

विजया बैंक VIJAYA BANK
प्रधान कार्यालय; Head Office
केन्द्रीय लेखा विभाग
Central Accounts Department
बेंगलूर **Bangalore**

Policy on selection and appointment of Statutory Central Auditors of the bank for the financial year 2015-16 onwards is as under:

- The Bank shall have 4 SCAs.
- The appointment of SCAs will be made for a continuous period of three years, subject to the firm(s) satisfying the eligibility norms each year. Removal of any SCA during the above period requires prior approval of RBI.
- RBI will be providing to Public Sector Banks i) List of Continuing Firms (i.e. the list of audit firms who have not completed three years of audit) and ii) List of eligible (non- continuing) audit firms in two parts viz. 'Experienced' audit firms and 'New' audit firms. An 'Experienced' firm is one which has a Statutory Central Audit experience of any of the Public Sector Banks and 'New Firm' is one who does not have such experience.
- The allotment of vacancies of SCA's shall be in the ratio of 60:40 between 'Experienced ' and 'New' audit firms. As regards ratio of 60:40, banks will round the number to the nearest round number and choose auditors from the 'Experienced' and 'New' firm list.
- The Office of the Comptroller & Auditor General of India (C&AG) will provide a graded panel. The audit firms in case of both the panels i.e. experienced as well as new firms, will be ranked (highest to lowest) based on the points given by C&AG. The bank will select the statutory auditors as per norms from the two panels. As per the RBI guidelines, Vijaya Bank, being the category 'C' bank will have the liberty to choose audit firms from the entire panel.
- The short listing of SCA firms from the list(s) provided by RBI as per the selection criteria mentioned elsewhere in this policy shall be made by a committee of Four General Managers.
- The Bank shall obtain willingness to accept the assignment of Statutory Central Audit work in writing from the list of audit firms shortlisted by the above mentioned committee of General Managers. In the willingness letter, it should be clearly mentioned that there is no commitment on the part of the Bank to allot the Statutory Central Audit work to the auditors and the audit firms are free to give similar willingness to multiple PSBs, if approached by other PSBs.
- The list of shortlisted firms shall be placed before the Audit Committee of the Board (ACB) of the Bank. The ACB shall approve adequate number of audit firm(s) in order of preference. The number of audit firms approved should be adequate enough to take care of the situation where some firms may not give consent.

- Thereafter, the Bank will approach the audit firms for their consent in writing strictly in order of preference. The consent letter may clearly state that the selection of the audit firm as Statutory Central Auditor is subject to approval of RBI and any force majeure events and, in such cases, the audit firms will not have any claim against the Bank and RBI. The Bank may also clearly mention in the consent letter that appointment is subject to complying with the stipulated norms on eligibility and empanelment issued by RBI from time to time. In the consent letter, the audit firm should declare that consent is given to one PSB only. It should also be incorporated in the consent letter that the consent given by an audit firm will be treated as irrevocable and request, if any, from audit firms for changing the bank, after giving its consent to the bank concerned will not be entertained.
- The audit firm should give their consent in writing for consideration of appointment in the bank concerned for the particular year and the subsequent continuing years. If the approached firm does not give consent, the bank shall approach the next audit firm in order of preference for obtaining consent till the number of audit firms who have given the consent equals the number of vacancies for that particular year.
- The Audit firm should give up existing assignment, if any, in Private Banks/Foreign Banks/RBI/Financial Institutions such as National Housing Bank, EXIM Bank etc. and they cannot refuse appointment of the Bank once written consent is given accepting the assignment. This stipulation however, is not applicable for the auditors of Banks with no presence in India.
- As per RBI guidelines, Audit firm(s) selected by the Bank after obtaining consent in writing will be debarred for a period of 3 years for selection if the firm(s) refuses to accept the appointment without a reasonable ground i.e., ground not to the satisfaction of RBI.
- The final list of firm(s) (i.e. who have given their consent in writing as mentioned above) shall be placed before the ACB for its concurrence and thereafter should be sent to RBI for its prior approval before their actual appointment.

Criteria for selection of Statutory Central Auditors:-

- While making selection, the following points shall be considered:
 - I. SCA firms shall be selected from the list provided by RBI.
 - II. To the extent possible, at least two audit firms having their Head Office from the same place where the banks' HO/CO is located, to be allocated. If local Audit firms are not available then auditors from nearest place within the state/adjoining states/other states shall be selected.
 - III. Audit firms are not selected if they have retired from the same bank before going under rest.
 - IV. The firms whose partner/s are on the Board of the Bank are not appointed as auditors for the Bank
 - V. An audit firm is eligible to be appointed as a SCA of only one PSB during a particular year.

--:0:--