

# Statutory Auditors Appointment Policy

## Barclays Investments & Loans India Private Limited

Policy Governance	
Policy Owner	Sirjana Mer
Policy Approver	Board of BIL IPL (Barclays Investments and Loans India Private Limited)
Approval date	June 2021
Last review date	July 2021
Next review due	July 2022
Version	1.0
Policy location	Y:/Mum/OPS/Finance/Policy/Auditors Appointment Policy
Policy contact	Shashank Sharma

## Contents

<b>1.</b>	<b>POLICY CONTEXT.....</b>	<b>3</b>
1.1	Introduction .....	3
1.2	Purpose.....	3
<b>2.</b>	<b>PROVISIONS OF THE POLICY.....</b>	<b>3</b>
2.1	RBI guidelines on Appointment of Statutory Auditors.....	3
<b>3.</b>	<b>POLICY GOVERNANCE.....</b>	<b>5</b>
3.1	Roles and responsibilities.....	5
3.2	Policy Document Update .....	5
<b>4.</b>	<b>APPENDICES.....</b>	<b>5</b>
	Appendix 1: Regulatory guidelines .....	5
	Appendix 2: Glossary.....	7

## 1. POLICY CONTEXT

### 1.1 Introduction

Barclays Investments and Loans India Private Limited (BILIPL) is regulated by the Reserve Bank of India (RBI) and operates through three business clusters – Investment Bank (IB) and Private Clients (PC).

### 1.2 Purpose

RBI has issued Guidelines for appointment of Statutory Auditors of Bank vide its circular RBI/2021-22/25 Ref.No.DoS.CO.ARG/SEC.01/08.91.001/2021-22 dated April 27, 2021.

## 2. PROVISIONS OF THE POLICY

### 2.1 RBI guidelines on appointment of statutory auditors

In terms of the extant RBI guidelines for appointment of Statutory Auditors of Bank, BILIPL has adopted the following policy with regard to appointment of Statutory Auditors of the BILIPL (Barclays Investment and Loans India Private Limited).

#### I. Board to approve the appointment of the Statutory Auditors

BILIPL will obtain the approval for the appointment of Statutory Auditors for a continuous period of 3 years from the Board. The appointment will be confirmed at the AGM

#### II. Eligibility criteria of the Statutory Auditors

The Statutory Auditors shall fulfil the eligibility norms as prescribed in the RBI guidelines and the Companies Act, including, number of full-time partners, number of Fellow Chartered Accountants (FCAs), number of full time partners/paid CAs with CISA/ISA qualification, number of years of audit experience of the firm, minimum number of professional staff and eligibility in terms of Section 141 of the Companies Act, 2013. The audit firms should not be under debarment by any Government Agency, NFRA, ICAI, RBI or Other Financial Regulators and the appointment of Statutory Auditors should be in line with the ICAI's Code of Ethics/any other such standards adopted and does not give rise to any conflict of interest.

The major criteria to be assessed are:

- i) Eligibility as per RBI norms
- ii) Bank & BSFI Audit Exposure
- iii) Size of the firm
- iv) Empanelment with RBI/ other Regulators
- v) Global Affiliation

#### III. Independence of the Statutory Auditors

The Board will monitor and assess the independence of the Statutory Auditors and conflict of interest position in terms of relevant regulatory provisions, standards and best practices. Any concerns in this regard will be raised and necessary actions will be taken.

IV. Review of the performance of Statutory Auditors

The Board will review the performance of the Statutory Auditors on an annual basis. Any serious lapses/negligence in audit responsibilities or conduct issues on the part of the Statutory Auditors or any other relevant matter will be reported to the RBI within two months of completion of annual audit.

V. Tenure and rotation

The appointment of Statutory Auditors will be for three continuous years, subject to audit firms continuing to comply with the eligibility norms.

While NBFCs do not have to take prior approval of RBI for appointment of SCAs/SAs, all NBFCs need to inform RBI about the appointment of SCAs/SAs for each year by way of a certificate in **Form A** within one month of such appointment.

The audit firm will not be eligible for re-appointment in the entity for a period of six years after completion of full or part tenure in the Bank. The Board can only remove the audit firms during the above period only with the prior approval of RBI.

VI. Audit Fees and Expenses

The audit fees for Statutory Auditors will be decided in terms of the relevant statutory/regulatory provisions. The audit fees shall be reasonable and commensurate with the scope and coverage of audit, size and spread of assets, accounting and administrative units, complexity of transactions, level of computerization, identified risks in financial reporting, etc. The Board shall approve the audit fees of Statutory Auditors.

## 3. POLICY GOVERNANCE

### 3.1 Roles and responsibilities

- Financial Control (FC) function will:
  - shortlist minimum 2 audit firms for every vacancy of Statutory Auditor, place the shortlisted names in the order of preference before Board and verify compliance with eligibility norms prescribed by the regulators.
  - place the rationale and assessment of the auditor appointment to the Board
  - ensure to host the approved policy on its official website.
- Board of Directors of BIL IPL will:
  - approve/ suggest changes to the names shortlisted for Statutory Auditors' (SA) appointment.
  - Board will also approve the rationale of the number of joint auditors being considered as sufficient.
  - monitor and assess the independence of the Statutory Auditors and conflict of interest position will be addressed
  - review the performance of the Statutory Auditors on an annual basis and any serious lapses/negligence in audit responsibilities or conduct issues on the part of the Statutory Auditors or any other relevant matter will be reported to the RBI.
  - approve the audit fees of Statutory Auditors.

## 3.2 Policy Document Update

The policy will be effective for the FY 2021-22 and onwards and will be updated based on any change in guidelines by RBI or any changes recommended by the Board.

## 4. APPENDICES

### Appendix 1: Regulatory guidelines

Guidelines on appointment of Statutory Auditors



Appointment of  
SCA.PDF

### Appendix 2: Glossary

This glossary provides acronyms and definitions that are specific to the content of the Policy Document:

#### Abbreviations/Acronyms/Terms

Abbreviation/Acronym/Term	Explanation
FC	Financial Control
RBI	Reserve Bank of India
BOARD	Board of Directors of BIL IPL