

§453. Annual audits

1. Selection of auditor. The governing body of a financial institution subject to the provisions of this Title shall employ an independent public accountant or accountants at least annually. [PL 1997, c. 398, Pt. I, §38 (AMD).]

2. Duties of the auditor. The accountant or auditor selected in subsection 1 shall analyze the books, accounts, notes, mortgages, securities and operating systems of the institution in such manner as in his judgment will result in an audit which, together with the internal auditing and accounting procedures of the institution, comports with generally accepted accounting standards for the protection of depositors, members or stockholders and the efficient operation of the institution. The accountant or auditor shall make a written report of the condition of the institution to the president and chairman of the board, for the board, in such manner and to such extent as said accountant or auditor may deem necessary or proper, and said accountant or auditor shall supply such additional information obtained from his audit as the board may direct. [PL 1975, c. 500, §1 (NEW).]

3. Superintendent's comment on audit. The superintendent shall, in the course of his regular official examination of the institution and at such other times as he deems advisable, investigate the work of such accountant or auditor to determine its adequacy for the purposes set forth in subsection 2. In determining the adequacy of such an audit, the superintendent shall take into account the internal auditing and accounting procedures established by such institution. If the superintendent determines that the audit is inadequate, he shall report forthwith his findings, with instructions, in writing to the directors, who shall, within 30 days thereafter, comply therewith. [PL 1975, c. 500, §1 (NEW).]

4. Audit limiting liability. Whenever the directors of a financial institution shall have provided for such audit or audits by the method prescribed and, in the case of the employment, election or appointment of an accountant or auditor by them, shall have taken such action to remedy conditions as may be deemed reasonably necessary in the light of the information disclosed by any report of said accountant or auditor, and shall have complied with all reasonable recommendations of the superintendent relative thereto within the time hereinbefore prescribed, they shall not be personally liable for any loss suffered by such institution due to any subsequent wrongdoing by any officer or employee of the institution, in the absence of other facts indicating negligence on the part of said directors. [PL 1975, c. 500, §1 (NEW).]

SECTION HISTORY

PL 1975, c. 500, §1 (NEW). PL 1997, c. 398, §138 (AMD).

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