CA FINAL AUDITING(AMENDMENTS) FOR MAY 2012

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{NOTE- Amendments Not already Covered by CA.Manish Bumb's Book on Auditing (CA Final) are only presented here.}

- CA.(Dr.) Ram Singh or Dr.(CA.)Ram Singh→ALL are ***Permitted***[Committee on Ethical Standards]

- Section2(2)→Management Consultancy & other services to include→ Acting as "***e-return intermediary***".

- CA in Practise→being an Auditor of a company→can also Perform Transfer Pricing ***Certification*** service.

- CA in Practise→being an Internal Auditor→can Perform Consultancy service.

- CA in Practise→being an Independent Director→Can ***Approve/Sign*** Financial statements→But→Should not be involved in Day to Day affairs of the Company.

- CA in Practise→can Act as ***'Director Simplicitor'***→of Co-operative Bank → ***provided***→ he is not incharge of Executive functions.

- CA in Practise→being a ***Concurrent Auditor*** of Bank→***Cannot***→at the same time→ undertake Assignment of Quarterly ***Review***.

- CA in Practise→being a Statutory Auditor of an Entity→***Can***→Accept the System audit of the same entity→***Provided***→it does not involve Scrutiny/Review of financial data or information.

- Council General Guidelines,2008(Chapter XII) w.r.t. Minimum Audit Fees ***Repealed*** (Already updated in CA.Manish Bumb's Book on Auditing-Hindi Edition)

- In case of Public sector/Other ***Banks***→Minimum Audit fees provision ***exempted***→for Carrying Other arrangements along with Concurrent Audit.

- Member of the Institute who→is a Director of a Company/was a director of the company in any of the preceding ***2*** years→**Cannot** become its Auditor. [Committee on Ethical Standards]

- CA in Practise(***Blind***)→can perform ***Attest*** functions.

- Use of CA ***Logo in stamp→Permissible***(if as per CA Logo Guidelines)

- CA in Practise→can ***Accept→Investigation*** Assignment→of ***Insurance*** Company.

- Indebtedness of 10000/-or more in a Concern→***No*** Disqualification→w.r.t. ***Internal Auditor or Concurrent Auditor***.

- Enhancing Scope of Section 226(4)→CA Firm acting as→Internal Auditor or Tax Consultant of ***Holding Company→*****Cannot** be Appointed as Statutory Auditor of ***Subsidiary Company***.

- ***No Special Notice*** for removal or replacement of retiring auditor received→***After*** the adjournment of the original meeting→can be taken note of & acted upon by the Company.

- ***LLP's***(although a Body Corporate)→will be Construed as ***Firm***(& its members as Partners)→for the purpose of Chartered Accountants act and regulations.[Central Government Circular No.10/2011]

- Section 226(3)(a) of Companies Act,1956→Body Corporate Disqualified→***LLP's not*** to be ***covered*** here. [Central Government Circular No.10/2011]

- Council ***Guidelines***→Conversion of existing CA firms into LLP's(Check ***annexure***)

- CARO-Para 4(ix)(a)→Originally,statuary auditor need not report in respect of cess payable under section 441A of the Companies Act, 1956.
  "It may be noted that at present, no Rules relating to the amount of cess for rehabilitation or revival or protection of assets of sick industrial companies, payable by a company under section 441A of the Act have been notified by the Central Government. Thus, it would not be possible for the auditor to comment on the regularity or otherwise about the cess till the time relevant rules or regulations are issued. ~~However, till the time such Rules are prescribed, the auditor should also state in his report under this clause that the Government has not notified any Rules under section 441A of the Companies Act, 1956 and, therefore, the auditor is unable to comment on this particular issue~~.
  New→However, till the time such Rules are prescribed, the auditor need not make any comment in respect of the Cess under section 441AB of the Companies Act, 1956 in his report under paragraph 4(ix)(a) of CARO 2003."

- Section 227(3)(g) of Companies Act,1956→ "Whether the cess payable under section 441A has been paid and if not, the details of amount of cess not so paid." → ***New***→ Statuary auditor's report need not contain any comment on section 227(3)(g) of the Companies Act,1956.

- KYC Norms Issued for Firms performing Attest Functions***(Recommendatory)***→
  Entity Information →
  A. General Information (Name of entity ,Type of Entity, Business Description).
  B. Corporate Structure (Name of- Ultimate Parent company,-Parent company & -Affiliates).
  C. Regulatory Information(Company PAN no.)
  D.Engagement Information(Nature of Engagement)
  Other Information→
  A.Entities Financial Information.
  B. Name of Ultimate Parent Auditor.
  C. Any Known violation of laws & regulations.

- Introduction of ***SAE 3402*** Assurance Reports on Controls At a Service Organisation (Check ***Annexure***).

- ***Chartered Accountants(Amendments) Regulation,2012***(not relevant for students appearing in May 2012)→Amendments to be Incorporated in CA.Manish Bumb's Book on Auditing(Second edition)→to be Published soon for Nov12 & May 13 attempt students.

- Standard on Internal Audit(SIA)-Related parties(not relevant for May 2012 attempt)

Conversion of CA firms into LLPs

1. All existing CA firms who want to convert themselves into LLPs are required to follow the provisions of Chapter-X of the Limited Liability Partnership Act, 2008 read with Second Schedule to the said Act containing provisions of conversion from existing firms into LLP.

2. In terms of Rule 18(2) (xvi) of LLP Rules- 2009, if the proposed name of LLP includes the words `Chartered Accountant' or chartered Accountants, as the case may be, as part of the proposed name, the same shall be referred to the Institute of Chartered Accountants of India (ICAI) by the Registrar of LLP and it shall be allowed by the Registrar only if the Secretary, ICAI approves it.

3. If the proposed name of LLP of CA firm resemble with any other non-CA entity as per the naming Guidelines under LLP Act and its Rules, the proposed name of LLP of CA firms may include the word `Chartered Accountant' or `Chartered Accountants', as the case may be in the name of the LLP itself and the Registrar, LLP may allow the same name, subject to compliance to Rule 18(2) (xvi) of LLP Rules as referred above.

4. For the purpose of registration of LLP with ICAI under regulation 190 of the Chartered Accountants Regulations, 1988, the partners of the firm shall apply in ICAI Form No. '117' and the ICAI Form No. '18' along with copy of name registration received from the Registrar of LLP and submit the same with the concerned Regional office of the ICAI. These Forms shall contain all details of the officers and other particulars as called for together with the signatures of all partners or authorized partner of the proposed LLP.

5. The names of the CA firms registered with the ICAI shall remain reserved for the partners as one of the options for LLP names subject to the provisions of LLP Act, Rules and Regulations framed there under.

6. The following guidelines relating to seniority and other criteria shall be followed for registration of LLP with ICAI.
   - ✓ Where two similar or identical or nearly similar firm names (whether the partners of such firms are same or not) have been registered by ICAI, under the purposed LLP, only one such firm name shall be approved and remaining firm registered with ICAI, either desires to convert into LLP or not, a change in the firm name shall be required.
   - ✓ The name of the LLP may be like `X & Co. LLP' or `X & Associates LLP' and no other suffix shall be approved and registered by ICAI.
   - ✓ The newly converted CA LLPs registered with ICAI shall be allowed to work only in terms of Section 2(2) of the Chartered Accountants Act, 1949 and the object or LLP to be incorporated in Form-2 and Form 17 of the LLP rules, 2009 or in LLP agreement, shall be in the nature of Professional Services allowed under Section 2(2) of the Chartered Accountants Act, 1949. LLP shall be subject to the same regulations, as if they were in partnership firm. Mere conversion into LLP does not give any privileges, which were not earlier with the CA firms.
   - ✓ Inter-se seniority among the firms shall be given to LLP as per existing policy of ICAI. In other words, LLPs shall carry the same seniority, as the firm shall otherwise have under the existing policy of ICAI. In case of merger of 2 LLPs, same rules as applicable to firms merging shall apply.
   - ✓ The non converted firms shall also remain on the same position of seniority in relation to converted LLPs as the converted LLPs shall have the same inter-se seniority as the firms had earlier to conversion.

7. These guidelines of conversion of CA firms into LLP shall also be applicable to the conversion of proprietary firm into LLP subject to the provisions of LLP Act, Rules and Regulations framed there under. The conversion of proprietary firm shall be by way of incorporation of new LLPs.

8. The registration number (with minimum 6 numbers) of LLP with ICAI, shall remain the same Firm Registration Number (FRN) allotted to the firm before the conversion by ICAI with the Regional Code like `W' for Western, `E' for Eastern, `S' for Southern, `N' for Northern and `C' for Central Region.

FRN W	1	2	3	4	5	6
FRN S	2	0	0	0	0	0
FRN E	3	0	0	0	0	0
FRN C	4	0	0	0	0	0
FRN N	5	0	0	0	0	0

9. Introduction of LLP, shall not affect the existing regulations in force as regards the name allotment to chartered accountants firms.

10. In case there is a merger of a firm and conversion with LLP and vice-versa, seniority may be provided to the surviving entity as per policy as per **Annexure 'A'** attached herewith.

11. The provisions of CA Act, 1949, Chartered Accountants Regulations, 1988 and Code of Ethics issued by ICAI shall be applicable to all partners of the converted CA firms into LLP jointly and severally.

12. The following Guidelines are subject to the clarification from Ministry of Corporate Affiars (MCA), Govt. of India, New Delhi:
    - ✓ Wherever the existing partnership firm have been appointed as statutory auditor of any company after following the due procedure under the Companies Act, 1956 and the said firm with the same partners is converted/formed into LLP, then the same FRN will continue and the Board of Directors of the Company may take on record the conversion/formation of the CA firms into LLP and the new LLP shall be deemed to be an Auditor of the said company for the said financial year in terms of Section 58(4) of the LLP Act, 2008.
    - ✓ Wherever more than one partnership firms with all the partners desire to convert/form only one LLP, in that case the name and FRN may be selected of only one of such firms for the purpose of registration with ICAI and;(i) The other such firms shall stand dissolved. (ii) Seniority shall be decided as per applicable rules of ICAI.
    - ✓ The Board of Directors of all the Companies who have appointed all the erstwhile firms as auditors, may take a declaration from the said LLP with all the partners of all the erstwhile firms on record and the appointment of auditors of all the erstwhile firms made under the Companies Act, 1956, shall be deemed to be in the name of the said LLP.

Constitution of separate LLPs

1. All members of ICAI in practice who want to constitute separate LLPs are required to follow the provisions of the Limited Liability Partnership Act, 2008 read with the Rules framed there under.

2. In terms of Rule 18(2) (xvi) of LLP Rules- 2009, if the proposed name of LLP includes the words `Chartered Accountant' or chartered Accountants, as the case may be, as part of the proposed name, the same shall be referred to the ICAI by Registrar of LLP and it shall be allowed by the Registrar only if the Secretary, ICAI approves it.
   For the purpose of registration of LLP with ICAI under regulation 190 of the Chartered Accountants Regulations, 1988, the partners of the firm shall apply in ICAI Form No. '117' and the ICAI Form No. '18' along with copy of name registration received from the Registrar of LLP and submit the same with the concerned Regional office of the ICAI. These Forms shall contain all details of the officers and other particulars as called for together with the signatures of all partners or authorized partner of the proposed LLP.

3. The following guidelines relating to seniority and other criteria shall be followed for registration of LLP with ICAI :-
   - ✓ Inter-se seniority among the firms shall be given to LLP as per existing policy of ICAI. In other words, LLPs shall carry the same seniority, as the firms shall otherwise have under the existing policy of ICAI. In case of merger of two LLPs, same rules, as applicable to firms merging, shall apply.
   - ✓ The name of the LLP may be like `X & Co. LLP' or `X & Associates LLP' and no other suffix shall be approved and registered by ICAI.
   - ✓ The newly constituted CA LLPs registered with ICAI shall be allowed to work only in terms of Section 2(2) of the Chartered Accountants Act, 1949 and the object of LLP to be incorporated in Form-2 and Form 17 of the LLP rules, 2009 or in LLP agreement, shall be in the nature of Professional Services allowed under Section 2(2) of the Chartered Accountants Act, 1949. LLP shall be subject to the same regulation, like the partnership firms. Mere conversion into LLP does not give any privileges, which were not earlier with the CA firms.

4. These guidelines of conversion of CA firms into LLP shall also be applicable to the conversion of proprietary firm into LLP subject to the provisions of LLP Act, Rules and Regulations framed there under. The conversion of proprietary firm shall be by way of incorporation of new LLPs.

5. The registration number (with minimum 6 numbers) of LLP with ICAI, shall be like the Firm Registration Number being allotted to the firms by ICAI with the Regional Code like `W' for Western, `E' for Eastern, `S' for Southern, `N' for Northern and `C' for Central Region .

6. Introduction of LLP, shall not affect the existing regulations in force as regards Name allotment to chartered accountants firms.

7. The provisions of CA Act, 1949, Chartered Accountants Regulations, 1988 and Code of Ethics issued by ICAI shall be applicable to all partners of the LLP jointly and severally.

8. In case of any dispute in respect of these guidelines, the same shall be referred to the committee of the Institute and the decision of that committee shall be final and binding on the members of the Institute.

{**NOTE**:-ALL These Guidelines shall come into force w.e.f. 4th November, 2011.}

Standard on Assurance Engagements (SAE) 3402
Assurance Reports on Controls At a Service Organisation

- ✓ This Standard on Assurance Engagements (SAE) deals with assurance engagements undertaken by a professional accountant in public practice to provide a report for use by user entities and their auditors on the controls at a service organization that provides a service to user entities that is likely to be relevant to user entities' internal control as it relates to financial reporting.

- ✓ It complements SA402, in that reports prepared in accordance with this SAE are capable of providing appropriate evidence under SA 402.
- ✓ **Key provisions** of the SAE include those relating to :-

• Engagement acceptance and continuance conditions, including that the service organization acknowledges and understands its responsibility to have a reasonable basis for its assertions about the fair presentation of its description, the effective design of controls and, the operating effectiveness of controls (for type II report).

• Assessing the suitability of the criteria used by the service organization in making its assertions.

• The nature, timing and extent of evidence gathering procedures with respect to each component of the assurance report.

• The elements of the service auditor's report.

- ✓ SAE 3402 applies to engagements that convey reasonable assurance when the service organization is responsible for the suitable design of controls.

- ✓ It **does not deal** with assurance engagements:-

(a) To report on whether controls at a service organization operated as described, or

(b) To report only on controls at a service organization that are not related to a service that is likely to be relevant to user entities' internal control as it relates to financial reporting (for example, controls that affect user entities' production or quality control).

- ✓ The **objectives** of the service auditor are:

(a) To obtain reasonable assurance about whether, in all material respects, based on suitable criteria:

(i) The service organization's description of its system fairly presents the system as designed and implemented throughout the specified period (or in the case of a Type 1 Report, as at a specified date);
(ii) The controls related to the control objectives stated in the service organization's description of its system were suitably designed throughout the specified period (or in the case of a Type 1 Report, as at a specified date);
(iii) Where included in the scope of the engagement, the controls operated effectively to provide reasonable assurance that the control objectives stated in the service organization's description of its system were achieved throughout the specified period.

(b) To report on the matters in (a) above in accordance with the service auditor's findings.

- ✓ Some **features of the standard that are likely to affect practice** include:

• By founding the engagement on an assertion-based model, SAE 3402 clearly distinguishes the service organization's responsibilities with respect to controls from the service auditor's responsibility to form an opinion, thereby reinforcing the service auditor's independence.

• The SAE articulates the minimum elements of criteria for evaluating whether a service organization's description of its system is fairly presented and whether controls are designed and operating effectively. This will enhance consistency in the work of service auditors.

• SAE 3402 adopts a risk-based approach, which requires service auditors to focus on the risks that threaten the achievement of stated control objectives and to evaluate the linkage between the service organization's controls and those risks.

• SAE 3402 will improve the transparency of service auditors' reports by requiring the work of internal auditors to be separately identified in that part of the assurance report describing tests of controls performed by the service auditor.

• The standard clarifies that service auditors have a responsibility to take appropriate action if they become aware of non compliance with laws and regulations, fraud, or uncorrected errors attributable to a service organization that are not clearly trivial and may affect one or more user entities.

✓ **How to Obtaining Evidence Regarding the Description of Controls** :-

Check whether:

(a) Control objectives stated in the service organization's description of its system are reasonable in the circumstances;
(b) Controls identified in that description were implemented;
(c) Complementary user entity controls, if any, are adequately described; and
(d) Services performed by a subservice organization, if any, are adequately described, including whether the inclusive method or the carve-out method has been used in relation to them.

The service auditor shall determine, through other procedures in combination with inquiries, whether the service organization's system has been implemented. Those other procedures shall include observation, and inspection of records and other documentation, of the manner in which the service organization's system operates and controls are applied.

Carve-out method **–** Method of dealing with the services provided by a subservice organization, whereby the service organization's description of its system includes the nature of the services provided by a subservice organization, but that subservice organization's relevant control objectives and related controls are excluded from the service organization's description of its system and from the scope of the service auditor's engagement. The service organization's description of its system and the scope of the service auditor's engagement include controls at the service organization to monitor the effectiveness of controls at the subservice organization, which may include the service organization's review of an assurance report on controls at the subservice organization.

How to Obtaining Evidence Regarding Design of Controls :-

(a) Identifying the risks that threaten the achievement of the control objectives stated in the service organization's description of its system; and
(b) Evaluating the linkage of controls identified in the service organization's description of its system with those risks.

How to Obtaining Evidence Regarding Operating Effectiveness of Controls(in Type 2 Report):-

(a) Perform other procedures in combination with inquiry to obtain evidence about:
(i) How the control was applied;
(ii) The consistency with which the control was applied; and
(iii) By whom or by what means the control was applied;
(b) Determine whether controls to be tested depend upon other controls (indirect controls) and, if so, whether it is necessary to obtain evidence supporting the operating effectiveness of those indirect controls; and
(c) Determine means of selecting items for testing that are effective in meeting the objectives of the procedure.

When determining the extent of tests of controls, the service auditor shall consider matters including the characteristics of the population to be tested, which includes the nature of controls, the frequency of their application(for example, monthly, daily, a number of times per day), and the expected rate of deviation.

✓ **Before agreeing to accept, or continue an engagement,** the service auditor shall:

(a) Determine whether:
(i) The service auditor has the capabilities and competence to perform the engagement;
(ii) The criteria to be applied by the service organization to prepare the description of its system will be suitable and available to user entities and their auditors; and
(iii) The scope of the engagement and the service organization's description of its system will not be so limited that they are unlikely to be useful to user entities and their auditors.

(b) Obtain the agreement of the service organization that it acknowledges and understands its responsibility:
(i) For the preparation of the description of its system, and accompanying service organization's assertion, including the completeness, accuracy and method of presentation of that description and assertion;
(ii) To have a reasonable basis for the service organization's assertion accompanying the description of its system;
(iii) For stating in the service organization's assertion the criteria it used to prepare the description of its system;
(iv) For stating in the description of its system:
a. The control objectives; and,
b. Where they are specified by law or regulation, or another party (for example, a user group or a professional body), the party who specified them;
(v) For identifying the risks that threaten achievement of the control objectives stated in the description of its system, and designing and implementing controls to provide reasonable assurance that those risks will not prevent achievement of the control objectives stated in the description of its system, and therefore that the stated control objectives will be achieved; and
(v) To provide the service auditor with:

a. Access to all information, such as records, documentation and other matters, including service level agreements, of which the service organization is aware that is relevant to the description of the service organization's system and the accompanying service organization's assertion;

b. Additional information that the service auditor may request from the service organization for the purpose of the assurance engagement; and

c. Unrestricted access to persons within the service organization from whom the service auditor determines it necessary to obtain evidence.the service auditor shall assess whether the service organization has used suitable criteria in preparing the description of its system, in evaluating whether controls are suitably designed, and, in the case of a Type 2 Report, in evaluating whether controls are operating effectively.

- ✓ When **planning and performing** the engagement, the service auditor shall consider materiality with respect to the fair presentation of the description, the suitability of the design of controls and, in the case of a Type 2 Report, the operating effectiveness of controls.

- ✓ If the service organization has an **internal audit function**, the service auditor shall obtain an understanding of the nature of the responsibilities of the internal audit function and of the activities performed in order to determine whether the internal audit function is likely to be relevant to the engagement.

- ✓ If the work of the internal audit function has been used, the service auditor shall make no reference to that work in the section of the service auditor's assurance report that contains the service auditor's opinion.

- ✓ In the case of a Type 2 Report, if the work of the internal audit function has been used in performing tests of controls, that part of the service auditor's assurance report that describes the service auditor's tests of controls and the results thereof shall include a description of the internal auditor's work and of the service auditor's procedures with respect to that work.

- ✓ The service auditor shall inquire whether the service organization is aware of any **events subsequent** to the period covered by the service organization's description of its system up to the date of the service auditor's assurance report that could have a significant effect on the service auditor's assurance report. If the service auditor is aware of such an event, and information about that event is not disclosed by the service organization, the service auditor shall disclose it in the service auditor's assurance report.

- ✓ **Modified Opinions**

If the service auditor concludes that:
(a) The service organization's description does not fairly present, in all material respects, the system as designed and implemented;
(b) The controls related to the control objectives stated in the description were not suitably designed, in all material respects;
(c) In the case of a type 2 report, the controls tested, which were those necessary to provide reasonable assurance that the control objectives stated in the service organization's description of its system were achieved, did not operate effectively, in all material respects; or
(d) The service auditor is unable to obtain sufficient appropriate evidence,
In all the above cases,
The service auditor's opinion shall be modified, and the service auditor's assurance report shall contain a clear description of all the reasons for the modification.

Example : Type 2 Service Auditor's Assurance Report

Independent Service Auditor's Assurance Report on the Description of Controls, their Design and Operating Effectiveness

To: XYZ Service Organization

Scope

We have been engaged to report on XYZ Service Organization's description at pages *[bb-cc]* of its *[type or name of]* system for processing customers' transactions throughout the period *[date]* to *[date]* (the description), and on the design and operation of controls related to the control objectives stated in the description.

XYZ Service Organization's Responsibilities

XYZ Service Organization is responsible for: preparing the description and accompanying assertion at page *[aa]*, including the completeness, accuracy and method of presentation of the description and assertion; providing the services covered by the description; stating the control objectives; and designing, implementing and effectively operating controls to achieve the stated control objectives.

Service Auditor's Responsibilities

Our responsibility is to express an opinion on XYZ Service Organization's description and on the design and operation of controls related to the control objectives stated in that description, based on our procedures. We conducted our engagement in accordance with Standard on Assurance Engagements 3402, "Assurance Reports on Controls at a Service Organization," issued by the Auditing and Assurance Standards Board. That standard requires that we comply with ethical requirements and plan and perform our procedures to obtain reasonable assurance about whether, in all material respects, the description is fairly presented and the controls are suitably designed and operating effectively.

An assurance engagement to report on the description, design and operating effectiveness of controls at a service organization involves performing procedures to obtain evidence about the disclosures in the service organization's description of its system, and the design and operating effectiveness of controls. The procedures selected depend on the service auditor's judgment, including the assessment of the risks that the description is not fairly presented, and that controls are not suitably designed or operating effectively. Our procedures included testing the operating effectiveness of those controls that we consider necessary to provide reasonable assurance that the control objectives stated in the description were achieved. An assurance engagement of this type also includes evaluating the overall presentation of the description, the suitability of the objectives stated therein, and the suitability of the criteria specified by the service organization and described at page.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Limitations of Controls at a Service Organization

XYZ Service Organization's description is prepared to meet the common needs of a broad range of customers and their auditors and may not, therefore, include every aspect of the system that each individual customer may consider important in its own particular environment. Also, because of their nature, controls at a service organization may not prevent or detect all errors or omissions in processing or reporting transactions. Also, the projection of any evaluation of effectiveness to future periods is subject to the risk that controls at a service organization may become inadequate or fail.

Opinion

Our opinion has been formed on the basis of the matters outlined in this report. The criteria we used in forming our opinion are those described at page *[aa]*. In our opinion, in all material respects:

(a) The description fairly presents the *[the type or name of]* system as designed and implemented throughout the period from *[date]* to *[date]*;

(b) The controls related to the control objectives stated in the description were suitably designed throughout the period from *[date]* to *[date]*; and

(c) The controls tested, which were those necessary to provide reasonable assurance that the control objectives stated in the description were achieved, operated effectively throughout the period from *[date]* to *[date]*.

Description of Tests of Controls

The specific controls tested and the nature, timing and results of those tests are listed on pages *[yy-zz]*.

Intended Users and Purpose

This report and the description of tests of controls on pages *[yy-zz]* are intended only for customers who have used XYZ Service Organization's *[type or name of]* system, and their auditors, who have a sufficient understanding to consider it, along with other information including information about controls operated by customers themselves, when assessing the risks of material misstatements of customers' financial statements.

For XYZ and Co.
Chartered Accountants
Firm's Registration Number
Signature
(Name of the Member Signing the Audit Report)
(Designation)
Membership Number

Place of Signature
Date