

BULLETIN

ACCOUNTING, AUDITING AND COMPANY LAW – July, 2023

ACCOUNTING AND AUDITING UPDATES

Audit Working Templates

AASB of ICAI has released Audit Working templates. The publication contains templates of various audit working papers which are required to be prepared by auditors during the course of their audit assignment in accordance with the requirements of Standards on Auditing and also templates of other important audit working papers e.g., Schedule III of Companies Act 2013 checklist, CARO 2020 checklist.

For more information, click here

Exposure drafts issued by ICAI

AASB of ICAI invites comments on below mentioned exposure drafts along with confirming amendment to other standard also. Last date for submitting comments is 25th August, 2023 except in case of exposure draft on Guidance Note on Tax Audit.

| S. | Particulars | Links |
|-----|---|-------------------|
| No. | | |
| 1. | SQM 1, Quality Management for Firms that Perform Audits | <u>click here</u> |
| | or Reviews of Financial Statements, or Other Assurance or | |
| | Related Services Engagements | |
| 2. | SQM 2, Engagement Quality Reviews | <u>click here</u> |
| 3. | SA 220 (Revised), Quality Management for an Audit of | <u>click here</u> |
| | Financial Statements | |
| 4. | SA 250 (Revised), Consideration of Laws and Regulations | <u>click here</u> |
| | in an Audit of Financial Statements | |
| 5. | SA 315 (Revised), Identifying and Assessing the Risks of | <u>click here</u> |
| | Material Misstatement | |
| 6. | SA 540 (Revised), Auditing Accounting Estimates and | <u>click here</u> |
| | Related Disclosures | |
| 7. | SRS 4400 (Revised), Agreed-Upon Procedures | <u>click here</u> |
| | Engagements | |
| 8. | Conforming Amendments to Other Standards arising from | <u>click here</u> |
| | SQM 1, SQM 2 and SA 220 (Revised) | |
| 9. | Conforming Amendments to Other Standards arising from | <u>click here</u> |
| | SA 250 (Revised) | |
| 10. | Conforming Amendments to Other Standards arising from | <u>click here</u> |
| | SA 315 (Revised) | |
| 11. | Conforming Amendments to Other Standards arising from | <u>click here</u> |
| | SA 540 (Revised) | |

| 12. | Guidance Note on Tax Audit under Section 44AB of the | <u>click here</u> |
|-----|--|-------------------|
| | Income-tax Act, 1961 - AY 2023-24 (Last date for | |
| | submitting comment is 6 th August, 2023) | |
| 13. | International Tax Reform-Pillar Two Model Rules - | <u>click here</u> |
| | Amendments to AS 22 | |
| 14. | International Tax Reform-Pillar Two Model Rules – | <u>click here</u> |
| | Amendments to Ind AS 12 | |
| 15. | Supplier Finance Arrangements - Amendments to Ind AS | <u>click here</u> |
| | 7 and Ind AS 107 | |

Further deferment of second phase of Peer Review Mandate

An announcement to mandate the Peer Review process for coverage of more firms under Peer Review process was hosted on the website on 11th April, 2022. Based on requests received from Practice Units for additional time to get themselves peer- reviewed, the second phase of the mandate is now applicable w.e.f. 1st April, 2024 which earlier stood applicable from 1st April, 2023.

For further information, click here

BRSR Core, Updated BRSR and ESG Disclosure for value chain

SEBI has introduced BRSR Core, which is a subset of the BRSR, consisting of a set of Key Performance Indicators (KPIs)/metrics under 9 ESG attributes. Top 1000 listed entities have been mandated to undertake BRSR reporting as per the updated BRSR format, as part of their Annual Reports. Along with this, listed entities shall mandatorily undertake reasonable assurance of the BRSR Core, as per the glide path specified in the following table:

| Financial Year | Applicability of BRSR Core to top listed entities (by market capitalization) |
|----------------|--|
| 2023-24 | Top 150 listed entities |
| 2024-25 | Top 250 listed entities |
| 2025-26 | Top 500 listed entities |
| 2026-27 | Top 1000 listed entities |

It has also introduced ESG disclosure of value chain reporting as per BRSR Core. For this purpose, value chain shall encompass the top upstream and downstream partners of a listed entity, cumulatively comprising 75% of its purchases / sales (by value) respectively. This shall be applicable to the top 250 listed entities (by market capitalization), on a comply-or-explain basis from FY 2024-25 and the limited assurance of the same shall be applicable on a comply-or-explain basis from FY 2025-26

For further information, <u>click here</u>

SEBI Circular providing guidance to amendments in regulation 30/insertion of regulation 30A

In the month of June, SEBI had notified SEBI (LODR) (Second Amendment) Regulations, 2023 which included certain amendments/insertions in regulation 30 and insertion of regulation 30A. In relation to the aforesaid, SEBI has issued a circular with four annexures which provides further guidance on the amendments/new regulation introduced.

For further information, click here

SEBI Master Circular

SEBI has issued Master circular for compliance with the provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 by listed entities. The main contents of the circular include: Uniform listing agreement, Periodic disclosures (Non-financial), Financial disclosures, Annual disclosures, Event- based disclosures, other obligations and disclosure requirements, penal actions for non-compliance and other annexures and appendix thereon.

For further information, click here

Glossary:

| EAC | Expert Advisory Committee |
|--------|---|
| Ind AS | The Indian Accounting Standards |
| SQM | Standard on Quality Management |
| SRS | Standard on Related Services |
| BRSR | Business Responsibility and Sustainability Report |
| ESG | Environmental, Social and Governance |
| ICAI | Institute of Chartered Accountants of India |
| IFRS | International Financial Reporting Standards |
| AASB | Auditing and Assurance Standards Board |
| IASB | International Accounting Standards Boards |

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