

**GOVERNMENT OF INDIA
MINISTRY OF COOPERATION**

**LOK SABHA
UNSTARRED QUESTION NO. 1394
TO BE ANSWERED ON 12/12/2023**

Framing of Audit Standards for MSCs

† 1394. SHRI PRADEEP KUMAR SINGH:

Will the Minister of COOPERATION (सहकारिता मंत्री) be pleased to state:

- (a) whether the Government is in the process of framing audit standards for the Multi-State Co-operative Societies (MSCs) and if so, the details thereof; and
- (b) the manner in which it is likely to benefit the professionalism of the societies?

ANSWER

**THE MINISTER OF COOPERATION
सहकारिता मंत्री (SHRI AMIT SHAH)**

(a) to (b): The Multi-State Cooperative Societies (MSCS) (Amendment) Act & Rules, 2023 have been notified on 03.08.2023 and 04.08.2023, respectively to strengthen governance, enhance transparency, increase accountability and reform electoral process, etc.in the Multi State Cooperative Societies by supplementing existing legislation and incorporating the provisions of Ninety-seventh Constitutional Amendment.

A provision has been introduced for multi-State co-operative societies to adopt such standards of auditing and accounting as may be determined by the Central Government.

Until such standards of auditing and accounting are specified, the auditing and accounting standards specified by the Institute of Chartered Accountants of India constituted by sub-section (1) of section 3 of the Chartered Accountants Act, 1949 are deemed to be the standard of auditing and accounting. Also, the multi-State co-operative banks shall adopt the standards of accounting and auditing, if any, laid down by the Reserve Bank of India.

Also, a provision for Concurrent Audit has been introduced for Multi-State Cooperative Societies with turnover/deposits of more than 500 crore rupees from a panel of auditors approved by Central Registrar. Concurrent audit will ensure early detection of fraud or irregularities, if any, and accordingly prompt course corrections can be made. Following two panels of auditors for Multi-State Cooperative Societies have been notified for financial year 2023-24:

- 1) Panel of auditors for multi-State cooperative societies having an annual turnover/ deposit (as the case may be) of up to five hundred crore rupees for carrying out Statutory Audit.
- 2) Panel of auditors for multi-State cooperative societies having an annual turnover/ deposit (as the case may be) of more than five hundred crore rupees for carrying out Statutory and Concurrent Audit.

The above provisions will benefit the professionalism of the societies by ensuring standardization, uniformity in accounting/ auditing, greater transparency and financial discipline.
