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# From Certificate to Assurance Report

*Rethinking Certification Issuance in the ICAI Framework*

*"Certificate is a form — Assurance is the substance — Report is the correct expression."*

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## THE OPENING QUESTION

### Common Client Request

*"Sir, ek certificate de dijiye..."*



### The Critical Question

Are we merely issuing certificates, or are we providing professional assurance?

*This distinction is not semantic — it is fundamental to the credibility, liability, and sustainability of our profession.*

Credibility

Liability

Sustainability

# THE PARADIGM SHIFT

## ✗ Traditional Approach

✗ Client-driven: 'Just issue the certificate'

✗ One-line confirmation

✗ No defined scope

✗ No documentation discipline

✗ Phrases like 'true and correct'



## ✓ Modern ICAI Approach

✓ Engagement-driven

✓ Evidence-based

✓ Assurance-oriented

✓ Structured communication

✓ Clearly defined scope & responsibility

## WHY ICAI EMPHASISES ASSURANCE

01

### CA Evaluates, Not Creates

We rely on books, records & management representations.  
We cannot certify absolute truth.

02

### Aligns with Assurance Standards

SA 500 evidence, SA 230 documentation, risk-based approach — bypassing these steps outside the ecosystem.

03

### Prevents Overstatement

Reasonable assurance = high but not absolute. Our conclusion must not exceed work performed.

04

### Addresses Liability Risks

QRB/NFRA/Peer Review highlight: scope-less certificates and blind reliance on management data.

05

### Transparency for Users

A structured report communicates what was examined, what was not, and what level of assurance applies.

## CERTIFICATE vs REPORT

Aspect	Certificate	Report
Scope Clarity	✗ Usually Absent	✓ Clearly Defined
Responsibility	✗ Not Stated	✓ Explicit
Evidence Linkage	✗ Weak	✓ Strong
Risk Protection	✗ Low	✓ High
Professional Defensibility	✗ Weak	✓ Strong

## THE CORE PROBLEM: MISALIGNMENT

*In many cases, the work performed is limited — but the wording used is absolute.*

WORK DONE

No Verification



WORDING USED

"Certified"

WORK DONE

Management Data



WORDING USED

"True and Correct"

WORK DONE

No Reconciliation



WORDING USED

"Verified"

⚠ This creates a DANGEROUS MISMATCH — a major professional risk exposure

# PRACTICAL CASE ILLUSTRATIONS

## Case 1 — Turnover Certificate

### Reality:

- ✓ Based on books of accounts
- ✓ No GST reconciliation
- ✓ No external validation

### Wording Used:

*"Certified that turnover is true and correct"*

⚠ **Over-Certification**

## Case 2 — Bank Stock Certificate

### Reality:

- ✓ Based on stock statement provided
- ✓ No physical verification
- ✓ No ageing check

### Wording Used:

*"Certified stock value..."*

⚠ **High-Risk Exposure**

## Case 3 — Net Worth Certificate

### Reality:

- ✓ Includes estimates
- ✓ Uses management inputs
- ✓ Subject to assumptions

### Wording Used:

*"Net worth is ₹X"*

⚠ **No Basis Explained**

*ICAI's position: It is not the title 'certificate' or 'report' that matters — it is the nature of assurance and procedures performed.*

### ✗ Avoid These Phrases

*"We certify that..."*

*"True and correct"*

*"Certified as verified"*

*"We guarantee..."*



### ✓ Preferred Professional Language

*"Based on books and records produced..."*

*"According to information and explanations..."*

*"Nothing has come to our attention..."*

*"Subject to the following limitations..."*

# THE 3-STEP PROFESSIONAL FRAMEWORK

01

STEP 1

## Understand the Engagement

- What is being asked?
- What is the purpose?
- Who are the users?

02

STEP 2

## Decide Level of Assurance

- Reasonable assurance?
- Limited assurance?
- Factual confirmation only?

03

STEP 3

## Choose Appropriate Format

- Simple certificate (rare cases)
- Limited assurance report (most cases)
- Detailed report (high-risk cases)

KEY TAKEAWAY

**Certification is not a  
clerical act —  
it is a professional assurance engagement.**

Signing Certificates



Expressing Assurance

*"Certificate is a form — Assurance is the substance — Report is the correct expression."*

# Thank You

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