

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF FINANCIAL SERVICES
LOK SABHA

UNSTARRED QUESTION NO. 6575

TO BE ANSWERED ON THE 6TH APRIL 2018/ CHAITRA 16, 1940 (SAKA)

Appointment of Chartered Accountants in PSBs

6575. SHRI K. N. RAMACHANDRAN:

SHRIMATI V. SATHYABAMA:

SHRI BHARATHIMOHAN R. K.:

SHRI P. R. SENTHIL NATHAN:

Will the Minister of FINANCE be pleased to state:

- (a) whether the Government is appointing Chartered Accountants to various Public Sector Banks (PSBs) in the country to do Statutory/Concurrent/Stock Audit;
- (b) if so, the details thereof;
- (c) the steps taken by the Government to appoint auditor for every bank branch in the country;
- (d) the list of Bank Branches where no Statutory/Concurrent/stock audit was performed during the last two years; and
- (e) if so, the details thereof and the reasons therefor?

ANSWER

The Minister of State in the Ministry of Finance
(SHRISHIV PRATAPSHUKLA)

(a) to (c): The Reserve Bank of India (RBI) is the regulator and supervisor of the banking system, as per powers conferred by relevant provisions of the Banking Regulation Act, 1949, the Reserve Bank of India Act, 1934, and other relevant statutes. As per RBI inputs, with regard to appointment of Chartered Accountants to various Public Sector Banks (PSBs) to do Statutory/Concurrent/Stock Audit, for appointment of Statutory Auditor the eligible list of firms is furnished to RBI every year by the Comptroller and Auditor General of India for Central Auditors, and by the Institute of Chartered Accountants of India for Branch Auditors, which shares the list of eligible auditors with Public Sector Banks (PSBs). PSBs select auditors as per their requirement and obtain prior approval of RBI. RBI has further apprised that PSBs undertake Concurrent Audit in line with RBI Guidelines and that Stock Audit is undertaken by PSBs as per their policies.

(d) and (e): Statutory Branch Audit is undertaken as per RBI guidelines, under which branches with advances of Rs. 20 crore and above and one-fifth of the remaining branches are covered. Further, as per RBI instructions, risk profile of branches is the consideration in selection of branches for concurrent audit covering at least 50% of the business, and stock audit is conducted as per bank's policy. As per inputs from PSBs, Statutory/Concurrent/Stock Audit was performed on 48,918 and 50,648 branches, as scheduled, in financial years 2015-2016 and 2016-2017 respectively.
