

Auditor Selection Norms

1. The Auditor must possess demonstrable expertise in IT audit and governance frameworks, with experience aligned to industry-leading practices such as Control Objectives for Information and Related Technologies (COBIT).
2. The Auditor shall have minimum 3 years of experience in IT audit of securities market participants e.g. stock exchanges, clearing corporations, depositories, stock brokers/Trading Member, depository participants etc. The audit experience should cover all the major areas mentioned under Terms of Reference (ToR) of the system audit specified by SEBI /IFSCA/ Exchange.
3. It is recommended that resources employed for the purpose of system audit shall have relevant industry recognized certifications including but not limited to the following:
 - CISA (Certified Information System Auditor) from ISACA
 - D.I.S.A. (ICAI) Qualification,
 - CISM (Certified Information Securities Manager) from ISACA,
 - CISSP (Certified Information Systems Security Professional) from International Information Systems Security Certification Consortium, commonly known as (ISC)
4. The Auditor shall be free from any conflict of interest that could impair the conduct of a fair, objective and independent audit of the Member. Further, the Directors or Partners of the Auditor firm shall not have any direct or indirect relationship with the Member.
5. The Auditor must not have any cases pending against its previous audited companies/firms, which fall under SEBI's/IFSC's jurisdiction, which point to its incompetence and/or unsuitability to perform the audit task.
6. The Auditor should not have been engaged over the last three years in any consulting engagement with any departments / units of the Member.
7. The Auditor/Auditor firm can perform a maximum of three successive audits of the Broker Dealer. Follow-on audit conducted by the auditor shall not be considered in the successive audits. However, such an auditor shall be eligible for re-appointment after a cooling-off period of Two years.
8. The Member and Auditors are required to retain records of physical visits conducted during audits like name, qualification & date of visit/s of auditor, along with audit artifacts, proofs of concept (POCs), and evidence related to terms of reference (TOR) points for a period specified by IFSCA