



Small Steps To Bright Future

**RAJAPUR URBAN CO-OP.BANK LTD. RAJAPUR**

Nawale Complex, Main Road, Post & Tal. Rajapur, Dist. Ratnagiri

# **AUDIT & INSPECTION POLICY**

APPROVED IN THE BOARD OF DIRECTOR MEETING HELD ON  
DATED 16/08/2019 WIDE RESOLUTION NO.7

REVIEWED & APPROVED IN THE BOARD OF DIRECTOR MEETING HELD ON  
DATED 29/07/2020 WIDE RESOLUTION NO.10

REVIEWED & APPROVED IN THE BOARD OF DIRECTOR MEETING HELD ON  
DATED 13/08/2021 WIDE RESOLUTION NO.6

REVIEWED & APPROVED IN THE BOARD OF DIRECTOR MEETING HELD ON  
DATED 30/07/2022 WIDE RESOLUTION NO.7

To streamline and strengthen internal control system and control and monitor risk and compliance under various statutes and regulations, Considering the amendment in banking regulation Act and notification issued by the RBI such as dt. 27/04/2021 Bank has amended Audit and Inspection Policy, details as follows :

Bank will appoint various types of the Auditors as follows :

- a. Statutory Auditor
- b. Internal / Concurrent Auditor
- c. EDP or Information technology or Data Centre Auditor
- d. Auditor under Income Tax, Vat, GST and other Act/Law.
- e. ISO Inspection
- f. Head Office Inspection
- g. Other Audit / Inspection related to technology etc.

Following are the detail Policies for the same :

**1. STATUTORY AUDIT :**

- a. Bank will appoint Statutory Auditor after obtaining approval from the R.B.I. or norms under Maharashtra Co.Op. Society Act 1961 and rules framed thereunder. Here compliance and approval of R.B.I is mandatory.
- b. Said Auditor shall be qualified Chartered Accountants firm and shall fulfill all eligibility criteria including tenure and rotation as per the RBI instruction specifically reported in notification dt. 27/04/2021.
- c. Said Auditor shall not be member of the Bank and has not availed any loan from our Bank.
- d. Application along with required documents received by the Bank for this will be scrutinized by the Board of Directors and panel of the same with preference will be put up for approval to the R.B.I every year.
- e. Bank will obtain consent from Statutory Auditor after intimating by appointment letter and all required details and documents will be filed with the Co. Op. Department per return u/s 79.
- f. Statutory Audit to be completed within the time limit fixed under section or rules or circular or notification or ordinance issued by the Regulator and copy of the said report to be submitted to all required Govt. Authority and Regulator within stipulated time.
- g. Fees and reimbursement of expenses of Statutory Auditor will be fixed as per the circulars issued by the Maharashtra Co.Op. Department or RBI regarding the same.
- h. Bank will complete the Compliance Report of the same in Form "O" within the 3 months from the receipt of the said Report and will be put and closed either by Audit Committee or Board of Directors. Said Compliance Report to be forwarded to Auditor for his/her remarks and after verification and remarks, said final compliance report to be submitted to Co.Op. Department or regulator.

**2. INTERNAL OR CONCURRENT AUDIT :**

- a. Board of Directors or AGM will appoint Internal or concurrent Auditor of the Bank every year from the application received.
- b. The said Auditor shall be Chartered Accountants and will not be disqualified under any statute/law.
- c. Fees and reimbursement of expenses of the same will be finalized by the appointing body.
- d. Periodicity of the reporting of Internal Audit will be quarterly and concurrent audit will be monthly and report to be submitted with in 25 days from end of respective quarter / months on the spot and after considering the compliance these to be finally submitted.
- e. The said report and its compliance to be placed before Audit Committee or Board of Directors for closure.
- f. Bank will finalized the Branches for Internal or concurrent audit as per the size of the working Capital, i.e. big transaction branches for concurrent audit and other for Internal Audit.
- g. Bank will also appoint Internal or concurrent auditor for Investment, DEAF transaction and said audit report to be obtained and furnished to the RBI on monthly or quarterly or six monthly basis as per RBI Guidelines.
- h. Bank will consider the instructions, guidelines issued by RBI or Co.Op. Department for determining the scope of the said Audit such as examination of internal control system, suspense, income and expenditure items, investment portfolio etc.

**3. EDP or Information technology Audit :**

- a. As per RBI Instruction, Board of Director will appoint the EDP or Information Technology Auditor and his remuneration will be fixed by the Board.
- b. Every year EDP audit to be completed before completion of Statutory Audit and said report to be made available to the Statutory Auditor.
- c. Said Auditor shall be other than Statutory Auditor and preferably DISA/CICA qualified C.A. or other qualified person as instructed by the Regulator.
- d. Board of Directors will also appoint, fix scope and remuneration and time for inspection / verification of specialized functions such as Forensic Audit, VAPT Audit and other technology related transactions and compliance or implementation report of the same to be completed within one month from the receipt of such audit / inspection report and will be place and closed by the Audit Committee or Board of Directors.

**4. Auditor under Income Tax, Vat, GST and other Act/Law :**

- a. Board of Directors will appoint, fix remuneration for conduct of audit under other legal matters such as Income Tax Act 1961, Maharashtra Vat Act, GST and other statutory requirement.
- b. Said Audit to be conducted & completed as per the specific statutory requirement.

**5. ISO Inspection :**


- a. Board of Director will appoint, fix remuneration to conduct inspection under ISO.
- b. Said Auditor shall be qualified person to conduct ISO Audit.

- c. Observation report if any of them to be placed before Board of Directors and will be implemented within one months and put for noting / closure.
6. Head office Inspection :
    - a. For verification of cash, security items , reconciliation and other transaction, Head office officer will conduct surprise verification with the approval of CEO or higher authority. Periodicity shall be minimum one visits during the financial year.
    - b. Discrepancy or observation report to be placed before CEO or Audit Committee and after compliance report , same shall be closed.
  7. Other Audit / Inspection related to technology etc.:
    - a. Board of Directors will appoint, fix remuneration, scope and periodicity of inspection or audit to be conducted relating to other matters not considered above as related to technology as VAPT etc.
    - b. Compliance, Implementation report of the same to be completed with in the one from the receipt of the said audit report.

Reviewed in the Board of Directors meeting wide its resolution No.7 Dated 30/07/2022 and brought into force into force with effect from Date 30/07/2022.

Place : Rajapur.

Date : 30/07/2022.

  
Chairman



  
Manager / CEO