Exposure Draft of the Audit Quality Maturity Model – Version 1.0 (AQMM v1.0)

Explanatory Memorandum on Applicability of Audit Quality Maturity Model - Version 1.0 (AQMM v1.0)

The Audit Quality Maturity Model -Version 1.0 (AQMM v1.0) is a capacity building measure initiated by ICAI and the objective of this Evaluation Matrix is for sole proprietors and Audit firms to be able to self-evaluate their current level of Audit Maturity, identify areas where competencies are good or lacking and then develop a road map for upgrading to a higher level of maturity.

In the Council meeting held on January 9, 2021 it was decided that the both the Peer Review Board and the Centre for Audit Quality (CAQ) would need to develop the ecosystem which is acceptable to both and such collaborative approach would have the advantage of the CAQ developing the quality standards and Peer Review Board testing the said standards.

Using the above-mentioned collaborative approach, the **AQMM v1.0 would be recommendatory initially** and after 1 year the Council will review the date from which it would become mandatory.

Firms auditing following entities are covered in AQMM v1.0:
(a) A listed entity; or
(b) Banks other than co-operative banks *(except multi-state co-operative banks)*
(c) Insurance Companies
However, firms doing only branch audits are not covered.

This AQMM v1.0 is being shared with various stakeholders as an Exposure Draft and will be available for public comments for a period of 15 days. The Centre for Audit Quality (CAQ) will release the final AQMM v1.0 on July 1, 2021, after incorporating the comments received from stakeholders.

The CAQ encourages you to fill up the checklist and self-assess your audit quality maturity level. We recommend that your firm try to enhance its competencies every quarter as there is always scope for improvement. We wish you all the best in your journey!

The above-mentioned Exposure Draft is hosted on the website of the Institute of Chartered Accountants of India (www.icai.org) for public comments with last date as June 10, 2021.

The comment period on the proposal is kept short to expedite the process of considering issuance of this practical relief in time.

How to comment:
Comments should be submitted through email to caq.comments@icai.in so as to be received not later than **June 10, 2021.**

Further clarifications on this Exposure Draft may be sought by e-mail to **caq@icai.in**.

The Exposure Draft of the Audit Quality Maturity Model – Version 1.0 (AQMM v1.0) is attached below.

Exposure Draft of Audit Quality Maturity Model (AQMM) - Version 1.0 (AQMM v1.0)

Competency Basis		Score Criteria		Score Basis		Max Scores
1	**Practice Management – Operation**					
1.1.	**Practice Areas of the Firm**					
i	Revenue from audit and assurance services	i.	Minimum revenue of 50% of the total revenue from audit and assurance services such as statutory audit, tax audit, internal audit, GST audit, Forensic audit, Sustainability audit, Social audit, etc., is considered specialisation, when consistently witnessed for a period of 3 years. (Exception applies only in case of acquisition of another firm or a group of professionals).	(i) (ii)	50% to 75% – 1 Point Above 75% – 2 Points	2
ii	Does the firm have a vision and mission statement? Does it address Forward looking practice statements/Plans?	i.	The presence of a vision/ mission is essential though it does not make it a criterion for scoring.			
	Total					**2**
1.2.	**Work Flow - Practice Manuals**					
i.	Presence of Audit manuals containing the firm's methodology that ensures compliance with auditing standards.	Scoring based on Presence or Not. Answers: Yes/No		For Yes – 2 Points For No – 0 Point		2
ii.	Availability of standard formats relevant for audit quality like - - LOE - Representation letter - Significant working papers - Reports	Scoring based on Presence or Not. Answers: Yes/No		For Yes – 2 Points For No – 0 Point		2
	Total					**4**
1.3.	**Quality Review Manuals or Audit Tool**					
i.	Usage of Client Acceptance/engagement acceptance checklists	Scoring based on Presence or Not. Yes/No Answers		For Yes – 1 Point For No – 0 Point		1

ii.	Evaluation of Independence for all engagements (partners, managers, staff, trainees) based on the extent required. The firm must identify self-interest threat, familiarity threat, intimidation threat, self-review threat, advocacy threat and conflict of interest.	Scoring based on Presence or Not. Yes/No Answers	For Yes – 1 Point For No – 0 Point	1
iii.	Does the Firm maintain the engagement withdrawal/rejection policy, templates, etc?	Scoring based on Presence or Not. Yes/No Answers	For Yes – 1 Point For No – 0 Point	1
iv.	Availability of standard checklists in performance of an Audit for Compliance with Accounting and Auditing Standards	Scoring based on Presence or Not. Yes/No Answers	For Yes – 1 Point For No – 0 Point	1
v.	Availability of standard formats for audit documentation of Business Understanding, Sampling basis, Materiality determination, Data analysis, and Control Evaluation	Scoring based on Presence or Not. Yes/No Answers	For Yes – 1 Point For No – 0 Point	1
vi.	Are the documents related to Quality control mentioned from (i) to (v) above reviewed and updated on a frequent basis (say annually) or with each change in the respective regulation or statute?	Scoring based on Presence or Not. Yes/No Answers	For Yes – 1 Point For No – 0 Point	1
	Total			**6**
1.4	**Service Delivery - Effort monitoring**			
i.	Does the firm carry out a Capacity planning for each engagement?	Scoring based on Presence or Not. Yes/No Answers	For Yes – 1 Point For No – 0 Point	1
ii.	Is a process of Budgeting & Planning of efforts required maintained (hours/days/weeks) ?	Scoring based on Presence or Not. Yes/No Answers	For Yes – 1 Point For No – 0 Point	1
iii.	Are Budget vs Actual analysis of time and effort spent carried out to identify the costing and pricing?	Scoring based on % of engagements in which the compliance with budget vs actual is carried out	Up to 10% – 0 Point More than 10% and up to 30% – 1 Point More than 30% and up to 50% – 2 Points More than 50% and up to 70% – 3 Points More than 70% and up to 90% – 4 Points More than 90% – 5 Points	5

iv.	Does the firm deploy technology for monitoring efforts spent - Utilisation of tools to track each activity (similar to Project management - Say timesheets, task management, etc.) **Note:** DCMM Version 2 may be referred to arrive at the technical maturity of the firm/ CA.	Scoring based on Presence or Not. Yes/No Answers	For Yes – 2 Points For No – 0 Point	2
	Total			**9**
1.5	**Quality Control for engagements**			
i.	Does the firm have a Partner review/ Quality review for all audit assignments and is there a document of time spent for review of all engagements?	Scoring based on Presence or Not. Yes/No Answers	For Yes – 2 Points For No – 0 Point	2
ii.	Total engagements having concluded to be satisfactory as per quality review vs No of engagements quality reviewed	Scoring based on % of quality review with overall engagements of the same nature.	Up to 10% – 0 Point More than 10% and up to 30% – 1 Point More than 30% and up to 50% – 2 Points More than 50% and up to 70% – 3 Points More than 70% and up to 90% – 4 Points More than 90% – 5 Points	5
iii.	No. of engagements without findings by ICAI, Committees of ICAI and regulators that require significant improvements	Scoring based on % of engagement meeting quality review standards with overall engagements of the same nature. The percentage of engagements meeting quality review standards would be based on findings vis-à-vis the selection and not findings vis-à-vis the total number of engagements. The point based system would be based on significant findings alone and recommendatory findings would serve as a roadmap for improvement.	10% to 30% – 1 Point More than 30% and up to 50% – 2 Points More than 50% and up to 70% – 3 Points More than 70% and up to 90% – 4 Points More than 90% – 5 Points	5

iv.	Documentation of the firm in accordance with SQC 1	Scoring based on Presence or Not (Yes/No Answers) in the below mentioned areas: (a) Leadership responsibilities for quality within the firm. (b) Ethical requirements (c) Acceptance and continuance of client relationships and specific engagements. (d) Human resources. (e) Engagement performance. (f) Monitoring.	For the presence of documentation in the critical areas of Ethical requirements, Acceptance and continuance of client relationships and specific engagements, and Engagement performance – 1 Point For the presence of documentation in the areas of Leadership responsibilities for quality within the firm, Human resources, and Monitoring – 1 Point	2
v.	Does the firm have Accounting and Auditing Resources in the form of soft copies of archives Q&As, firm thought leadership, a dedicated/ Shared Technical desk?	Scoring based on Presence or Not. Yes/No Answers	For Yes – 2 Points For No – 0 Point	2
vi.	Is appropriate time spent on understanding the business, risk assessment and planning an engagement?	Scoring based on Presence or Not. Yes/No Answers	For Yes – 3 Points For No – 0 Point	3
	Total			**19**
1.6	**Benchmarking of service delivery**			
i.	Does the firm follow/ implement Standard delivery methodology – the adoption of audit manuals, adherence to practice standards and tools?	Scoring based on Presence or Not. Yes/No Answers	For Yes – 1 Point For No – 0 Point	1
ii.	Does the firm evaluate the efficiency and benchmark delivery by monitoring the number of statutorily backed engagements closed on time/before due date/belated filing, completion etc. (Ex. Tax audits, Statutory audits, IT filings, GST returns, ROC compliances, FEMA compliances, TDS returns, etc)	Scoring can be based on buckets - % within due dates to overall due date based engagements	10% to 30% – 1 Point More than 30% to 50% – 2 Points More than 50% to 70% – 3 Points More than 70% to 90% – 4 Points More than 90% to 99% – 5 Points More than 99% – 6 Points	6

iii.	The number of statutory audit engagements re- worked (filing errors, information insufficiency, wrong interpretation of provisions, etc.)	Negative Scoring based on %	Less then 5% – 0 Point More than 5% to 15%: (-1) Point More than 15% to 30%: (-2) Points More than 30% to 50%: (-3) Points More than 50%: (-4) Points	0
iv.	Number of client disputes	Negative Scoring based on % of clients	Less then 5% – 0 Point More than 5% to 15%: (-1) Point More than 15% to 30%: (-2) Points More than 30% to 50%: (-3) Points More than 50%: (-4) Points	0
v.	Review frequency of back-log, engagement agreed upon and not commenced, WIP, etc. (Excl. of client-side delays).	Are the timing of audit interactions with management planned in such a way that integrates with the auditor's requirements so that audit timelines can be met? Scoring based on Presence or Not. Yes/No Answers	For Yes – 3 Points For No – 0 Point	3
	Total			**10**
1.7	**Client Sensitisation**			
i.	Awareness meetings and Knowledge dissemination meetings/ articles/document sharing with clients including: 1) Updating client on audit issues, formally- effectiveness of the process of communication with management and those charged with Governance; 2) Updating client on changes in accounting, legal, audit aspects, etc with client specific impact; and 3) Follow through on previous audit observations and updates to management and those charged with Governance.	Scoring based on Presence or Not. Yes/No Answers	For Yes – 1 Point For No – 0 Point	1
ii.	Alerts and reminders mechanism for due dates, payment and filings for clients	Scoring based on Presence or Not. Yes/No Answers	For Yes – 1 Point For No – 0 Point	1

iii.	Monitoring planned hours vs actual hours across engagement; the focus is on the existence of a monitoring mechanism	Scoring based on Presence or Not. Yes/No Answers	For Yes – 1 Point For No – 0 Point	1
iv.	Instances where actual hours exceed budget by more than say 20%	Scoring based on Presence or Not. Yes/No Answers	For Yes – 1 Point For No – 0 Point	1
	Total			**4**
1.8	**Technology Adoption**			
i.	Technology adoption at Office –			
	• Internal communication - chats	Scoring based on Presence or Not. Yes/No Answers	For Yes – 1 Point For No – 0 Point	1
	• Has the firm automated its office with automated Attendance System and Leave management?	Scoring based on Presence or Not. Yes/No Answers	For Yes – 1 Point For No – 0 Point	1
	• Project or activity management/ Timesheet management,	Scoring based on Presence or Not. Yes/No Answers	For Yes – 1 Point For No – 0 Point	1
	• Digital storage of records (scan, etc.),	Scoring based on Presence or Not. Yes/No Answers	For Yes – 1 Point For No – 0 Point	1
	• Centralised server/ Cloud	Scoring based on Presence or Not. Yes/No Answers	For Yes – 1 Point For No – 0 Point	1
	• Digital Library (Own or ICAI)	Scoring based on Presence or Not. Yes/No Answers	For Yes – 1 Point For No – 0 Point	1
	• Client interaction (Alerts, updates, availability of information in website, etc),	Scoring based on Presence or Not. Yes/No Answers	For Yes – 1 Point For No – 0 Point	1
	• Video conferencing facilities adopted,	Scoring based on Presence or Not. Yes/No Answers	For Yes – 1 Point For No – 0 Point	1
	• Does the firm use only licensed operating system, software etc.?	Scoring based on Presence or Not. Yes/No Answers	For Yes – 1 Point For No – 0 Point	1
	• Own E-mail domains, E-mail usage policies, etc.	Scoring based on Presence or Not. Yes/No Answers	For Yes – 1 Point For No – 0 Point	1
	• Use of anti-virus and malware protection tools,	Scoring based on Presence or Not. Yes/No Answers	For Yes – 1 Point For No – 0 Point	1
	• Data security, etc	Scoring based on Presence or Not. Yes/No Answers	For Yes – 1 Point For No – 0 Point	1
	• Cybersecurity measures	Scoring based on Presence or Not. Yes/No Answers	For Yes – 1 Point For No – 0 Point	1
ii.	Awareness and Adoption of Technology for Service delivery – Say, use of Audit tools, usage of analytical tools, use of data visualisation tools or adoption of an audit tool. Note: DCMM Version 2 may be referred to arrive at the technical maturity of the firm/ CA.	Scoring based on Presence or Not. Yes/No Answers	For Yes – 2 Points For No – 0 Point	2
	Total			**15**

1.9	**Revenue, Budgeting & Pricing**			
i.	Whether the client wise revenue is in compliance with the Code of Ethics (currently fees from one client should not exceed 40% of total revenue) and once the deferred clauses of Part A are implemented this will be reduced to 15%.	Scoring based on Presence or Not. Yes/No Answers	For Yes – 1 Point For No – 0 Point	1
ii.	Fee considerations and scope of services should not infringe upon the quality of work and documentation as envisaged in SQC 1 under Leadership is responsible for quality within the firm.	Scoring based on Presence or Not. Yes/No Answers	Yes – 1 Point For No – 0 Point	1
iii.	Adherence to a minimum scale of fees standards recommended by ICAI	Scoring based on Presence or Not. Yes/No Answers	For up to 50% of the engagements- 1 Point For More than 50% of the engagements – 2 Points For None – 0 Point	1
	Total			**3**
1.10	**Performance evaluation measures carried out by the firm (KPI's)**			
i.	Does the firm have written KPIs for performance evaluation of the firm and partners?	Scoring based on Presence or Not. Yes/No Answers	For Yes – 2 Points For No – 0 Point	2
ii.	Method for measurement and evaluation as mentioned above (i) are determined / specific.	Scoring based on Presence or Not. Yes/No Answers	For Yes – 2 Points For No – 0 Point	2
iii.	There is a decided frequency for the evaluation and is consistently applied	Scoring based on Presence or Not. Yes/No Answers	For Yes – 2 Points For No – 0 Point	2
iv.	Are engagement partners reviewed based on the review results of the engagements of each partner	Scoring based on Presence or Not. Yes/No Answers	For Yes – 2 Points For No – 0 Point	2
	Total			**8**
	Total of Section 1.			**80**
2	**Human Resource Management**			
2.1.	**Resource Planning & Monitoring as per the firm's policy**			
i.	Does the firm have a process of Employee/ Resource Planning for the engagements based on skill set requirement, experience, etc.?	Scoring based on Presence or Not. Yes/No Answers	For Yes – 1 Point For No – 0 Point	1
ii.	Methods/Tools used by the firm for Resource Allocation (use of spreadsheets, work flow tools, etc.)	Scoring based on Presence or Not. Yes/No Answers	For Yes – 1 Point For No – 0 Point	1
iii.	Is there a method of tracking the employee activity, to identity resource productivity (e.g. timesheet)?	Scoring based on Presence or Not. Yes/No Answers	For Yes – 1 Point For No – 0 Point	1

iv.	Does the firm maintain a minimum Staff to Partner Ratio, Partner to Manager, Manager to Articles, Client to Staff ratio, etc.	Scoring based on Presence or Not. Yes/No Answers	For Yes – 1 Point For No – 0 Point	1
v.	Does the firm monitor the Utilisation & Realisation rate per employee	Scoring based on Presence or Not. Yes/No Answers	For Yes – 1 Point For No – 0 Point	1
vi.	Does the firm document the resource plan for each engagement and file it for reference during the engagement?	Scoring based on Presence or Not. Yes/No Answers	For Yes – 1 Point For No – 0 Point	1
	Total			**6**
2.2.	**Employee Training & Development**			
i.	Does the firm have an employee training policy?	Scoring based on Presence or Not. Yes/No Answers	For Yes – 1 Point For No – 0 Point	1
ii.	Number of Professional Development hours/days spent (Frequency) as a firm – per employee	Score based on an average number of hours per employee (Note: Measurement is indicative - could be converted to days/hours across the period as deemed fit for the firm - based on size)	60 hours per year for junior-level: 1 Point for general training and 2 points for specialised technical training 30 - 60 hours per year for mid-level: 1 Point for general training and 2 points for specialised technical training More than 30 hours for partners: 1 Point for general training and 2 points for specialised technical training	9

iii.	Employees are equipped with technological skill sets – AI, Blockchain, Audit & Data analytical tools, etc. and sponsored by the firm to develop the same: 1. Knowledge of technological skill sets will be more relevant for large audits (Audit Engagements of Listed entity, Banks other than co-operative banks (except multi-state co-operative banks) and Insurance Companies). Hence, the question should be relevant only for such audit engagements. 2. The audit Teams should be aware of Data Analytics Tools and comprehend the results of the tools to adjust the audit strategy. 3. Technologies like AI and blockchain may be considered as an incremental factor for differentiation purposes, if the firms are scored at the same level.	Scoring based on Presence or Not. Yes/No Answers	Use of Analytical Tools for the listed entity, Banks other than co-operative banks (except multi-state co-operative banks) and Insurance Companies audit engagements: For Yes – 2 Points For No – 0 Point / NA	2
iv.	Whether the firm has a performance management culture that rewards high performing employees and those who demonstrate high levels of quality and ethics?	Scoring based on Presence or Not. Yes/No Answers	For Yes – 2 Points For No – 0 Point	2
	Total			**14**
2.3.	**Resources Turnover & Compensation Management**			
i.	Does the Firm evaluate a team composition overall to build the Team Strength - say, Number of Managers, Assistant Managers, Paid Assistants, Article Assistants, Other Degree holders?	Scoring based on Presence or Not. Yes/No Answers	For Yes – 2 Points For No – 0 Point	2
ii.	Does the firm maintain and monitor the employee turnover ratio and identify measures to keep it minimal?	Scoring based on Presence or Not. Yes/No Answers	For Yes – 2 Points For No – 0 Point	2
iii.	Qualified professionals retained by the firm (resources available to a partner)	Scoring can be based on the % of chartered accountants and articles available per partner	10 and above – 5 Points 8 to 9 – 4 Points 6 to 7 – 3 Points 4 to 5 – 2 Points Up to 3 – 1 Point	5

iv.	Does the firm evaluate the Employee relation with the firm (No. of Professionals vs. No. of years employed with firm) to identify reasons for turnover if any?	Scoring based on Presence or Not. Yes/No Answers	For Yes – 1 Point For No – 0 Point	1
v.	Statutory contributions wherever applicable, Health Insurance and other benefits, available in the firm for staff members and partners	Scoring based on Presence or Not. Yes/No Answers	For Yes – 1 Point For No – 0 Point	1
vi.	Does the firm evaluate for which kind of audits does it have a revolving door (between different engagements) for people below partner level?	Scoring based on Presence or Not. Yes/No Answers	For Yes – 1 Point For No – 0 Point	1
vii.	Progress of people through an established framework and time commitment of Managers and Partners – Engagement level review and overall performance evaluation and rewards mechanism for differentiated performance levels	Scoring based on Presence or Not. Yes/No Answers	For Yes – 1 Point For No – 0 Point	1
viii.	Access to technology, infrastructure, methodology for better enablement of day to day work / including favorable remote working policies	Scoring based on Presence or Not. Yes/No Answers	For Yes – 1 Point For No – 0 Point	1
ix.	Coaching and mentoring program investment, especially for women colleagues to enhance the diversity of audit leaders in the profession	Scoring based on Presence or Not. Yes/No Answers	For Yes – 2 Points For No – 0 Point	2
x.	Special policies to provide people time to rejuvenate especially after busy audit seasons	Scoring based on Presence or Not. Yes/No Answers	For Yes – 1 Point For No – 0 Point	1
xi.	Focused policies and support for staff well - being, engagement and communication	Scoring based on Presence or Not. Yes/No Answers	For Yes – 1 Point For No – 0 Point	1
xii.	An established mechanism to listen to people and their views and suggestions. Credible Employee survey and its outcome demonstrate how well people are taken care of and heard.	Scoring based on Presence or Not. Yes/No Answers	For Yes – 2 Point For No – 0 Point	2
xiii.	Standards of recruiting people – Assessment methodology, evaluation of quality and fitment to the job and culture	Scoring based on Presence or Not. Yes/No Answers	For Yes – 1 Point For No – 0 Point	1
xiv.	Are the employees of the firm compensated as per a defined approach where salary is mapped to the knowledge and experience level of the employee?	Scoring based on Presence or Not. Yes/No Answers	For Yes – 1 Point For No – 0 Point	1
	Total			**22**

2.4.	**Qualification Skill Set of employees**			
i.	Number of Professionally qualified members – ACA/FCA If evaluation is being done for a firm that primarily offers Statutory and Tax Audit Services then only ACA / FCA should be considered for evaluation purposes.	Scoring based on the % of employees with necessary qualification or skill sets - including partners	Upto 30% – 1 Point More than 30% to 50% – 2 Points Above 50% – 3 Points	3
ii.	Post Qualification Certifications obtained from professional bodies or similar organisations (DISA, IP, etc.) DISA and IP are courses that are required in Information System Audits.	Where firms are not involved in any Information systems audit/engagements with complex IT systems should not be rated for this competency.	Applicable – 2 Points Not Applicable – 0 Point	2
iii.	Members with Specialisation courses or Certifications – (Ranking can be based on newer areas or international qualification – say, Dip. IFRS or Firm Ind AS / IFRS Accreditation Requirements, etc.)	Scoring based on Presence or Not. Yes/No Answers	Upto 30% – 1 Point 30% to 50% – 2 Points Above 50% – 3 Points	3
	Total			**8**
	Total of Section 2.			**50**
3	**Practice Management - Strategic/Functional**			
3.1	**Practice Management**			
	Does the firm Manage the following attributes relating to partners to maintain the same at optimum levels as deemed fit for the respective organisations?			
i.	Does the firm have a balanced mix of experienced and new partners?	Scoring based on the threshold of average experience of partners	For average partner experience of partners > 5 years – 1 Point For average partner experience of partners > 10 years – 2 Points	2
ii.	Is the firm compliant with the ICAI Code of Ethics, Companies Act 2013 and other regulatory requirements in relation to Professional Independence and Conflict of Interest?	Scoring based on Presence or Not. Yes/No Answers	For Yes – 2 Points For No – 0 Point	2
iii.	Is there is a 'whistle blower' policy?	Scoring based on Presence or Not. Yes/No Answers	For Yes – 1 Point For No – 0 Point	1
	Total			**5**

3.2	**Infrastructure – Physical & Others**	Branches in the same city shall have only one point, branches in Metro and Tier -1 cities shall have additional points, team size per branch shall have additional points		
i.	Number of Branches & Associates	Scoring based on Nos.	Upto 3 – 1 Point 4 to 7 – 2 Points 8 to 15 – 3 Points More than 15 – 4 Points	4
ii.	Are branch level activities Centralised/ Decentralised in accounting, Invoicing, and Payroll processing	Scoring based on whether policies are uniformly followed in the activities of accounting, invoicing, payroll processing across all branches. Complete automation is not a mandate.	Centralised – 2 Points Decentralised – 1 Point	2
iii.	Physical & Logical Security of Information are extended and implemented across locations?	Scoring based on Presence or Not. Yes/No Answers	For Yes – 2 Points For No – 0 Point	2
iv.	Are there adequate DA tools and IT infrastructure available for the relevant assignment?	Scoring based on Presence or Not. Yes/No Answers	For Yes – 2 Points For No – 0 Point	2
v.	Is the infrastructure adequate in terms of internet/intranet network bandwidth/ VPN/Wi-Fi etc. for remote working?	Scoring based on Presence or Not. Yes/No Answers.	For Yes – 2 Points For No – 0 Point	2
	Total			**12**
3.3	**Practice Credentials**			
	What are the credentials of the firm that distinguish the firm or stands as testimony to the quality of the firm:			
i.	Is the firm ICAI Peer Review certified?	Scoring based on Presence or Not. Yes/No Answers	For Yes – 1 Point For No – 0 Point	1
ii.	Empanelment with RBI and C&AG	Scoring based on Presence or Not. Yes/No Answers	For Yes – 1 Point For No – 0 Point	1
iii.	Does the firm hold any ISO certifications as result of Standard practices being followed	Scoring based on Presence or Not. Yes/No Answers	For Yes – 1 Point For No – 0 Point	1
iv.	Is there an advisory as well as a decision, to not allot due to unsatisfactory performance by the CAG office?	Scoring based on Presence or Not. Yes/No Answers	For Yes – (-5) Points For No – 0 Point	0

v.	Have any Government Bodies/ Authorities evaluated the performance of the firm to the extent of debarment/ blacklisting?	Scoring based on Presence or Not. Yes/No Answers	For Yes – (-10) Points For No – 0 Point	0
vi.	Any negative assessment in the report of the Quality Review Board?	Scoring based on Presence or Not. Yes/No Answers	For Yes – (-5) Points For No – 0 Point	0
vii.	Has there been a case of professional misconduct on the part of a member of the firm where he has been proved guilty?	Scoring based on Presence or Not. Yes/No Answers	For Yes – (-5) Points For No – 0 Point	0
	Total			**3**
	Total of Section 3.			**20**

Firm Maturity Rating

Section Reference	Total Possible Points
Section 1.	80
Section 2.	50
Section 3.	20
Total	**150**

Basis:

Up to 30% in each section	Level 1 Firm	Indicates that the firm is very nascent -will have to take immediate steps to upgrade its competency or will be left lagging behind
Above 30% to 60% in each section	Level 2 Firm	Indicates firm has made some progress -will have to fine-tune further to reach the highest level of competency
Above 60% in each section	Level 3 Firm	Indicates firms that have made significant adoption of standards and procedures - Should focus on optimising further

Full Forms:

ACA / FCA	Associate Chartered Accountant / Fellow Chartered Accountant
ACMA/FCMA	Associate Cost and Management Accountant / Fellow Cost and Management Accountant
ACS / FCS	Associate Company Secretary / Fellow Company Secretary
CIMA	Chartered Institute of Management Accountants
CPA	Certified Public Accountant
DISA	Diploma in Information System Audit
CISA	Certified Information Systems Auditor
CIA	Certified Internal Auditor
CFE	Certified Fraud Examiner
Dip IFRS	Diploma in International Financial Reporting Standards