



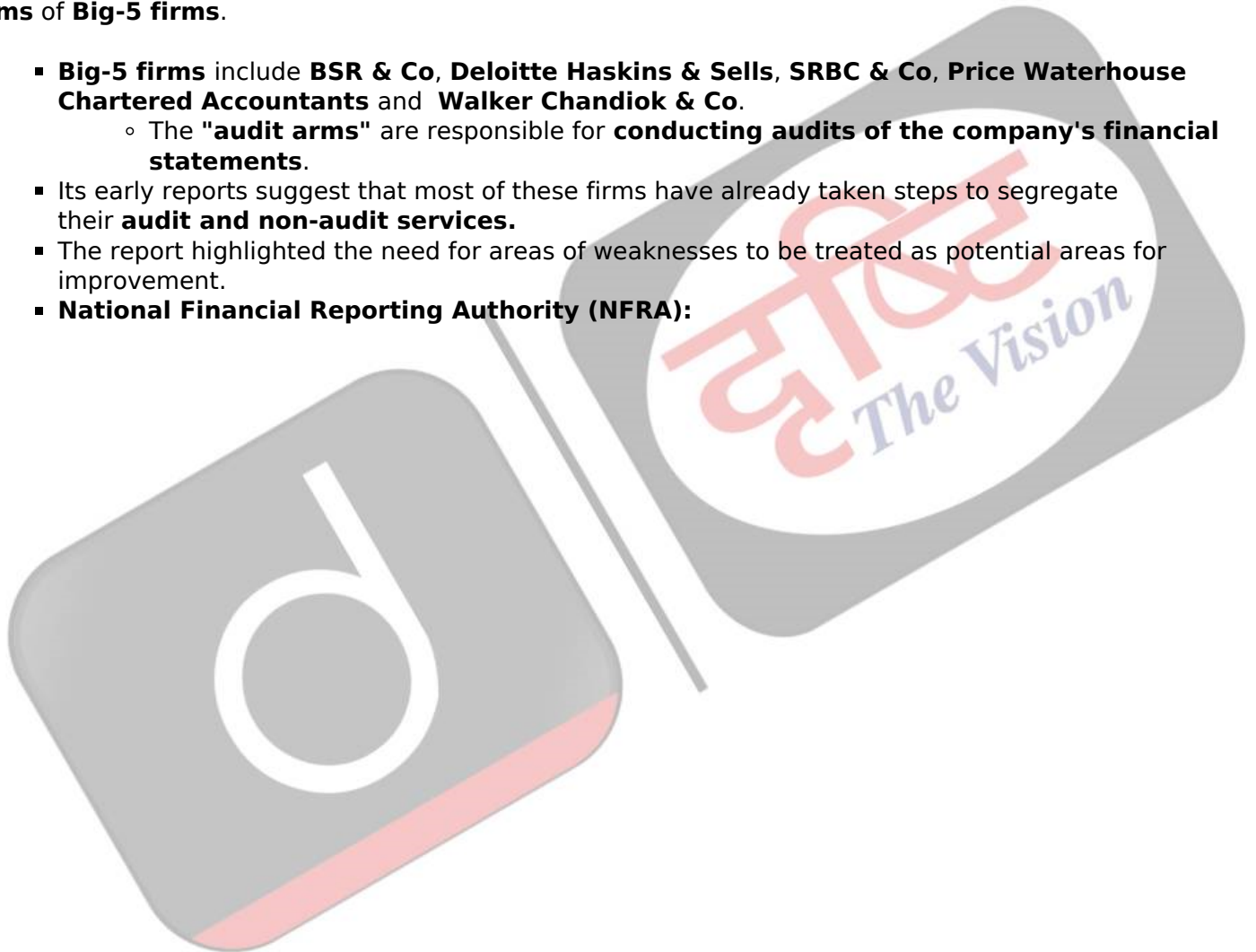
National Financial Reporting Authority

[Source: BS](#)

Recently, the [National Financial Reporting Authority \(NFRA\)](#) has started inspection of the **audit arms** of **Big-5 firms**.

- **Big-5 firms** include **BSR & Co, Deloitte Haskins & Sells, SRBC & Co, Price Waterhouse Chartered Accountants** and **Walker Chandiok & Co.**
 - The "**audit arms**" are responsible for **conducting audits of the company's financial statements**.
- Its early reports suggest that most of these firms have already taken steps to segregate their **audit and non-audit services**.
- The report highlighted the need for areas of weaknesses to be treated as potential areas for improvement.
- **National Financial Reporting Authority (NFRA):**

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NATIONAL FINANCIAL REPORTING AUTHORITY

IN NEWS

The National Financial Reporting Authority (NFRA) has started inspections of five audit firms.



The Conference on "Financial Reporting & Governance Framework – Building Trust" was organised by the Confederation of Indian Industry(CII)



There is a need to revisit the existing short-term and vague 'Going Concern' accounting concept and replace it with long-term viability or Resilience Statements by the Management and Board.



AIM

To continuously improve the quality of all corporate financial reporting in India.



COMPOSITION

Chairperson is a Chartered Accountant and a person of eminence having expertise in accountancy, auditing, finance or law (appointed by the Central Government) and a maximum of 15 members.

FUNCTIONS AND DUTIES



POWERS

- The NFRA has the same powers as the Civil Court.
- Debarring the member/firm from practice as a member of ICAI between 6 months to 10 years as may be decided.
- To investigate the matters of professional or other misconduct.

SCOPE

COMPANIES LISTED IN INDIA

UNLISTED COMPANIES

COMPANIES WHOSE SECURITIES ARE LISTED OUTSIDE INDIA

Net worth \geq Rs. 500 crore

Paid up Capital \geq Rs. 500 crore

Annual turnover \geq Rs. 1000 crore (As on 31st March of the preceding financial year)

Read more: [National Financial Reporting Authority](#)

