## First NFRA Annual Report on Eight Audit Firms by November

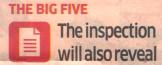
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New Delhi: The National Financial Reporting Authority (NFRA) will wrap up its first annual inspection of eight audit firms - including the Big Five – and reveal its findings by October or November, people aware of the auditing

regulator's plans said. ciencies in their work processes. The inspection, focused on the processes and standards adopted by auditors, could reveal how

NFRA plans to bolster the country's audit and accounting ecosystem to curb corporate frauds and uphold shareholders' interests in a fast-growing economy, one of the persons said. The inspection reports will also reveal the Big Five's compliance with suggestions made in the regulator's December 2023 reports that had flagged defi-

It had also expressed its reser vation over non-audit services provided by some of these audi-



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tors to the same companies for of March 2023, according to a pri-rate and transparent auditing of whom they are also the statutory auditors.

"There shouldn't be any conflict of interests involving any auditor," said one of the persons cited above, highlighting that the conduct of auditors should be beyond suspicion. Top five firms - EY. Deloitte, KPMG, PwC and Walker Chandiok & Co - dominate the Indian audit ecosystem, having overseen assignments of three

either annually or once in three vears, depending on the number of

companies they audit. Any efforts toward early detection of stress in listed companies or curbing corporate frauds out of five Nifty-500 companies as which can be done through accu-

meinfobase.com report. The regu- the company's financials - will lator's inspection is in sync with serve the interest of both retail global best practices. The Public and other investors. The move co-Company Accounting Oversight mes amid a heightened focus on Board of the US, for instance, in- the part of authorities on protecspects each public accounting firm ting retail stock investors. Last month, finance minister Nirmala Sitharaman exhorted market intermediaries to help preserve the trust of Indian households that have made a "generational shift" in deploying a larger part of their savings in the stock markets.