



Azadi Ka Amrit Mahotsav Activity

“Sky High- Symposium -31 Webinar” conducted by Women Members Empowerment Committee of ICAI on 7th December 2022

The Institute of Chartered Accountants of India
(Set up by an Act of Parliament)

Women Members Empowerment Committee Organises

Sky High - Symposium -31
Live Webinar
for Women by Women Every Wednesday

7th Dec, 2022
5.00 PM to 7.00 PM

FEES NIL

2 CPE Hours Unstructured

Registration and participation link:
<https://live.icai.org/wmec/07122022/>

Questions related to the topic may be sent in advance at wmec@icai.in or LIVE at the time of Webinar itself at the same link

Audit Quality Review- Process and Outcomes
CA. Jeyakumar Geetha

Transition from Manager to Leader
CA. Bahroze Kamdin

Welcome Address
CA. Sripriya Kumar
Chairperson, WMEC & CL&CGC
Vice-Chairperson, IBC Committee

Introductory Remarks
CA. Priti Paras Savla
Vice-Chairperson, WMEC, CL&CGC,
Sustainability Reporting Standards Board

Co-ordinators
CA. Kinjal Shah, CA. Amisha R Khimani, CA. Rinku Shah, CA. Pooja R. Soni

As part of country wide Azadi ka Amrit Mahotsav initiatives, envisaged by Government of India, to commemorate and celebrate 75 years of India's Independence, the Women Members Empowerment Committee (WMEC) of ICAI organized “Sky High- Symposium -31 Webinar” on 7th December 2022.

CA. Jeyakumar Geetha and CA. Bahroze Kamdin were speakers of the said webinar. Coordinators for the day were CA. Kinjal Shah, CA. Amisha R Khimani, CA. Rinku Shah and CA. Pooja R Soni.

The webinar covered discussion on “Audit Quality Review- Process and Outcomes”. Deliberations were made on ICAI Initiatives, Objectives of Audit Quality Review, NFRA Report June 2022, Findings of Audit Engagements Reviewed, Standard on Quality Control-1 (SQC-1), Risk Assessment and Response to Assessed Risk, Audit Documentation, Accounting Standards, CARO Reporting, Audit Evidence, Audit Conclusions and Reporting, etc.

ICAI INITIATIVES

- In India, ICAI over the years has reinforced the role that the accountancy profession plays in providing high quality financial information, facilitating market discipline, and fostering confidence of various stakeholders by being a prudential Regulator
- ICAI has been focusing on the intrinsic quality of Chartered Accountants through strong regimen of quality education & internationally benchmarked training, continuous professional development of members in niche & emerging areas.
- ICAI opened a center for audit quality during May 2020 to develop systematic audit quality framework
- Effective April 1, 2023 all audit firms auditing listed companies, banks (other than Co-operative banks), Insurance companies shall be mandatorily required to undertake an evaluation of their audit quality maturity using the Quality Maturity Model
- Practice Management, Practice manuals, audit tools, service benchmarking of service delivery, client satisfaction, technology use reviewed to assess

Discussion on staffing
Ananthakrishna Gowder started the m...

AUDIT QUALITY REVIEW

- Quality Review aims to assess the quality of audit of the financial statements of a company as well as the work done by the auditors in carrying out their statutory function
- Audit quality refers to matters that contribute to the likelihood that the auditor will:
 - achieve the fundamental objective of obtaining reasonable assurance that the financial report as a whole is free of material misstatement, and
 - ensure material deficiencies detected are addressed or communicated through the audit report.

This includes appropriately challenging key accounting estimates and treatments that can materially affect the reported financial position and results.

NFRA REPORT JUNE 2022

Executive Summary

- Auditor independence was questioned as the network firm was handling prohibited services while they were being appointed as statutory auditor
- Audit of Investments- shortcomings in verification of management assumptions for impairment assessment of investment value, approvals of audit committee for the investment not verified
- Loans and advances- ignored the evergreening of loans and roll overs being carried out
- Audit of revenue- related party transactions not tested for armslength
- Engagement quality reviewer's involvement on significant judgement and estimates areas and whether these were challenged

Standard on Quality Control -I (SQC-I)

- Not documenting its policies and procedures on each element of Quality Control that should also be sufficiently comprehensive and suitably designed in relation to the firm's size, nature and complexity of the firm's practice.
- Not establishing policies and procedures designed to provide it with reasonable assurance that it has sufficient personnel with capabilities, competence, and commitment to ethical principles necessary to perform its engagements in accordance with professional standards and regulatory and legal requirements
- Not properly implementing firm's policies and procedures related to personnel professional education, continuing professional development, training etc. for developing competence and capabilities of personnel
- Not establishing procedures to assess its staff's capabilities and competence
- Maintain policies and procedures with regard to engagement performance, engagement documentation and archival process.
- Improve monitoring mechanism and take corrective action for any of the deficiency identified during inspection process and communicate to its partner.

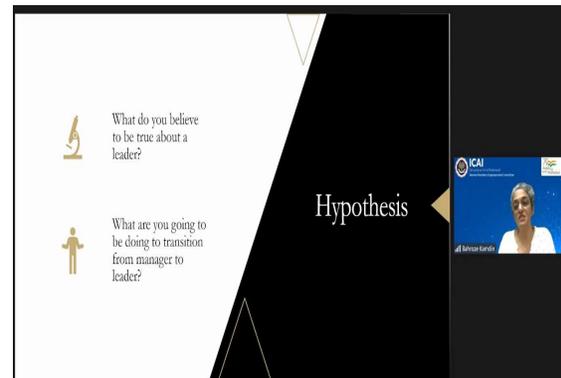
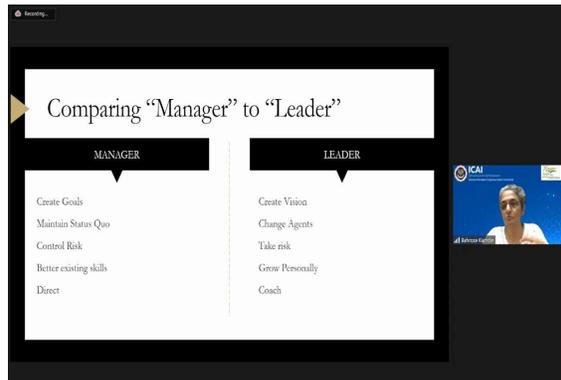
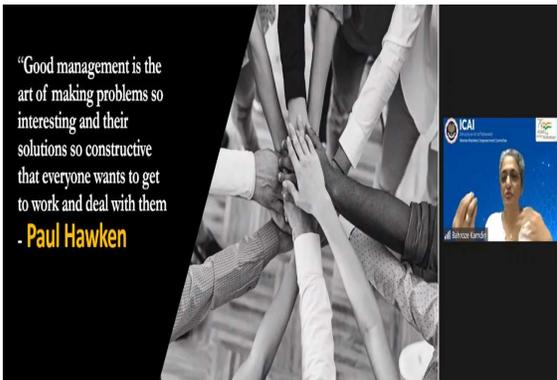
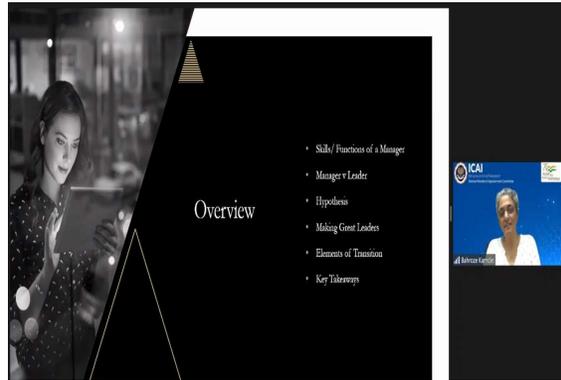
Risk Assessment and Response to Assessed Risks

- Audit plan did not cover the nature, timing and extent of direction and supervision of engagement team members and the review of their work in respect of vouching in the audit engagement
- Not considering whether information obtained from the auditor's client acceptance or continuance process is relevant to identifying risks of material misstatement

Audit Documentation

- Prepare audit documentation on a timely basis duly recording who performed and reviewed audit work and the date/s of completion and review.
- Prepare audit documentation to understand:
 - nature, timing and extent of audit procedures performed to comply with SAs and applicable legal and regulatory requirements;
 - results of audit procedures performed and audit evidence obtained; and
 - significant matters arising during the audit, conclusions reached and significant professional judgments made.
- Comply with policies and procedures for assembly and archival of work papers within stipulated time.

The webinar also covered Session on "Transition from Manager to Leader". Topics discussed were Skills/ Functions of a Manager, Manager vs Leader, Hypothesis, Making Great Leaders, Elements of Transition, Key Takeaways, etc.



The webinar concluded by giving Vote of Thanks to the Speakers and the participants.

Glimpses of the Webinar held on 7th December 2022

