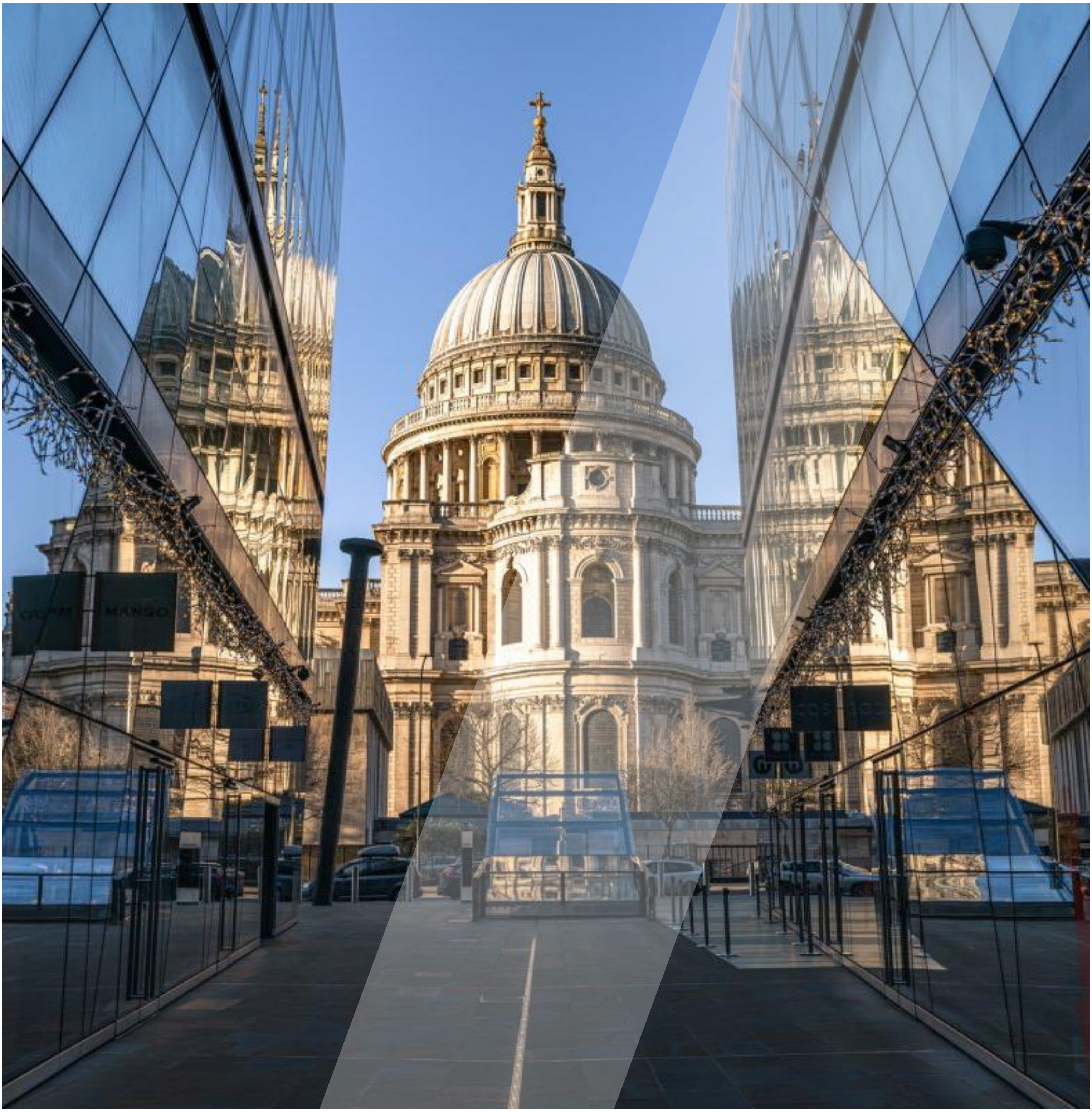


The monthly messenger

Edition #03.25 March 2025

S.N. Dhawan & CO LLP
Chartered Accountants

The Monthly messenger

India | Accounting News

Exposure Draft of Accounting Standards for Limited Liability Partnerships - 7 February 2025

The Accounting Standards Board (ASB) of the Institute of Chartered Accountants of India (ICAI) has released the Exposure Draft of Accounting Standards applicable for Limited Liability Partnerships (LLPs), which have been prepared based on Accounting Standards notified under Companies (AS) Rules 2021 considering necessary changes from the perspective of LLPs.

The revised criteria for classifying non-company entities for applicability of Accounting Standards viz., MSMEs/ Large entities and the available exemptions/relaxations as issued by ICAI in November 2024, have also been included in the said Exposure Draft.

The Exposure Draft is open for public comments until 28 February 2025.

For more information, **click here.**

Study on Compliance of Financial Reporting Requirements (Ind AS Framework) Volume III - January 2025 Edition

The Financial Reporting Review Board (FRRB) of the Institute of Chartered Accountants of India (ICAI), has released its new publication on ‘Study on Compliance of Financial Reporting Requirements (Ind AS Framework) – Volume III’, which includes the instances of non-compliances identified in Ind AS based Financial Statements along with the explanations for each observation. This publication covers common non-compliances with respect to financial reporting requirements such as Ind AS, Standards on Auditing, Schedule III to the Companies Act 2013, Companies Auditor’s Report Order (CARO) etc., observed by FRRB during the course of its review of Ind AS based financial statements of various enterprises.
For the ease of reference, the said observations have been classified basis the elements of financial statements wise viz, Observations related to ‘Assets’, ‘Equity‘, ‘Liabilities‘, ‘Components of Profit and Loss‘, ‘Statement of Cash Flows‘, ‘Other Disclosures‘, ‘Auditor’s Report‘ and ‘CARO’, and serves as both a guide and a reference point for gaining a deeper understanding of best financial reporting practices.

For more information, **click here.**

Technical Guide on Accounting for Expenditure on Corporate Social Responsibility (CSR) Activities- Revised January 2025 Edition

The Corporate Laws and Corporate Governance Committee of the Institute of Chartered Accountants of India (ICAI) has released the revised edition of Technical Guide on Accounting for Expenditure on Corporate Social Responsibility Activities.

This technical guide is intended to provide a comprehensive and practical understanding of the accounting treatment of CSR expenditures and their presentation in financial statements. It covers a wide array of topics, including guidance on CSR accounting in accordance with the provisions of the Companies Act, 2013, in compliance with recent legal developments. This publication aims to provide members with the necessary guidance to ensure compliance with CSR regulations while promoting transparency and accuracy in financial reporting.

For more information, **click here.**

Exposure Draft of Technical Guide on Cost Management in Healthcare Services- 11 February 2025

The Cost Accounting Standards Board (CASB) of the Institute of Cost Accountants of India has published an Exposure Draft of the Technical Guide on Cost Management in Healthcare Services to assist stakeholders in improving performance of healthcare services through effective cost management. The guide is designed to help decision-makers in allocation of resources efficiently and comparison of performance of different healthcare service providers. The draft was approved for release by the CASB during its 105th meeting held on 29 January 2025 and inviting public comments and suggestions by 4 March 2025.

For more information, **click here.**

India | Auditing News

Guidance Note on Audit of Banks (2025 Edition) – 18 February 2025

The Auditing and Assurance Standards Board (AASB) of the Institute of Chartered Accountants of India (ICAI) has issued the revised 2025 edition of the “Guidance Note on Audit of Banks” to provide detailed guidance to auditors on statutory audit of banks and bank branches.

The revised 2025 edition incorporates the impact of the Master Directions/ Circulars issued by Reserve Bank of India, relevant advisories, ICAI’s pronouncements affecting bank audits and changes in applicable laws or regulations.

The guidance note is broadly bifurcated into two Sections i.e.

- Section A -Statutory Central Audit and
- Section B -Bank Branch Audit.

The Guidance Note also contains various Appendices including illustrative formats of engagement letter, illustrative formats of auditor’s report and illustrative formats of management representation letter.

For more information, **click here**

India | Regulatory News

Consultation Paper on draft circular for Management Statement and Auditor's / Independent Practitioner's Report on digital assurance based on information obtained from external data repositories- 3 February 2025

The Institute of Chartered Accountants of India (ICAI) had released a "Technical Guide on Digital Assurance" to provide guidance to members to adopt enhanced use of technology in audits by utilizing digitally available information and audit evidence. The technical guide focuses on the source of external audit evidence and information available and use thereof in audit procedures. The guide does not require any separate reporting by auditors on these aspects and nor it casts any responsibility on the management of listed entities to provide access to such information obtained from external data repositories to the auditors.

In view of said technical guide, Securities and Exchange Board of India (SEBI) has proposed to mandate a separate report on digital assurance of financial statement to enhance transparency, improve disclosures and providing greater investor protection. Thus, the SEBI has issued a draft circular on this subject inviting public comments on the “Management Statement and Auditor’s / Independent Practitioner’s Report on Digital Assurance based on Information Obtained from External Data Repositories”. The format for the Statement is prescribed in Annexure I of this circular. The management of listed companies will be required to provide access to external data repositories to the auditors and ensure compliance with the LODR Regulations, 2015. The Auditors shall also be responsible for verifying the financial data set out in the said Statement as per the company’s books, records and external data repositories in accordance with the Technical Guide issued by ICAI. The proposal mandates the digital assurance report for the top 100 listed companies by market capitalization, from the financial year ended on 31 March 2025 onwards, with submissions to Stock Exchanges by 31 July of respective year.

The comments/ suggestions should be submitted latest by 24 February 2025.

For more information, **click here.**

Frequently Asked Questions (FAQs) on Limited Liability Partnership Act, 2008-Revised January 2025 Edition

The Corporate Laws and Corporate Governance Committee (CL&CGC) of the Institute of Chartered Accountants of India (ICAI) has released the revised edition of the "FAQs on Limited Liability Partnership (LLP) Act, 2008". The first edition was issued in the year 2021 during early adoption phase of LLPs, which has now been revised to reflect the recent amendments and developments in the LLP framework.

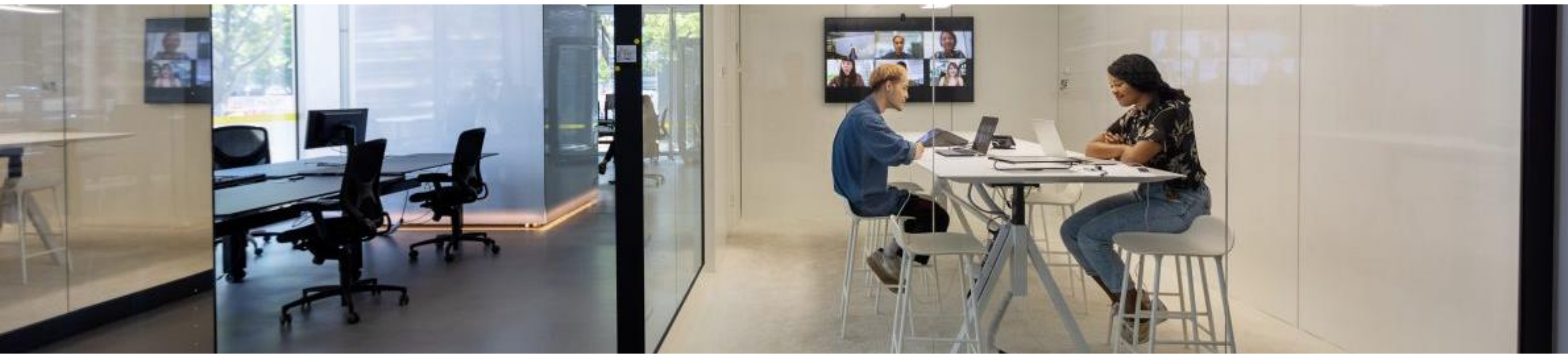
This edition offers comprehensive guidance on the procedural and practical elements of the LLP Act, 2008, incorporating significant updates introduced by the Limited Liability Partnership (Amendment) Act, 2021, alongside the Limited Liability Partnership (Second Amendment) Rules, 2022, and the Limited Liability Partnership (Third Amendment) Rules, 2023, as well as the transition to the MCA V3 portal.

For more information, **click here.**

Frequently Asked Questions (FAQs) on SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015- Revised January 2025 Edition

The Corporate Laws & Corporate Governance Committee (CL&CGC) of the Institute of Chartered Accountants of India (ICAI) has released the revised edition of the publication "Frequently Asked Questions on SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015". The first edition was released in February 2021 which has now been revised to reflect the recent amendments and developments in the LODR Regulations.
The updated version offers more detailed insights, including the latest amendments and updated procedural guidance, covering all changes to the SEBI (LODR) Regulations up to 30 December 2024. The revised edition is divided into two parts: Part A provides a detailed explanation of the regulations and schedules, including corporate governance, disclosures, and related party transactions, while Part B introduces a new chapter, "Compliance Calendar," to help professionals track key deadlines and ensure timely compliance with the regulations.

For more information, **click here.**



The Companies (Prospectus and Allotment of Securities) Amendment Rules, 2025-12 February 2025

The Ministry of Corporate Affairs (MCA) has issued the Companies (Prospectus and Allotment of Securities) Amendment Rules, 2025, to further amend the Companies (Prospectus and Allotment of Securities) Rules, 2014.

As per the rules, private companies (excluding small companies) are required to issue securities in dematerialised form and facilitate the dematerialisation of all its securities within specified timelines.
Private companies (other than producer companies), which were not classified as small companies as per their audited financial statements for the financial year ending on 31 March 2023, had to comply with the said requirements within 18 months of closure of such financial year i.e. by 30 September 2024.
The MCA, through the amendment rules above, has now extended the said deadline until 30 June 2025. The Amended Rules also include an explanatory memorandum stating that no person shall be adversely affected by the retrospective application of this notification.

For more information, **click here**

Consultation Paper on aspects relating to Secretarial Compliance Report, Appointment of Auditors and Related Party Transactions of a Listed Entity-7 February 2025

The Securities and Exchange Board of India (SEBI) has issued a consultation paper inviting public comments/suggestions on proposals with respect to strengthening the secretarial compliance report, eligibility criteria for appointment of statutory auditor, and related party transaction (RPT) framework for listed entities.

Key proposals include revising the Annual Secretarial Compliance Report (ASCR) format for better compliance monitoring, specifying eligibility criteria for appointment of statutory auditors, and mandating disclosures at various levels for appointment / re-appointment of statutory auditor and secretarial auditor. The paper also discusses facilitating ease of approvals for RPT undertaken by subsidiaries and clarifying applicability of RPT provisions. The above proposals require amendments in provisions of SEBI's Listing Obligations and Disclosure Requirements (LODR) and Share-Based Employee Benefits and Sweat Equity Regulations.

The comments/ suggestions should be submitted latest by 28 February 2025.

For more information, **click here.**

Consultation Paper on Draft Circular on Extension of automated implementation of trading window closure to Immediate relatives of Designated Persons- 7 February 2025

The Securities and Exchange Board of India (SEBI) has issued a consultation paper inviting public comments on Draft Circular on extension of automated implementation of trading window closure to immediate relatives of designated persons, on account of declaration of financial results.

The following has been stated in the Draft Circular:

- The proposal is made to extend Automated implementation of trading window closure for immediate relatives of designated persons of listed Companies on account of declaration of financial results.
- To ensure compliance with SEBI (Prohibition of Insider Trading) Regulations, 2015 (PIT Regulations). Designated persons (DPs) are restricted from trading during the closure of the trading window, which occurs when UPSI is present.
- Clause 4(2) of Schedule B read with Regulation 9 of PIT Regulations states that the trading window shall be closed from the end of each quarter until 48 hours after the declaration of financial results. To ease compliance and prevent inadvertent non-compliances, the Master Circular on Surveillance of Securities Market issued on 23 September 2024, requires the stock exchanges and depositories to freeze the PAN of DPs during the closure period. This system is now extended to cover immediate relatives of DPs of listed companies.

The comments/ suggestions should be submitted latest by 28 February 2025.

For more information, **click here.**

Timeline for Review of ESG Rating pursuant to occurrence of ‘Material Events’-7 February 2025

Securities and Exchange Board of India (SEBI) issued a revised timeline for the review of ESG ratings following the occurrence of a 'Material Event' vide its circular dated 17 January 2025.

In accordance with the revised timeline, the Bombay Stock Exchange (BSE) has now issued a circular mentioning that the ESG Rating Providers (ERPs) have been allowed additional time to review ESG ratings required pursuant to publication of the Business Responsibility and Sustainability Report (BRSR). ERPs shall now be required to carry out a review of ESG rating pursuant to publication of BRSR by the rated entity upto 45 days of the publication instead of erstwhile requirement of 10 days.

This circular shall be applicable with immediate effect.

For more information, **click here**

Consultation paper on Introduction of format for No- objection Certificate (NOC)/ Consent Letter to be submitted by existing charge holders to issuer- 12 February 2025

The Securities and Exchange Board of India (SEBI) released a consultation paper regarding the introduction of a standardized format for the No Objection Certificate (NOC) or consent letter that must be submitted by existing charge holders when a further charge is proposed on encumbered assets. The consultation paper highlights the due diligence requirements for debenture trustees (DTs) as outlined in the Master Circular for Debenture Trustees (“DTs”), dated 16 May 2024, which includes obtaining consents from existing charge holders when creating further charge over the assets.

The paper also addresses the inconsistencies caused by the lack of a specified NOC/Consent format and proposes a standardized version to be included in the Master Circular. Issuers are advised to comply with the updated due diligence requirements and adopt the proposed NOC/Consent format for future submissions.

The comments/ suggestions should be submitted latest by 5 March 2025.

For more information, **click here.**

Industry Standards Recognition Manual-12 February 2025

The Securities and Exchange Board of India (SEBI) has introduced new guidelines for the recognition of Industry Standards Forums (ISFs), which will help implement regulatory directives for Market Infrastructure Institutions (MIIs), Mutual Funds, listed companies, and other regulated entities.

These forums shall not be a Self-Regulatory Organization (SRO) and be organized as a Committee. ISFs will develop standards aligned with SEBI’s regulatory intent, checklists, SOPs, and reporting formats to ensure compliance with SEBI regulations. ISFs must be inclusive, representing various industry segments, and mandates experienced leadership. While they cannot amend regulations, they can suggest changes to SEBI in exceptional cases. ISFs shall also consult SEBI at key stages and hold regular meetings, public consultations, and structured reporting.

By establishing this framework, SEBI aims to enhance ease of compliance without compromising the enforceability of its directives. The manual’s scope excludes creating enforceable rights for ISFs against SEBI, ensuring the autonomy of regulatory oversight.

For more information, **click here**

Industry Standards on “Minimum information to be provided for review of the audit committee and shareholders for approval of a related party transaction”- 14 February 2025

The Securities and Exchange Board of India (SEBI) issued a circular regarding the Industry Standards on Minimum information to be provided for review by the audit committee and shareholders for approval of Related Party Transaction (RPT) under Regulation 23(2), (3) and (4) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

To ensure compliance with these regulations, the Industry Standards Forum (ISF), consisting of representatives from three industry associations, viz. ASSOCHAM, CII, and FICCI, has developed these guidelines on the minimum information required to be provided for the review of audit committee and shareholders for approval of RPTs. These standards, formulated in consultation with SEBI, will be published on the websites of the industry associations and stock exchanges.
Listed entities are required to follow the industry standards to comply with Part A and Part B of Section III-B of SEBI’s Master Circular dated 11 November 2024.

The circular shall come into effect from 1 April 2025.

For more information**,** **click here.**

Securities and Exchange Board of India (Mutual Funds) (Amendment) Regulations, 2025- 14 February 2025

The Securities and Exchange Board of India (SEBI) has issued SEBI (Mutual Funds) (Amendment) Regulations, 2025 to further amend SEBI (Mutual Funds) Regulations, 1996.

The amendments introduce inclusion of new requirements for Asset Management Companies (AMCs):

- To invest a percentage of designated employees’ remuneration in mutual fund schemes based on their designation or roles, in a manner as specified by the Board.
- To conduct stress testing on certain specified schemes and disclose the results thereof in the prescribed format.
- To deploy funds raised through new fund offers (NFOs) within a specific time frame.
- To pay charges, commissions, or fees related to the distribution of mutual fund schemes in the manner as specified by the Board.

The amendments shall come into force with effect from 1 April 2025.

For more information, **click here.**

Industry Standards on Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015- 25 February 2025

The Securities and Exchange Board of India (SEBI) has issued a circular regarding the Industry Standards under Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

For ease of doing business, the Industry Standards Forum (ISF), consisting of representatives from ASSOCHAM, CII, and FICCI, in consultation with SEBI and under the guidance of Stock Exchanges, has developed industry standards. These standards are designed to assist in the effective implementation of disclosure requirements of material events or information under Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The industry associations, along with the stock exchanges, will publish the industry standards on their respective websites.

Listed entities must follow these industry standards to comply with Regulation 30 of the LODR Regulations.

Stock Exchanges are advised to inform all listed entities about the contents of this circular and ensure adherence to the requirements.

For more information, **click here.**

Timelines for deployment of funds collected by Asset Management Companies (AMCs) in New Fund Offer (NFO) as per asset allocation of the scheme- 27 February 2025

The Securities and Exchange Board of India (SEBI) has issued a circular setting specific timelines for Asset Management Companies (AMCs) to deploy the funds raised through New Fund Offers (NFOs). The Circular explains that the AMCs must deploy the funds within 30 business days from the date of unit's allotment. If deployment is delayed beyond 30 days, the AMC must provide a written explanation to its Investment Committee, which can grant an extension of up to an additional 30 business days after reviewing the reasons for the delay.

Further, failure to meet the mandated or extended timeline will result in restrictions, including prohibition on accepting fresh investments in the same scheme and the removal of exit load charges under the scheme, if any, for investors withdrawing after 60 business days.

Additionally, SEBI has introduced measures to prevent mis-selling of Mutual Fund schemes by restricting distribution commissions on NFO within the same AMC.

For more information, **click here.**

Reserve Bank of India amends the Securities Contracts (Regulation) Act, 1956 -13 February 2025

Reserve Bank of India (RBI) hereby amends notification number S.O. 2192(E) dated 8 January 2010 in exercise of power under Section 16 of the Securities Contracts (Regulation) Act, 1956 regarding the prevention of undesirable speculation in securities.

The amendment modifies clause (A)(1) to regulate contracts for sale or purchase of government securities, gold related securities and money market securities. Under the new provisions, such contracts are prohibited except for spot delivery contracts, those traded on a recognised stock exchange under applicable regulations, or those other contracts specifically permitted by RBI. The modification aims to strengthen regulatory oversight of securities trading while maintaining legitimate market operations.

The amendment shall come into force on the date of its publication in the Official Gazette.

For more information, **click here**

Release of Handbook on "Regulations at a Glance"- 27 February 2025

The Reserve Bank of India (RBI) had constituted the Regulations Review Authority 2.0 (RRA 2.0) in 2021 to simplify and improve the implementation of regulatory guidelines. RRA 2.0 had presented its report on 10 June 2022, which recommended to create Regulatory Handbooks containing regulations applicable for specific sets of Regulated Entities (REs). Accordingly, the Department of Regulation (DoR) has compiled a handbook titled "Regulations at a Glance" which provides a broad overview of the regulatory landscape across various activities and entities. The handbook provides tabular summary of all major regulations issued by DoR and has been organised in six chapters. The handbook is intended for ease of reference and provides high level overview of the applicable regulations.

The handbook will be updated periodically.

For more information, **click here.**

Obligatory Cession for the financial year 2025-26- 27 February 2025

The Insurance Regulatory and Development Authority of India (IRDAI) has issued a notification regarding the obligatory cession for the financial year 2025-26 which shall be applicable to Indian Re-insurers and other applicable insurers as per the provisions of Section 101A of the Insurance Act, 1938.

As per the requirement of the notification, the percentage cession of the sum insured on each general insurance policy to be reinsured with the Indian Re-insurer (GIC Re) shall be 4% during the financial year beginning from 1 April 2025 to 31 March 2026, except the terrorism premium and premium ceded to nuclear pool wherein it would be made 'Nil'. The notification also includes terms & conditions with respect to information on cession, percentage of commission on obligatory cession for different classes of business and profit commission.

For more information, **click here.**

Press release - Equity Derivatives – 28 February 2025

The Insurance Regulatory and Development Authority of India (IRDAI) has issued comprehensive guidelines allowing insurers to use equity derivatives such stock, index 'futures and options' to hedge the equity portfolios and reduce market volatility risks. Insurers must follow exposure and position limits and use these derivatives solely for hedging purposes. Any Over the Counter (OTC) exposure to equity derivatives is prohibited. The guidelines aim to provide insurers with enhanced opportunities for risk management and portfolio diversification.

The guidelines provide that the insurers are advised to put in place the Board approved Hedging Policy, Internal Risk Management Policies and Processes; Information Technology Infrastructure; and Regular and Periodic Audits.

Insurers are also required to furnish prescribed reports to the Authority on a quarterly basis.

For more information, **click here**

Guidelines on Hedging Through Equity Derivatives- 28 February 2025

The Insurance Regulatory and Development Authority of India (IRDAI) has issued guidelines on hedging through equity derivatives under Clause 13 of Schedule III of IRDAI (Actuarial, Finance and Investment Functions of Insurers) Regulations, 2024, following representations from insurers.

IRDAI has permitted the insurers to hedge their existing equity exposures against volatility in equity market and ensure preservation of market value of equity investments and thereby reducing risks in equity portfolio subject to compliance of these guidelines.

In line with the guidelines, insurers will be able to buy hedges in stock 'future and options' and index 'futures and options' against their holding in equities subject to the exposure and position limits. The Guidelines also prescribe accounting for equity derivatives and disclosure requirements.

For more information, **click here.**

Income Tax Bill, 2025- 13 February 2025

The Income Tax Bill, 2025, was introduced in the Lok Sabha on 13 February 2025, that aims to replace the Income Tax Act, 1961, which had become complex due to numerous amendments over the years. The bill consists of 23 chapters and 536 sections. It will be effective from 1 April 2026, unless stated otherwise.

Key changes include the introduction of a "tax year" concept, restructuring of exemptions, updated foreign income rules, and new compliance requirements. Certain outdated provisions including those on immovable property acquisition and penalties have been removed, while new rules on digital transactions, tax withholding, and penalties for non-compliance have been added. The bill also introduced a faceless mechanism for tax revisions and appeals.

For more information, **click here**

Extension of due date for filing of Form No. 56F under the Income-tax Act, 1961- reg. – 18 February 2025

The Central Board of Direct Taxes (CBDT) has issued a Circular announcing an extension of the due date for filing

Form No. 56F under the Income Tax Act, 1961 (Act).
This extension is granted on the consideration of the difficulties faced by taxpayers and stakeholders in timely submitting the required accountant's report under Section 10AA(8) read with Section 10A(5) of the Act. To avoid genuine hardships in such cases, CBDT has extended the deadline for filing such report for Assessment Year 2024-25 to 31 March 2025.

For more information, **click here.**

Clarification on fixing the Record Date under Regulation 42 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015-7 February 2025

The Bombay Stock Exchange (BSE) has issued a clarification based on the amendment to Regulation 42 of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 dated 12 December 2024.

As per the clarification, listed entities shall maintain a minimum gap of three working days between the date of board/shareholders' approval and the record date for corporate actions specified in Regulation 42 (1), excluding both approval date and record date. Additionally, Sub-Regulation 5 of Regulation 42 has been omitted, eliminating the requirement for listed entities to announce the closure of their transfer books (book closure).

For more information, **click here.**

International | Accounting News

IASB issues third version of the IFRS for SMEs- 27 February 2025

The International Accounting Standards Board (IASB) has published the third edition of 'International Financial Reporting Standard for Small and Medium-sized Entities' (IFRS for SMEs). The amendments follow the second comprehensive review of the standard, which was first issued in 2009 and amended once in 2015.

The amendments include significant changes to certain sections of the standard, which are:

- Section 2 Concepts and Pervasive Principles: New concepts on measurement, presentation and disclosure, guidance on derecognition, and updated definition and recognition criteria for assets/liabilities, prudence, substance over form etc.
- Section 9 Consolidated and Separate Financial Statements: Aligns the definition of control with that in IFRS 10 and introducing requirement of fair value measurement of retained interest when losing control of a subsidiary with resulting gain or loss to be recognised in profit or loss.
- Section 11 Basic Financial Instruments and Section 12 Other Financial Instrument Issues: Combines both these sections on financial instruments into a single section renamed as section 11, aligning with IFRS 9 and adding new disclosure/measurement requirements.
- Section 12 Fair Value Measurement: A new section 12 has been Introduced on fair value measurement requirement based on requirements in IFRS 13.
- Section 19 Business Combinations and Goodwill: Updates business definition, contingent liability recognition requirements, and introduces step acquisitions requirements.
- Section 23 Revenue: Aligned with IFRS 15, simplifying the revenue recognition model for SMEs.

The IASB also discussed the changes in IFRS14, IFRS 16 and consideration of use of cryptocurrencies but decided not to align the IFRS for SMEs standard with these changes.

The amendments shall be effective for annual periods beginning on or after 1 January 2027, earlier application is also permitted.

For more information, **click here.**

International | Auditing News

Considerations for Audit Firms Using the Work of Specialists- 4 February 2025

The Public Company Accounting Oversight Board (PCAOB) has issued a new staff report "Considerations for audit firms using the work of specialists" in financial reporting and auditing.

As financial reporting frameworks evolve, the use of specialists in accounting and auditing has increased, especially for fair value estimates. Companies may rely on the work of specialists to assist in developing accounting estimates including fair value measurement or assessing physical assets, while auditors use specialists' work to gather and evaluate audit evidence. However, if a specialist's work is not properly evaluated, the risk of undetected material misstatements in the financial statements is increased. The report highlights key observations to help audit firms ensure proper audit procedures when using specialists' work.

For more information, **click here.**