

NFRA has taken up Nationwide Outreach Programmes and Audit Firms Survey 2025 to enhance Audit Quality

‘Audit Practice Toolkits’ launched to support the small and medium practitioners engaged in the audits

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The initiative of National Financial Reporting Authority (NFRA) through outreach programmes across the country is aimed at enhancing audit quality and promoting sustainable audit practices for all sizes of audit firms and especially the small & medium sized audit firms. The series of outreach programme is titled “Creating a Better Financial Reporting World” and are being organized at various locations across the country.

Outreach programmes and workshops were held as detailed below:

- i. At Hyderabad on 26.09.2025. It was attended by 65 practitioners, including representatives from 27 audit firms.
- ii. At Indore on 06.10.2025. It was attended by 42 practitioners, including representatives from 13 audit firms.

NFRA initiated its first-ever “Audit Firms Survey 2025” alongside the outreach activities aimed at addressing issues related to audit quality, and towards its role of supporting all audit practitioners effectively. The insights gathered will enable NFRA to further tailor its roles and responsibilities and enable constructive dialogue with all audit firms and audit practitioners. A total of 383 firms across India participated in the survey

NFRA has taken the following main steps in keeping with its mandate:

i. Standard Setting Functions:

Auditing Standards: A set of 40 revised high-quality Standards on Auditing including revised Standard on Group Audits and Standards on Quality Management, have been recommended by NFRA

Accounting Standards: A total of 47 amendments/changes to Ind AS (Indian Accounting Standards) have been recommended of which 44 have been notified. A set of 27 Accounting Standards for small and medium companies have been recommended which have been notified by the Ministry of Corporate Affairs.

ii. Enforcement Functions:

NFRA has taken disciplinary action for professional misconduct thereby sensitising the audit profession regarding their responsibility in law and accounting and auditing standards.

Learnings from NFRA orders has been published by the profession itself. NFRA has also conducted webinars and is consistently engaging with stakeholders to disseminate its experience and findings.

iii. Audit Quality Inspections:

In December 2022, NFRA initiated audit quality inspections of audit firms covering both firm-wide inspection and inspection of individual audit engagement undertaken by the audit firms in respect of the audit of Public Interest Entities. So far 12 audit quality inspection reports have been published on NFRA website.

iv. NFRA Circulars:

NFRA has issued circulars, reiterating provisions in law and standards, with a view to prevent recurrence of such non-compliances and bring in systemic improvement in the quality of financial reporting in India, towards advising and guiding various stakeholders.

v. NFRA series on Auditor-Audit Committee Interactions:

A series of Auditor-Audit Committee Interactions has been commenced as it has critical role in ensuring better audit quality.

vi. NFRA has collaborated with Indian Institute of Corporate Affairs (IICA) and a 4-month course had been launched for capacity building of independent directors and audit committee members of companies who have significant responsibilities towards audit quality in law.

(vii) NFRA has issued ‘Audit Practice Toolkits’ on its website on 04 November 2025 with a focus on supporting the small and medium practitioners engaged in the audits.

(viii) Announced launch of webinar series as part of its 2025-26 initiative “Creating a Better Financial Reporting Ecosystem”.

This information was given by the Minister of State in the Ministry of Corporate Affairs; and Minister of State in the Ministry of Road, Transport and Highways, Shri Harsh Malhotra in a written reply to a question in Rajya Sabha today.

NB/PK