours faithfully

(P K Mishra)

Chief General Manger

Encl :- As above

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ANNEXURE - I

**Broad guidelines for empanelling the CAs for
conduct of statutory audit in Cooperative Bank**

- i. The selection of auditors is to be made from the list provided by Institute of Chartered Accountants of India (ICAI).
- ii. The selection is to be based on factors like number of FCA/ ACA available with the firm, year of establishment, number of years of experience in bank audit, etc.,
- iii. As far as possible, CA firms falling in Category I, II are to be chosen. However, Category III firms with good experience may also be considered.
- iv. Only those audit firms whose names appear in the Diploma in Information System Audit (DISA) qualified list of CAs provided by ICAI are to be considered for appointment as Statutory Auditors.
- v. Audit firm that has served as statutory auditor consecutively for 3 years is to be rested for the next 2 years.
- vi. Audit to be conducted as per the extant guidelines of NABARD/RBI issued from time to time and instructions issued by RCS under the provisions of the relevant Acts.

