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**TECHNICAL REVIEWER'S REPORT**

**Date:**

Ref: *(Reference number to be mentioned for future correspondence)*

To  
The Chairperson  
Quality Review Board (QRB)  
ICAI Bhawan, Admin Block, Ground Floor,  
A-29, Sector 62, NOIDA – 201 309 (U.P.)

**Sub:** Quality review of (M/s XYZ & Co – Mention the Firm Name with the Firm Registration Number (the "AFUR")) in respect of Statutory Audit of ..... ("the Company"/ "Entity") for the year ended (As applicable)

**Ref:** No. XXX, dated Month XX, 20XX

**Final Report on the Quality Review of the Audit Services of the Firm**

With reference to your letter no XXX dated XXXX, I have conducted the Quality Review of M/s XYZ & Co (Firm Registration No...../Membership Number.....) ("AFUR") in respect of the Statutory Audit of .....("the Company"/"Entity"), for the year ended .....in terms of the Procedure for Quality Review of Audit Services of Audit Firms (Revised) issued by the QRB and as amended from time to time ("the Procedure").

**Brief Profile of the AFUR**

M/s XYZ & Co. ("AFUR") was established in the year xxxx. It operates with \_\_\_ (update as applicable) branches across India.

As informed to me, currently there are xx partners, xxx professional and other staff including articles and semi-qualified (amend suitably based on information available).

**AFUR's Responsibility**

The compliance of conditions with applicable technical standards in India and other applicable professional and ethical standards, relevant laws and regulations, implementation of a system of quality control with reference to the applicable quality control standards, standards on auditing etc., is the responsibility of the AFUR and, the compliance with the accounting standards and the generally accepted accounting principles while preparation and presentation of financial statements is that of the Management of the Company.

The AFUR's responsibility is to express an opinion on the financial statements of the Company/entity for the year ended.....based on its audit. The AFUR is required to conduct their audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that they comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

### Technical Reviewer's Responsibility

A quality review of the audit services of the firm in terms of the Procedure for Quality Review of Audit Services of Audit Firms (Revised) issued by the QRB and as amended from time to time ("the Procedure") involves interviewing, making enquiries and performing such other procedures to examine whether the Firm has complied with the applicable technical standards relating to the audit of the financial statements, the professional and ethical standards as issued by the Institute of Chartered Accountants of India (ICAI) and considered relevant laws and regulations. It also includes review of the system of quality control which the Firm has implemented as required by such technical standards.

My examination and review was limited to procedures and implementation thereof, adopted by the AFUR for ensuring the compliance of:

- whether the AFUR has ensured compliance with the applicable technical standards in India, other applicable professional and ethical standards, other relevant guidance and relevant laws and regulations;
- whether the AFUR has implemented a system of quality control with reference to the applicable quality control standards;
- whether there is no material misstatement of assets and liabilities as at the reporting date in respect of the Company/entity concerned; and
- whether the AFUR has ensured whether all provisions in the relevant standards on auditing that have a bearing on the premature termination of an engagement have been complied with or not **(wherever applicable)**.

It is neither an audit nor an expression of opinion on the financial statements of the Company/entity. I further state that such compliance is neither an assurance as to the future viability of the AFUR / Company/entity nor of the efficiency or effectiveness with which the AFUR has conducted the audit of the Company/entity.

### Basis for Qualified Report – Non-compliances

According to the Procedure for Quality Review of Audit Services of Audit Firms (Revised) issued by the Quality Review Board and as amended from time to time, the report is being qualified in respect of the following matters which represent **non-compliances, as defined in the Procedure for Quality Review of Audit Services of Audit Firms (Revised) (while identifying the non-compliances, cognizance may also be taken of the requirements of SA 250 Consideration of Laws and Regulations in an Audit of Financial Statements)**:

Background/ Technical Standards requirement to be reproduced(alongwith section/sub- section/para/clause /notes etc.)	Refer to Para no. of Appendix-I	Non-compliances (as defined in the Procedure for Quality Review of Audit Services of Audit Firms (Revised))	Whether Material/ Non- material	Key reason attributed to Non-compliance
			<p>Please state materiality threshold as decided for the audit/ specific item and state the amounts involved in the non-compliance and determine whether non-compliance is material / non-material for the audit.</p>	<p>State the reason for non-compliances:</p> <ol style="list-style-type: none"> <li>1. Auditor failed to obtain sufficient audit evidence  OR</li> <li>2. Auditor failed to identify material misstatement in the financial statements  OR</li> <li>3. Auditor breached independence requirements  OR</li> <li>4. Incorrect audit opinion was issued  OR</li> <li>5. Other non-compliances of Technical standards or statutory or regulatory requirements (please specify)</li> </ol>
<p>Please determine whether non-compliances, in aggregate, are material or not by stating all facts and figures.</p>				

**Other Matters for Improvement**

Certain areas for improvement in terms of strengthening of policies and certain aspects relating to planning, risk assessment / documentation and certain disclosure requirements in relation to the financial statements of the Company/entity for the year ended March 31, 20xx (please add any other relevant areas) have been detailed as under :

Background/ Technical Standards requirement to be reproduced(alongwith section/sub- section/para/clause /notes etc.)	Deficiencies	Refer to Para no. of Appendix-I

**Matters of General Guidance to Audit Firms/ Members**

On the basis of my review, I recommend that following are the matters of general guidance, if any, that needs to be issued to the Audit firms/ members at large:-

**Report**

In issuing the report, I have considered the size of the AFUR (Refer the brief profile of the AFUR stated above), the extent of the applicability of Standard on Quality Controls and the relevant documentation to be maintained by the AFUR.

I enclose in the Final Report (Appendix – I) certain findings/observations viz., Elements relating to audit quality of companies/entities, Elements relating to quality control framework adopted by the AFUR in conducting the aforesaid audit and other matters which include my comments arising out of the examination of the audited financial statements of the Company/entity for the year ended XXXX in terms of my scope. Such matters, along with my comments / recommendations thereon have been discussed with the AFUR during the course of my review and their responses have been included insofar as my observations are concerned.

Based on my review conducted and subject to the weaknesses and deficiencies stated under the paragraph 'Basis for Qualified Report' and read with my comments under the paragraph 'Other matters for improvement' and our findings/observations stated in Appendix I, nothing has come to my attention that causes me to believe that the AFUR has not complied with the aspects covered in terms of my scope mentioned in the "Technical Reviewer's Responsibility" paragraph.

QRB reviews are designed to identify and address weaknesses and deficiencies related to how a firm performs audit work. To achieve that goal, QRB reviews include reviews of certain aspects of selected audit work performed by the firm and certain aspects of the firm's quality control system. It is not the purpose of a review, however, to review all of a firm's audit work or to identify every respect in which reviewed audit work is deficient. Accordingly, a Technical Reviewer's report should not be understood to provide any assurance that the firm's audit work, or the relevant Company's/entity's financial statements or reporting on internal control, are free of any deficiencies not specifically described in a review report.

QRB Reviews encompass, among other things, whether the firm has failed to identify financial statement misstatements, including failures to comply with disclosure requirements, in its audits of financial statements. This report's descriptions of any such auditing failures necessarily involve descriptions of the apparent misstatements or disclosure departures. The QRB, however, has no authority to prescribe the form or content of the Company's/entity's financial statements. That authority, and the authority to make binding determinations concerning whether a Company's/ entity's financial statements are misstated or fail to comply with the disclosure requirements, rests with the relevant authority under the Companies Act or under the Listing Agreements with the Stock exchanges, SEBI or any other applicable Authority. Any description, in this report, of financial statement misstatements or failures to comply with such disclosure requirements should not be understood as an indication that the relevant Authority has considered or made any determination regarding these issues unless otherwise expressly stated.

I am also enclosing the Appendix II (General Overview), Appendix III (Quality Review Program – Questionnaire), Appendix IV (Report on Areas of Focus) & Appendix V (Justification on findings /observations dropped from Preliminary Report) as required by the QRB, which is an attachment to the Final Report. In Appendix VI, I have enclosed an overview and information on planning and performing the review. In Appendix VII, I have enclosed brief profile of myself and each one of my assistants who assisted me in carrying out the above Quality Review assignment.

I would like to take this opportunity to thank the Partners, Managers and other personnel of the AFUR who have assisted me in carrying out my review.

*Technical Reviewer*  
Chartered Accountant  
Membership Number  
Signature  
(Name of the Member Signing the Report)  
(Email Id)  
(Phone No)

Enclosures:

1. Appendix I - Findings/Observations
2. Appendix II - General Overview
3. Appendix III - Quality Review Program – Questionnaire
4. Appendix IV - Report on Areas of Focus for Review
5. Appendix V - Justification on findings/observations dropped from Preliminary Report
6. Appendix VI - Overview and information on planning and performing the review
7. Appendix VII - Profile of Technical Reviewer and Assistants on the engagement

**Copy to:**

1. M/s..... (FRN.....) ('AFUR')