

From

Registrar
Cooperative Societies
Haryana, Panchkula.

To

The Managing Director
Harco Bank, Chandigarh
All CEO's District Central Cooperative Banks in Haryana
All CEO's Urban Cooperative Banks in Haryana

Memo No 35/01/98-Audit(6)/ 11705-30

Dated 15-6-15

Subject: Clarification regarding deposit of audit fee.

After the amendments in Haryana Cooperative Societies Act in 2006, the statutory audit of Central Cooperative Banks and Harco Bank was entrusted to Chartered Accountants and the balance of audit fee levied by department was asked to be deposited to government after making payment to Chartered Accountants as per this office circular vide letter Memo No. 1/1/09-Audit(2) 10378-409 dated 25-09-2009.

From the time-past, several clarifications and references have been received in this office from DCCB's/ Harco Bank to exempt the audit fee as the statutory audit of their bank is being done by Chartered Accountants instead of departmental Auditors. Now as per the revision of audit fee vide this office memo No. 35/01/98-Audit(6)/10809-40 dated 23-07-2014, it is mentioned in column 3 of annexure "A" that the departmental audit parties have been shifted where the statutory audit is entrusted to Chartered Accountants and the fees has been prescribed for the same as well as for Internal audit by departmental Auditors if adopted by any bank. Therefore after detailed consideration it is clarified that the payment of audit fee be made in following manner:-

- 1 Where the statutory audit of Harco Bank and DCCB's is entrusted to Chartered Accountants as per Act, those institutions will not have to deposit any audit fees to the government.
- 2 Where the internal audit by departmental auditors is adopted by any DCCB's or Harco Bank in addition to statutory audit, the audit fees as prescribed in general circular regarding audit fees issued vide letter no. 35/01/98-Audit(6)/10809-40 dated 23-07-2014 will be applicable in addition to audit fees paid to Chartered Accountants.
- 3 Urban Cooperative Banks having deposit more than the 25 crores where the statutory audit is carried out by Chartered Accountants as per clause 2 (a) of MOU, then they will also not have to deposit any audit fees to the government but if their audit is done by departmental audit party, the audit fees will be charged as per audit fees circular dated 23-7-2014 stated above.
- 4 It is also clarified that the audit fee prescribed in annexure "A" of letter dated 23-07-2014 for statutory audit from Chartered Accountants is on maximum basis hence the banks are advised to negotiate it at minimum level before allotment of audit to Chartered Accountants.
- 5 It is also directed that all the Banks will have to clear the arrears of audit fees if any, prior to the date of implementation of audit fees circular dated 23-7-2014 pending in view of letter No. 1/1/09-Audit(2) 10378-409 dated 25-9-2009.
- 6 The office letter no No. 1/1/09-Audit(2) 10378-409 dated 25-9-2009 is hereby withdrawn with effect from 23-7-2014.

All the banks are directed to pay the audit fees as per circular No. 35/01/98-Audit(6)/10809-40 dated 23-7-2014.

These guidelines are issued after the approval of W/RCS on dated 06-05-2015

[Signature]
Chief Auditor

O/O Registrar, Cooperative Societies
Haryana, Panchkula

Ends No. 35/01/98-Audit(6)/ 11731-76 dated 15-6-15

Copy of the above is forwarded to

1. All Deputy Registrars, Cooperative Societies in the State of Haryana
2. All Audit Officers, Cooperative Societies in the State of Haryana
3. All Assistant Registrars, Cooperative Societies in the State of Haryana

For information and necessary action please.

[Signature]
Chief Auditor

O/O Registrar, Cooperative Societies
Haryana, Panchkula

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