

Ministry of Corporate Affairs



## MoU signed between National Financial Reporting Authority (NFRA) and Indian Institute of Corporate Affairs (IICA) to collaborate on capacity building programs for professionals

A four-month course to commence from last week of December 2024 for the 1st batch under this MoU

Posted On: 23 OCT 2024 9:39PM by PIB Delhi

In a significant step towards knowledge and capacity building in the area of corporate governance, the National Financial Reporting Authority (NFRA) and the Indian Institute of Corporate Affairs (IICA) have signed a Memorandum of Understanding (MoU) on 22<sup>nd</sup> October 2024 in Delhi.

The MoU outlines the framework for collaboration between the National Financial Reporting Authority (NFRA) and the Indian Institute of Corporate Affairs (IICA). A significant deliverable under the MoU includes capacity building programmes designed for early and mid-career auditing and accounting professionals and audit committee members and independent directors.

The collaboration stems from NFRA's enforcement and inspection findings which revealed that despite the mandatory nature of auditing standards in the Companies Act 2013, in a number of cases auditors exhibited inadequate awareness regarding their obligations within these standards. This resulted in overlooking mandatory requirements, inadequate testing procedures, and ultimately, deficiencies in obtaining sufficient and appropriate evidence to support their audit work. The programmes will be developed with an aim to equip participants with knowledge of accounting and auditing standards, quality management standards, ethical standards etc, and practical insights (through case studies or case examples) that facilitates application of these standards and related requirements by them, towards furthering the goal of enhancing audit quality.

This initiative also covers designing programmes, leveraging IICA's experience & expertise developed over several years, that may be used by audit committee members across public and private sector organizations towards furthering the goals of corporate governance.

This initiative is also towards fulfilment of NFRA's obligations towards promoting awareness of accounting and auditing standards, auditors' responsibilities, audit quality, and other relevant matters through education, training, seminars, workshops, conferences, and publicity initiatives.

The 1st batch of a course under this MoU titled as “IICA-NFRA certification course for Audit Committee Members” is a four-month course and is likely to commence from last week of December 2024. A six-month programme for auditors is also being planned for auditors of listed companies. By enhancing the competence of auditors and other professionals, the program aims to ensure a more robust and thorough auditing environment in the Country.

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**NB/AD**

(Release ID: 2067512)

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