

MULTIPURPOSE PANEL FOR THE YEAR 2006-07

Multipurpose Panel prepared last year was made on the basis of revised empanelment norms for appointment of Statutory Auditors of Public Sector Banks, select all India Financial Institutions and RBI. The panel was prepared for two years i.e. 2005-06 and 2006-07. However, Reserve Bank of India has agreed to obtain an updated panel for the year 2006-07 from the Institute. Further, as this panel also serves as the database for providing panel to various other authorities, it has been decided by the Institute to allow even those Chartered Accountants/firms who had not applied last year to apply this year.

Accordingly, as per the decision of the Professional Development Committee, the Multipurpose Empanelment Application Form for the year 2006-07 will be hosted on the website www.meficai.org by 12.00 midnight on 25/26th April, 2006. The last date for submission of application on the above website is 25th May, 2006 (5.30 P.M.) and the last date for receipt of duly signed hard copy of declaration (alongwith the acknowledgement of soft submission of application) at the Institute's Delhi office is 5th June, 2006 (5.30 P.M.)

The Members/Firms MUST quote their unique code number (if allotted, AT ANY TIME) in the MEF to facilitate correct and proper recording of data of past Bank Audit experience etc.

After going through the data submitted by the applicants last year and their resultant exclusion from the final allocation list, the PD Secretariat would like to bring the following to the kind attention of all the members :

1. For the Bank Branch Auditors' Panel,
 - the applicant firm/member should have at least three years' standing in the profession. Members may please note that the Institute records maintained at the concerned Regional Office will be considered final in this regard. Therefore, in case any member or applicant has any dispute regarding year of establishment or date of continuously holding Certificate of Practice should take up the matter with the concerned Regional Office of the Institute.
 - Minimum no. of audit staff required is 2.

- only partners/proprietor who are associated exclusively with the applicant firm would be considered i.e. only those who are not having any kind of association with any other firm and are also not practising in individual name would be considered. The same has been explained in detail through examples hereunder:

| Firm(s) | Status | Partners | Association with other firm | Yrs of Standing | Application Status | Result when old norms applied | Result when new norms applied |
|---------|-------------|----------|-----------------------------|-----------------|--------------------|-------------------------------|--|
| A | Partnership | R,S,W | None | 5 | Applied | Category I | Category III (less than 6 years which is minimum for category II, and 8 years which is minimum for Cat. I) |
| B | Partnership | P,Q,D | C (common partner Q) | 6 | Applied | Rejected | Accepted as 2 partner firm |
| C | Partnership | Y,Q,L | B (common partner Q) | 6 | Applied | Rejected | Accepted as 2 partner firm |
| T & Co | Prop. | T | M | | Applied | Accepted | Rejected |
| H & Co | Prop. | H | M | | Applied | Accepted | Rejected |
| G & Co | Prop. | G | M | | Applied | Accepted | Rejected |

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|---|-------------|--|------------------------------|----|-------------|---|---|
| | | | | | ed | d | |
| M | Partnership | T,H,G | T & Co, H & Co, G & Co | | Not Applied | N.A. | |
| M | Partnership | T,H,G | T & Co, H & Co, G & Co | | Applied | Rejected if T, H and G also apply; accepted otherwise | Rejected in both cases |
| N | Partnership | T,H,G, N | T & Co, H & Co, G & Co | | Applied | Rejected if T, H and G also apply | Accepted as a proprietorship firm even if T, H and G apply |
| S | Prop. | S | None | 2 | Applied | Accepted | Not eligible |
| S | Prop. | S (with one paid CA) and experience of bank audit of 6 years | None | 10 | Applied | Accepted as Proprietorship firm | Accepted as Partnership firm with 2 partners and 2 years standing |

- As per RBI policy of rotation and resting for statutory branch auditors, after 5 years of continuous audit allotment (whether in one bank or in more than one for a total of five years in continuation), the firm is put under compulsory rest period of minimum 2 years at 33 centres where the policy is applicable. Further, please note that the policy refers to 5 years of continuous audit allotment and not 5 years of continuous audit allotment with the same bank.

3. The policy of rotation and resting for statutory branch auditors is applicable to Mumbai, Kolapur, Pune, Solapur, Thane, Kolkata, Chennai, Coimbatore, Delhi/New Delhi, Ajmer, Bikaner, Jaipur, Kota, Udaipur, Ahmedabad, Vadodara, Surat, Hyderabad, Chandigarh, Raipur, Faridabad, Gurgaon, Panchkula, Panipat, Sonipat, Bangalore, Ernakulam, Indore, Nagpur, Ludhiana, Jodhpur, Bhilwara and Ghaziabad.
4. A sample list of common errors that have been seen in this year's empanelment process is given below:
 - a. Firm has filled in zero bank audit experience although it has many years' audit experience
 - b. Firm has filled in zero for partners' bank audit experience
 - c. Applicant has filled in wrong membership No. of either of its partners/proprietor or paid employee affecting applications of other applicants.
5. It should be noted that applicants who have accepted statutory audit in a bank for 05-06, should not take up any other work related to internal audit for the same bank for the year 06-07. ICAI will not be able to intervene on members' behalf in such matters, in case members take up such assignments and are then allotted (as is likely) the same bank for the year 2006-07.
6. Applicants should send information regarding
 - their association with the bank as concurrent/internal/income and expenditure revenue auditor/stock auditor/auditor of borrower's accounts,
 - taking a loan (including o/s on credit card) from/give a guarantee to a loan from the bank.
 - Accepting the position of Director on the Board of the same bank.

The information has to be sent in the format hosted in the Announcement on the Institute's website under the link 'Members>Empanelment>Important Announcement – Bank Branch Auditors' Panel 2006-07' from the date of submission of application to

1st October, 2006 by e-mail at pdcpnl@icai.org with a copy by Speed Post/Courier at the following address :

The Secretary
Professional Development Committee
The Institute of Chartered Accountants of India
ICAI Bhawan
PO Box No. 7100, Indraprastha Marg
New Delhi – 110 002.

7. It is reiterated that audits are allotted based on (1) eligibility, (2) availability of audits, (3) application of cooling norms. Within these parameters, the RBI tries to allot audits as neutrally as possible. It is stated again that the ICAI has no role to play in the process of allotment. ICAI is only responsible for sending a list of eligible firms to RBI, based on the empanelment norms.
8. No hard copies will be accepted under any circumstances.. Please note specifically that
 - a. The final proof of uploading edited/new application lies in the generation of e-mail acknowledging submission of application form (which will be automatically e-mailed to the applicant after the form as submitted is accepted by the system). It will also not be possible to give credence to claims for uploading unless and until the relevant documents are sent to the Institute.
 - b. The declarations will continue to be scrutinized closely. In case of discrepancies with Institute database, only e-mail discrepancy letter will be sent. Members must specifically watch their e-mails and reply. No courier or speed-post letters will be sent except while notifying rejections from the final list

The full text of the revised empanelment norms for appointment of statutory Auditors of Public Sector Banks, select all India financial institutions and RBI is available on the Institute's website at www.icai.org> Members> Empanelment> Implementation of revised empanelment norms for appointment of statutory auditors of public sector banks, select all India financial Institutions and RBI.