

No. QRB/1-13/2019
Quality Review Board

Gr. Floor, Admin. Block, ICAI Bhawan,
A-29, Sector 62, NOIDA– 201 309 (U.P.).
Ph: 0120-3045983; Telefax: 0120 – 3045984
Email: secretary@qrbca.in;
Website: <http://www.qrbca.in>

Dated: 9th December, 2019

All the Members of the Quality Review Board

Madam/ Sir,

Sub.: Constitution of Thematic Review Group of QRB reg.

In terms of the decision taken at the 61st meeting of the Quality Review Board held on 18th November, 2019, the Board has decided to conduct **Audit Quality Thematic Reviews** which may supplement the annual programme of reviews of Audit firms by the Quality Review Board. In a thematic review, QRB may look at firms' policies and procedures in respect of a specific area or aspect of the audit or firm wide procedures to make comparisons between firms with a view to identifying both good practices and areas of common weaknesses. Such reviews would be narrow in scope but focused on a selected aspect of audit or firm wide procedures in greater depth than is generally possible in a normal review. Thematic reviews would also be of help to Audit firms in developing or enhancing and evolving their quality control review procedures, contributing to their own processes of continuous improvement to enhance audit quality. It should also be of interest to audit committees and other stakeholders.

2. In view of the above, it has been decided to constitute Thematic Review Group (TRG) consisting of the following members and terms of reference:-

Terms of Reference

Thematic Review Group (TRG) may perform, inter alia, the following functions and submit, from time to time, its report/s for further consideration by the Quality Review Board:-

- To conduct thematic reviews in respect of specific areas, as may be decided by the Quality Review Board from time to time, across Audit firms as well as suggest various other necessary requirements, procedures, questionnaire and other formats, as it may deem fit, for conducting thematic reviews of the Audit firms and submit its report/s to the Board, from time to time, indicating the findings identifying both scope for improvement and good practices among firms and making recommendations suggesting measures for improvement across firms.
- To perform such other functions as may be requested by the Quality Review Board from time to time.

Composition:

- CA. M.P. Vijay Kumar, Central Council Member, ICAI, Chennai – Convenor

- CA. Dhinal A. Shah, Ahmedabad – Member
- Ms. Barnali Mukherjee, Chief General Manager, SEBI, Mumbai – Member
- Mr. Rakesh Sehgal, Acting Secretary, ICAI, New Delhi – Special invitee
- Secretary, QRB to provide necessary secretarial support.

3. The overall approach to thematic reviews could be summarized as:-

- Each selected firm may be asked to complete a questionnaire based on different aspects of the concerned thematic review and other related questions.
- The responses to the questionnaires may be reviewed and different responses may be compared across firms. Areas of good practice and outliers may be identified and followed-up.
- The results of review may be presented for undertaking improvement measures, wherever required. The results of thematic reviews could also be used for annual review programme of firms.

4. Considering the possible areas where thematic reviews could be conducted, the Board decided to initially conduct thematic review of Audit Firms' Quality Control Procedures where the policies and procedures of the Audit firms could be considered focusing upon key aspects of the firms' quality control system to support the audit team in delivering a high quality audit. These could include leadership responsibilities for quality within the firm, independence, human resources, Engagement Quality Control Reviews (EQCR) and engagement performance etc.

5. The Quality Review Board, at its 50th meeting held on 10.04.2017, had also reiterated the decision taken by it at its 38th meeting held on 17.10.2014 that the quorum for transaction of any business at a meeting of the QRG or any other Sub-Committee/ Expert Group constituted by the QRB shall be 1/3rd of the members or two members whichever is greater. It was further decided that the attendance in the meeting may be allowed by way of audio or video conferencing which may also be counted for the purpose of quorum. It was also decided that no recording of such audio/video conferencing shall be made.

With kind regards,

Yours faithfully,

Sd/-
(CA. Mohit Baijal)
Secretary, Quality Review Board

Copy to:-

1. All the Members of the Thematic Review Group.
2. EDP Section – for hosting at website of Quality Review Board.