

Announcement

Report on Audit Quality Review (2017-18) of the Quality Review Board

Government of India has, in exercise of the powers conferred under Section 28A of the Chartered Accountants Act, 1949, constituted a Quality Review Board (the 'Board') to perform the following functions u/s 28B of the Chartered Accountants Act, 1949:-

- a) to make recommendations to the Council with regard to the quality of services provided by the members of the Institute;
- b) to review the quality of services provided by the members of the Institute including audit services; and
- c) to guide the members of the Institute to improve the quality of services and adherence to the various statutory and other regulatory requirements.

2. Government of India has also issued 'Chartered Accountants (Procedures of Meetings of Quality Review Board, and Terms and Conditions of Service and Allowances of the Chairperson and Members of the Board) Rules, 2006'. In terms of its Rule 6, in the discharge of its functions, the Board may, inter alia, evaluate and review the quality of work and services provided by the members of the Institute in such manner as it may decide and also lay down the procedure of evaluation criteria to evaluate various services being provided by the members of the Institute and to select, in such manner and form as it may decide, the individuals and firms rendering such services for review. Pursuant to the Rule 6, the Board has issued 'Procedure for Quality Review of Audit Services of Audit Firms' (the 'Procedure') providing for various matters, adopting best practices, in laying down the necessary system for conducting reviews of Audit firms in India.

3. In terms of the aforesaid Procedure, the Quality Review Board has initiated a system of independent review of statutory audit services of the audit firms auditing accounts of top listed and other public interest entities in India pursuant to a process comprising selection of the Audit firms for review and engagement of Technical Reviewers.

4. The Board has issued a Report on Audit Quality Review (2017-18) providing key findings and analysis of observations made by the Technical Reviewers in review reports during the period which is available at the website of the Quality Review Board (<http://www.qrbca.in/wp-content/uploads/2018/07/qrb40447.pdf>). It is hoped the concerned stakeholders will find it useful.

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Secretary, Quality Review Board