

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:2935
ANSWERED ON:02.08.2002
ACCOUNTS OF REGIONAL RURAL BANKS
ANANDRAO ADSUL

Will the Minister of FINANCE be pleased to state:

- (a) whether the State Bank of India has decided to undertake a thorough scrutiny of the accounts of the Regional Rural Banks sponsored by it;
- (b) if so, the details thereof and the reasons therefor; and
- (c) to what extent the inspection of accounts of regional rural banks have been checked by the State Bank of India so far?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI ANANAT G. GEETE)

(a) & (b) : State Bank of India (SBI) has reported that the scrutiny of the accounts of Regional Rural Banks (RRBs) is being done annually by statutory auditors at the end of the financial year. The investment portfolio of RRBs is also regularly reviewed in the quarterly structured meetings.

(c) As per report of SBI the following inspection and audit system has been put in place for RRBs by National Bank for Agriculture & Rural Development (NABARD), sponsor bank and Reserve Bank of India:

- i) Statutory Audit of accounts of RRB once in a year by external auditors;
- ii) Internal inspection and audit by the inspectors deputed by Sponsor Bank once in a year;
- iii) NABARD's Statutory Inspection of the RRBs under section 35 of Banking Regulation Act, 1949 once in two/three years;
- iv) Periodical review at quarterly structured meeting with the Chairmen of RRBs by General Manager of the Circle: