

Peer Review Guidelines 2022



Peer Review Board
The Institute of Chartered Accountants of India
(Set up by an Act of Parliament)
New Delhi

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Foreword

The Peer Review Board of the Institute of Chartered Accountants of India (ICAI) was established by the Council in the year 2002, with an objective to enhance the quality of assurance services rendered by the members and to ensure adherence of various Technical, Professional and Ethical Standards by them.

Since its formation in year 2002, the Peer Review Board has been playing vital role in enhancing the quality of assurance services being rendered by the members. Over the years, Peer Review, a self-regulatory mechanism, is continuously working to assure stakeholders at large, that the profession is aware of its responsibilities and strives its best to ensure that all the practicing members rendering service adhere to the highest standards. Recently, the Council of ICAI has mandated Peer Review mechanism for certain categories of firms rendering assurance services to specific classes of entities, which will go a long way in enhancing the audit quality. With the roll out of this mandate it is expected that more Practice Units will be Peer Reviewed which will go a long way in enhancing the audit quality.

The importance of Peer Review process is apparent from the fact that in India the Peer Review auditors have been recognised by the Regulators. The Securities & Exchange Board of India (SEBI) has made mandatory with effect from April 1, 2010 that the limited review/statutory audit reports submitted to the concerned stock exchanges by the listed entities shall be given only by those auditors who have subjected themselves to peer review process and holds a valid certificate issued by the 'Peer Review Board' of the ICAI. Further, the Comptroller & Auditor General of India (C&AG) has recognized Peer Review Board's work as it has decided to allocate substantial points to the Peer Reviewed firms in the application form for allotment of audit for Public Sector Undertakings.

The Terms of Reference for the peer reviews and the roles and responsibilities of those involved including the Board were defined in the Statement on Peer Review. The Council has recently approved the Peer Review Guidelines. The Statement on Peer Review has therefore been replaced by the Peer Review Guidelines. The Guidelines retain most of the existing provisions of the Statement on Peer Review and incorporates certain other matters which were not there in the Statement. The Guidelines are divided into seven Chapters. Ten forms are also prescribed in the Guidelines

including the Application form for Peer Review. The criteria of classifying the Practice Units into L I and LII category on the basis of type of assurance services being rendered by them has been done away with and the validity of Peer Review certificate issued to all firms will be for three years unless the Board otherwise decides for certain category of firms.

My sincere appreciation for the efforts put in by CA. Chandrashekhar Vasant Chitale, Chairman, CA. Anuj Goyal, Vice Chairman and other members of the Peer Review Board for completing the task of coming out with the Peer Review Guidelines.

I am sure that these Guidelines will be immensely useful to the members and other stakeholders.

New Delhi
September 2022

CA. (Dr.) Debashis Mitra
President

Preface

The Peer Review Board (PRB) of ICAI established in the year 2002, has achieved a number of milestones since its formation. Over the years, the relentless efforts and quality contribution of the Board ably supported by the technical reviewers has enhanced the status of the ICAI as regulator. The Planned efforts of the Board coupled with effective performance of peer reviewers not only inspired the Practice Units to continually improve the quality of service that they render to the stakeholders, in particular and to the society at large, PRB has also attracted the attention of and received recognition from various regulatory authorities including SEBI & C&AG. The amended Chartered Accountants Act, 2022 has authorised the Council to issue guidelines for regulating the profession. The Board has truly lived up to ICAI's vision as partner-in-nation building by responding to the expectation of the regulators, the stakeholders and the society in working towards improvement of the assurance services rendered by the practicing Chartered Accountants.

The Council at its meeting held in August 2022 approved the Peer Review Guidelines framed by the Board. Guidelines contain complete code relating to Peer Review, including the terms of reference of such Reviews and the roles and responsibilities of the parties concerned (i.e. the Practice Units as well as the Reviewers). There are seven Chapters and ten Forms, which form part of the Guidelines. The forms provide a prescribed format for correspondence between the Board and the Practice Unit as well as any mutual correspondence to be done by the Practice Unit with the reviewer or vice versa. The time schedule to complete the Peer Review process has been reduced considerably yet allowing reasonable flexibility in time frame to the Practice Units. Training of Peer Reviewers, enrolment and continuing education of reviewers has been provided. On regulatory front, provisions for revocation of Peer Review Certificate, de-empanelment of reviewer etc. have been prescribed.

For Practice Units conducting audit of listed entity/banks/insurance companies which desire to evaluate their audit quality maturity using Audit Quality Maturity Model v1.0 as at 31st March 2023, may fill and submit the self- evaluation scores under the said model in the application cum questionnaire to be submitted by the Practice Units. The concept of new practice unit i.e. firms in existence for less than twelve months immediately

preceding the date of application for Peer Review as well as firms in existence for a period exceeding twelve months but not rendering any assurance services getting a Peer Review Certificate has also been introduced.

I am confident that a new era of Peer Review shall get in with implementation of these Peer Review guidelines.

I wish to place on record my sincere thanks to CA. (Dr.) Debashis Mitra, President and CA. Aniket Talati, Vice President of the Institute of Chartered Accountants of India who have been a guiding force behind bringing out these Guidelines.

I express my gratitude to CA. Anuj Goyal, Vice Chairman of Peer Review Board, other Board members CA. Ranjeet Kumar Agarwal, CA. Prakash Sharma, CA. Dayaniwas Sharma, CA. Umesh Sharma, CA. Charanjot Singh Nanda, CA Sridhar Muppala and also all other Council Members who have contributed by giving valuable inputs for these Guidelines.

I appreciate the efforts made by CA. Nidhi Singh, Secretary Peer Review Board, CA Kanchan Gupta, Deputy Director, Peer Review Board and other team members for co-ordinating this project. I am sure that the Peer Review Guidelines will prove to be of immense use to Practice Units and Reviewers.

Pune
September 2022

CA. Chandrashekhar Vasant Chitale
Chairman
Peer Review Board

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Peer Review Guidelines, 2022

To consolidate and prescribe Guidelines relating to requirement, procedure and administrative aspects of Peer Review of Chartered Accountant firms in practice.

Be the Peer Review Guidelines laid down by the Council of the Institute of Chartered Accountants of India

Chapter I Preliminary

1. Peer Review Guidelines, 2022

In exercise of the powers conferred by Section 15(2) (fa) of the Chartered Accountants Act, 2022, the Council of the Institute of Chartered Accountants of India hereby prescribes the following Guidelines, namely

Short title and commencement

- (1) These guidelines may be called the Peer Review Guidelines, 2022.
- (2) They shall come into force from 1st October, 2022.

2. Definitions

In these Guidelines, unless the context otherwise requires, -

- (1) **Act** – means the Chartered Accountants Act, 1949, (No. 38 of 1949);
- (2) **Assurance Engagement** – as defined in the *Framework for Assurance Engagements* issued by the Institute of Chartered Accountants of India and as may be amended from time to time means an engagement in which a practitioner expresses a conclusion designed to enhance the degree of confidence of the intended users other than the responsible party about the outcome of the evaluation or measurement of a subject matter against criteria but does not include:
 - (i) Management Consultancy Engagements;
 - (ii) Representation before various Authorities;
 - (iii) Engagements to prepare tax returns or advising clients in taxation matters;

- (iv) Engagements for the compilation of financial statements;
- (v) Engagements solely to assist the client in preparing, compiling or collating information other than financial statements;
- (vi) Testifying as an expert witness;
- (vii) Providing expert opinion on points of principle, such as Accounting Standards or the applicability of certain laws, on the basis of facts provided by the client;
- (viii) Engagement for Due diligence and
- (ix) Any other service rendered or function performed by practitioner not prescribed by the Council to be 'Assurance Engagement'.

The phrase 'Assurance Services' is used in the Guidelines interchangeably with Audit Services, Attestation Functions and Audit Functions.

- (3) **Board Member** – means a person appointed by the Council of the Institute as a Member of the Board;
- (4) **Branch office** - means in relation to a Practice Unit, any establishment described as such by the Practice Unit;
- (5) **Branch Peer Reviewer** – means a Reviewer appointed to conduct the Peer Review of the Branch of a Practice Unit. The qualifications and other obligations and duties of the Branch Peer Reviewer shall be the same as that of the Reviewer;
- (6) **Chairman** - means a person appointed as Chairman of the Board by the Council of the Institute, and includes a person, who, for the time being, is discharging the functions and duties of the Chairman;
- (7) **Committee** - means a Committee of the Council as defined under section 17 of the Chartered Accountants Act, 1949 including any Board;
- (8) **Council** – means the Council of the Institute as defined under Chapter III of the Chartered Accountants Act, 1949;
- (9) **Forms and Records** – shall mean forms and records of the Board under these Guidelines maintained on electronic form on computers or such other devices;
- (10) **Institute** - means The Institute of Chartered Accountants of India constituted under the Chartered Accountants Act, 1949;

- (11) **Member** - means a member in practice within the meaning of sub-section (2) of section 2 of the Chartered Accountants Act, 1949;
- (12) **New Unit** - means a firm whose date of establishment is less than 12 months immediately preceding the date of receipt of application of Peer Review and which may or may not have rendered any assurance service during the said period or a Practice Unit in existence for a period exceeding 12 months but not rendering any assurance services;
- (13) **Peer Review Board** - means the Board constituted by the Council in terms of these Guidelines from time to time. [The expression "Peer Review Board" is hereinafter referred to as "Board"];
- (14) **Peer Review** - means an examination and review of the systems and procedures to determine whether the same have been put in place by the Practice Unit for ensuring the quality of assurance services as envisaged by the Technical, Professional and Ethical Standards as applicable including Audit Quality Maturity Model wherever applicable or any other regulatory requirements as may be prescribed by the Council or any Committee and whether the same were consistently applied during the period under review;
- (15) **Peer Review period** – means three financial years preceding the year in which the Practice Unit is selected or such other period or any period as may be prescribed by the Peer Review Board for conducting a Peer Review in a specific case;
- (16) **Peer Review Board Secretary** - means the Peer Review Board Secretary or any Additional or Joint or Deputy or Assistant Secretary appointed by the Council or any person acting as the Secretary under the directions of the Council; as defined under Regulation 2 (xv) of the Chartered Accountants Regulations, 1988;
- (17) **Practice Unit** - means a firm of Chartered Accountants or a member in Practice, practicing whether in an individual name or a trade name or such other entity as recognized by the Institute of Chartered Accountants of India from time to time;
- (18) **Prescribed form** - means a form prescribed under these Guidelines;
- (19) **Reviewer** - means a member duly approved and empanelled by the Board on fulfilling the qualifications prescribed for a Reviewer as per Guideline 26 of these Guidelines;

- (20) **Regulations** - mean the Chartered Accountants Regulations, 1988 and Regulation means Regulation included therein;
- (21) **Qualified Assistant** - means a member who is an associate of the Reviewer either as his partner or as a paid assistant as per the records of the Institute of Chartered Accountants of India;
- (22) **Section** - means a section of the Chartered Accountants Act, 1949;
- (23) **Technical, Professional and Ethical Standards** - mean
- (i) Accounting Standards issued by ICAI that are applicable for entities other than companies under the Companies Act, 2013;
 - (ii) Accounting Standards prescribed under section 133 of the Companies Act, 2013 by the Central Government based on the recommendation of ICAI and in consultation with and after examination of the recommendations made by the National Financial Reporting Authority (NFRA);
 - (iii) Indian Accounting Standards prescribed under section 133 of the Companies Act, 2013 by the Central Government based on the recommendation of ICAI and in consultation with and after examination of the recommendations made by the National Financial Reporting Authority (NFRA);
 - (iv) Standards issued by the Institute of Chartered Accountants of India including
 - (a) Engagement and Quality Control Standards
 - (b) Statements
 - (c) Guidance notes
 - (d) Standards on Internal Audit
 - (e) Guidelines/ Notifications / Directions / Announcements / Pronouncements / Professional Standards issued from time to time by the Council or any of its Committees;
 - (v) Framework for the preparation and presentation of financial statements, Preface to the Standards on Quality Control, Auditing, Review, Other Assurance and Related Services and Framework for Assurance engagements;
 - (vi) Provisions of the relevant statutes and / or rules or regulations which are applicable in the context of the specific engagements

being reviewed including instructions, guidelines, notifications, directions issued by regulatory bodies as covered in the scope of assurance engagements;

- (vii) Any other Technical, Professional, Ethical Standards and other Standards issued by any authority governing the profession of Chartered Accountancy.
- (24) **UDIN** – [Unique Document Identification Number] -means the 18-Digit system generated random unique number which is to be generated through UDIN Portal by every full time Practicing Chartered Accountant for every document/report certified/attested by him;
- (25) **UDIN Directorate** – means the UDIN Directorate set up by the Council of the Institute of Chartered Accountants of India to implement and monitor the progress of UDIN and its day to day functioning on real time basis;
- (26) **Vice- Chairman-** means a person appointed by the Council of the Institute as a Vice- Chairman of the Board.

All words and expressions used and not defined in these Guidelines shall have the same meaning as assigned to them under the Chartered Accountants Act, 1949, and the Rules and Regulations framed thereunder.

Chapter II

Peer Review

3. Peer Review and its objective

- (1) 'Peer Review' means the process defined under Clause 2 (14) of these Guidelines and includes any directions issued by the Board in this behalf.
- (2) Peer Review process is based on the principle of systematic monitoring of the procedures adopted and records maintained while carrying out audit & assurance services in the course of one's professional responsibility to ensure and sustain quality. Peer Review is primarily directed towards ensuring as well as enhancing the quality of audit and assurance services of Chartered Accountants in Practice. Peer Review of a Practice Unit is conducted by an independent evaluator known as a Peer Reviewer. The Peer Review process is intended to review the quality control framework of the Practice Unit as well as proper and consistent application of such control frameworks across engagement samples selected for review.
- (3) The main objective of Peer Review is to ensure that in carrying out the assurance service assignments, the members of the Institute - (a) comply with Technical, Professional and Ethical Standards as applicable including other regulatory requirements thereto and (b) have in place proper systems including documentation thereof, to amply demonstrate the quality of the assurance services.

4. Coverage of Peer Review

- (1) The Peer Review process shall apply to all the assurance engagements signed by a Practice Unit during the period under review.
- (2) Once a Practice Unit is subjected to Peer Review, its assurance engagement records pertaining to the Peer Review Period shall be subject to examination and review by the Peer Reviewer.
- (3) A Practice Unit having one or more branches at various locations in India may opt to get the Peer Review of any branch or branches conducted by a Branch Peer Reviewer. The Reviewer conducting the Peer Review of the Head Office shall consider the report of the Branch

Peer Reviewer and shall issue a consolidated report for the Practice Unit.

- (4) The Peer Review shall cover:
- (i) Compliance with Technical, Professional and Ethical Standards.
 - (ii) Quality of reporting.
 - (iii) Systems and procedures for carrying out assurance services.
 - (iv) Self evaluation under Audit Quality Maturity Model or any other guideline issued by the Centre for Audit Quality.
 - (v) Training programmes for staff (including article and audit assistants) concerned with assurance functions, including availability of appropriate infrastructure.
 - (vi) Compliance with directions and / or guidelines issued by the Council to its Members, including fees to be charged, number of audits undertaken, register for Assurance Engagements conducted during the year and such other related records.
 - (vii) Compliance with directions and / or guidelines issued by the Council in relation to article assistants and / or audit assistants, including attendance register, work diaries, stipend payments, and such other related records.

5. Criteria of Peer Review

The Criteria of Peer Review are as follows:

- (i) **Mandatory:** Peer Review can be mandated for such Practice Units as may be decided by the Council.
- (ii) **Voluntary :** Any Practice Unit may, suo motu, apply to the Board for the conduct of its Peer Review.
- (iii) **Special case** - The Board, based on specific information received from Secretary, ICAI or Disciplinary directorate or any other Regulator, which in the opinion of the Board requires a special Peer Review of the Practice Unit, may conduct a special Peer Review of the Practice Unit for such a period determined by the Board.
- (iv) **New Unit :** A Practice Unit whose
 - (a) Date of establishment is less than twelve months immediately preceding the date of receipt of application of Peer Review or

- (b) A Practice Unit in existence for a period exceeding twelve months but not rendering any assurance services may also apply for Peer Review.

- (v) **Prescribed criteria** - The Board may prescribe any other criteria of selection of Practice Unit for Peer Review as it may deem fit.

6. Procedure for initiating Peer Review

- (1) Practice Units which desire to get Peer Reviewed shall make an application for Peer Review in the Application cum Questionnaire in Form 1.
- (2) In case the Peer Review is initiated by the Board, the Application cum Questionnaire in Form 1 should be submitted by the Practice Unit on the request of the Peer Review Board Secretary.
- (3) The Application mentioned under clauses 6(1) and 6(2) above received by the Board shall be duly numbered.
- (4) On receipt of the said Application cum Questionnaire, names of three Reviewers shall be recommended by the Board to the Practice Unit within three working days.
- (5) The Practice Unit shall select one out of the three recommended Reviewers and intimate to the Board within one working day of receipt of the names.
- (6) The Board shall appoint the Peer Reviewer selected by the Practice Unit in accordance with these Guidelines.
- (7) The Board shall intimate the Reviewer so selected to submit a Declaration of Confidentiality in Form 2 to the Practice Unit within two working days from the receipt of choice of name of the Reviewer from the Practice Unit.
- (8) The Practice Unit shall also provide a copy of the Application cum Questionnaire in Form 1 submitted to the Board as per clause 6 (1) or 6(2) above to the Reviewer within two working days of the appointment of the Reviewer.

7. Peer Review Procedure to be followed by the Peer Reviewer

- (1) Before commencement of Peer Review, the Peer Reviewer shall ensure that the Declaration of confidentiality is furnished to the

Practice Unit and acknowledgement of receipt thereof is obtained by him.

- (2) On receiving the Application cum Questionnaire in Form 1 from the Practice Unit, the Peer Reviewer shall initiate the Peer Review by intimating the Practice Unit of proposed visit and the proposed samples selected to be kept ready by the Practice Unit. The proposed samples selected are to be intimated by the Peer Reviewer in Form 5 prescribed by the Board.
- (3) The Reviewer may seek further/ additional clarification in Form 6 from the Practice Unit on the information furnished/ not furnished by the Practice Unit in the Questionnaire. The Practice Unit shall provide this additional information to the Reviewer within one working day.
- (4) The Reviewer shall, within two working days of receiving the information from the Practice Unit, select assurance service engagements that he would like to review and intimate the same to the Practice Unit and the Peer Review Board in Form 5.
- (5) The number of assurance service engagements to be Reviewed shall depend upon:
 - (i) The standard of quality controls generally prevailing
 - (ii) The size and nature of assurance service engagements undertaken by the Practice Unit
 - (iii) The methodology generally adopted by the Practice Unit in providing assurance services
 - (iv) The number of partners / members involved in assurance service engagements in the Practice Unit
 - (v) The number of locations / branch offices of the Practice Unit
 - (vi) The Fees charged / received / GST paid by the Practice unit.
- (6) The Reviewer shall plan for an “on-site review” visit for initial meeting in consultation with the Practice Unit. The Reviewer shall give the Practice Unit at least two working days to keep ready necessary records of the selected assurance services in Form 5.
- (7) The Reviewer may enlarge the initial sample size of assurance service engagements for review if the Reviewer deems fit.
- (8) Peer Review visits will be conducted at the Practice Unit's head office or /and branch(es) or any other locations. This on-site review should

not extend beyond six working days based on the size of the Practice Unit.

- (9) The Reviewer is required to carry out a Compliance Review of the following general controls for evaluating the degree of reliance to be placed upon them for effective Review:
- (i) Independence
 - (ii) Maintenance of Professional Skills and Standards
 - (iii) Outside Consultation
 - (iv) Staff recruitment, Supervision and Development
 - (v) Office Administration
- (10) The Reviewer is required to adopt a combination of compliance approach and substantive approach in the review process.
- (11) The compliance approach is to assess whether proper control procedures have been established / followed by the Practice Unit to ensure that assurance services are being performed in accordance with Technical, Professional and Ethical Standards. The following areas shall be considered:
- (i) Assurance services records for administration
 - (ii) Review and evaluation of system of internal controls
 - (iii) Substantive tests
 - (iv) Financial Statements presentation and disclosures
 - (v) Assurance Services conclusions
 - (vi) Assurance Services reporting
- (12) The Substantive Approach requires a Review of the assurance working papers in order to establish the extent of compliance and whether the assurance work has been carried out as per the Technical, Professional and Ethical Standards.

8. Procedure for Peer Review of a New unit

- (1) Peer Review of a New Unit is to be conducted based on the antecedents of partners and policy parameters announced by the Practice Unit for conduct of attest function. The Reviewer has to verify the same from the Application cum Questionnaire submitted by the

Practice Unit in Form 1 as well as an onsite visit to the Practice Unit which shall be restricted to one day.

- (2) The Reviewer shall thereafter submit a Report to the Board in the formats as prescribed by it.

9. Reporting by the Peer Reviewer

- (1) After completing the on-site review, the Reviewer, shall submit the Peer Review Report to the Board along with Form 9 if in his opinion, the Practice Unit has adequate systems and procedures in compliance with the Technical, Professional and Ethical Standards. A copy of the report shall also be forwarded to the Practice Unit.
- (2) In case, in the opinion of the Peer Reviewer, the systems and procedures of the Practice Unit are deficient or non-compliant with reference to any matter that has been noticed by him or if there are other matters where he wants to seek clarification, he shall communicate his findings to the Practice Unit, in a Preliminary Report issued by him.
- (3) The Practice Unit shall, within two working days of the date of receipt of the findings, make its submissions or representations, in writing to the Reviewer.
- (4) If the Reviewer is satisfied with the reply received from the Practice Unit, he shall submit an unqualified Peer Review Report to the Board along with Form 9. A copy of the report shall also be forwarded to the Practice Unit.
- (5) In case the Reviewer is of the opinion that the response submitted by the Practice Unit under clause 9(4) above is not satisfactory, the Reviewer shall submit a Qualified Report to the Board incorporating his reasons for the same along with Form 9. A copy of the report shall also be forwarded to the Practice Unit.
- (6) The Peer Review Report should state that the system of quality control for the assurance services of the Practice Unit for the period under Review has been designed so as to carry out the assurance services in a manner that ensures compliance with Technical, Professional and Ethical Standards.
- (7) The Peer Reviewer shall ensure to submit the following documents along with the Peer Review Report:
 - (i) Annexures to the Report as prescribed by the Board

- (ii) Copy of Questionnaire as received from the Practice Unit
 - (iii) List of samples selected by him in accordance with the criteria prescribed by the Board
 - (iv) Preliminary Report, if issued, along with Practice Unit's submissions on the same.
- (8) The Practice Unit as well as the Reviewer shall ensure that all documents submitted to the Board are duly dated, signed and complete in all aspects.
- (9) The Reviewer and Practice Unit shall mutually co-operate and ensure that the entire review process is completed within twenty working days from the date of receipt of application from the Practice Unit for being Peer Reviewed or from the date of notifying the Practice Unit about its selection for Review as the case may be.
- (10) In case of Peer Review of a New Unit, the Reviewer and Practice Unit shall mutually co-operate and ensure that the entire review process is completed within seven working days from the date of receipt of application cum questionnaire from the Practice Unit for being Peer Reviewed.

10. Communications

All communications by the Practice Unit and the Peer Reviewer with the Board shall be made at the Email address prescribed by the Board from time to time.

11. Joint intimation for extension of time for completion of Peer Review process

- (1) In case of delay in the Peer Review process beyond the timeframe prescribed under these Guidelines, before the last date for furnishing Form 9, the Practice Unit and the Reviewer including the Branch Peer Reviewer, if any, shall make an intimation to the Board in Form 7 seeking extension of time giving reasons for the delay in the process and submission of report to the Secretariat.
- (2) The Board has power to condone the delay, if any for submission of Form 7.

12. Fees for Peer Review

- (1) The Practice Unit shall pay fees to the Peer Reviewer for conducting Peer Review as has been mutually agreed upon by both the parties.

- (2) The minimum recommendatory fees for Peer Review shall be notified by the Board. The basis for charging fees for Peer Review of the Practice Unit or any of its branch payable by the Practice Unit shall also be prescribed by the Board.
- (3) Fees for Peer Review should be paid by the Practice Unit to the Peer Reviewer within seven working days of receipt of invoice from the Peer Reviewer.
- (4) The prescribed fees for Peer Review are based on fees charged by Practice Unit for carrying out attest function. However, where such analysis is not done by the Practice Unit then fees shall be charged on gross turnover of professional fees as per the statement of Practice Unit for the Peer Review period. In case of branch of a Practice Unit, this should be read with reference to the statement of the branch.
- (5) The Practice Unit shall make available books of account or financial statements or a certificate from a Chartered Accountant to enable the Peer Reviewer to ascertain the amount of fees from assurance services rendered by it during the period of review.
- (6) In case of non-payment of fee, notwithstanding any other consequences, the Board reserves the right to withhold the Peer Review Certificate of the Practice Unit.
- (7) The Board may also order refund of fees to the Practice Unit by the Reviewer, for reasons as may be recorded.

13. Review of report by the Peer Review Secretariat under the supervision and directions of Peer Review Board Secretary

- (1) The Peer Review Board Secretary shall ensure that the Peer Review report is accompanied by all the documents as mentioned under Clause 9 (7) of the Guidelines. It shall also ensure that the documents are complete in all aspects.
- (2) All reports shall be placed before the Board or its Sub-Committee for its consideration and issuance of Peer Review Certificate.
- (3) In case of a qualified report, the Peer Review Board Secretary shall place the report before the Board for consideration. The Board may decide for a “Follow On” Review after a period of one year from the date of issue of report by the Peer Reviewer. If the Board so decides, the period of one year may be reduced but shall not be less than six months from the date of issue of the report.

14. Issuance of Peer Review Certificate

- (1) In case of an unqualified report issued by the Peer Reviewer, the Peer Review Board Secretary shall place the report before the Board or its Sub-Committee for consideration and issuance of Peer Review Certificate to the Practice Unit, but only after the Peer Reviewer confirms the fee receipt from the Practice Unit by him.
- (2) A Peer Review Certificate shall be issued to New Units subject to the Procedures followed by the reviewer as prescribed under Clause 8 of these Guidelines and other clauses of these Guidelines, as the case may be.
- (3) The Certificates so issued by the Board or the Sub-Committee shall be noted by the Board at its meeting.
- (4) The Certificate shall be duly signed by the Chairman, Vice Chairman and Secretary of the Board mentioning the validity period.
- (5) The Peer Review Board Secretary shall serve the Peer Review Certificate upon the Practice Unit.
- (6) The Peer Review Board Secretary shall update the List of Practice Units having a valid Peer Review certificate incorporating the names of Practice Units to whom the Peer Review certificates have been issued on the ICAI website.
- (7) In cases where a Qualified Report has been issued by the Reviewer and has been considered by the Board, the Peer Review Board Secretary shall inform the Practice Unit that a Peer Review certificate cannot be issued along with the reasons therefor as well as inform about the due date for conducting a follow on review as may be decided by the Board.

15. Validity of Peer Review Certificate

- (1) The Peer Review Certificate issued to a Practice Unit shall be valid for a period of three years or such other period as may be decided by the Board commencing from the date of receipt of Peer Review report by the Board.

Provided that if the Peer Review Report has been received before the expiry of the earlier Peer Review Certificate, the date of commencement of the Certificate shall be the date following the date of expiry of the earlier Peer Review Certificate.

- (2) The validity of the Peer Review Certificate issued to New Units shall be decided by the Board.
- (3) It is the responsibility of the Practice Unit to complete its Peer Review and ensure submission of all necessary documents by the reviewer within sufficient time before the date of expiry of the previous certificate.
- (4) The Council may for such reasons as may be prescribed by it extend the validity of existing Peer Review certificate granted to a Practice Unit. The Practice Unit shall make an Application in Form 8 requesting for extension of validity.
- (5) The validity of the Certificate shall, under no circumstances other than those referred under sub clause 4 above be extended by the Board.
- (6) The Peer Review Certificate shall cease to be valid from the time it is revoked as per clause 22 of the Guidelines.

16. Duplicate / Amendment of Peer Review Certificate:-

- (1) Where a Practice Unit holding a Peer Review Certificate granted by the Board has lost it, the Board may, on an application made in this behalf, duly supported by an affidavit of the applicant to the effect that it was in possession of such certificate and has lost it, issue a duplicate certificate on payment of a fee of two hundred rupees.
- (2) Where any certificate granted by the Board is damaged, the Board may, on an application made in this behalf issue a duplicate certificate on receipt of the fee prescribed above and on return of the damaged certificate.
- (3) Where a holder of the Peer Review Certificate granted by the Board intimates to the Board a change of name of the Practice Unit wherein Firm Registration Number (FRN) remains the same or conversion of a firm into LLP the Board may, on an application made in this behalf, amend and issue a fresh certificate on return of the original certificate, including such particulars as may be decided by the Board.

Provided that the Practice Unit gives a confirmation to the effect that not less than one half of the partners of the Practice Unit at the time of issuance of Peer Review Certificate continue to be the partners of the Practice Unit.

- (4) The Practice Unit shall submit a declaration to the effect that it shall not use a copy of the original certificate in case where an amended certificate is issued due to change of name.
- (5) In case of any other re-organisation of Practice Unit the Board is authorised to take a decision on case to case basis.

Chapter III

Peer Review Board

17. Establishment and Constitution

- (1) The Board shall be constituted by the Council.
- (2) The Board shall consist of a minimum of six and a maximum of twelve members to be appointed by the Council, of whom not less than fifty per cent shall be from amongst the members of the Council.
- (3) The Council may nominate members to the Board from outside bodies and from amongst prominent individuals of high integrity and reputation, including but not limited to, regulatory authorities, bankers, academicians, economists, legal professionals and business executives.
- (4) The Council shall appoint the Chairman and the Vice-Chairman to the Board from amongst its elected members of the Council.
- (5) The term of two thirds members shall be for three years or end of the term of the member in the Council whichever is earlier, or such other period as may be prescribed by the Council from time to time. The Chairman and the Vice-Chairman of the Board, as far as possible, may be rotated every year by the Council of the Institute.
- (6) Casual vacancies on the Board shall be filled by the Council.
- (7) A Member of the Disciplinary Committee or the Board of Discipline shall not be eligible for appointment as a member of the Board.

18. Meetings of Peer Review Board

Provisions related to the time, place and quorum of Meetings of the Peer Review Board as well as procedure for transaction of business shall be governed by the Chartered Accountants Regulation, 1988.

19. Language of the Board

- (1) The language of the Board shall be English.
- (2) No application or document in a language other than English shall be accepted by the Board.

20. Reporting

The Board shall submit a report to the Council prior to the date of every meeting of the Council.

21. Functions of the Board

- (1) The Board shall be vested with the powers to enforce compliance of the provisions of these Guidelines by the Practice Units and others.
- (2) Without prejudice to the generality of the provisions of clause (1) of clause 21 of the Guidelines, the powers and duties of the Board shall include the following:
 - (i) To call for such information and / or records from Practice Units / Reviewers in such form and manner as may be decided by the Board from time to time.
 - (ii) To arrange for orientation and periodic training programmes for Reviewers and/ or Practice Units.
 - (iii) To conduct empanelment tests for empanelling the Peer Reviewers.
 - (iv) To conduct advanced empanelment test for empanelment of Peer Reviewers for undertaking Peer Review of Practice Unit conducting statutory audit of listed entities.
 - (v) To prescribe the procedures to be followed in relation to Peer Review.
 - (vi) To register and/or remove Peer Reviewers and maintain a panel of Reviewers.
 - (vii) To fix the ceiling on number of yearly reviews to be conducted by the Reviewer.
 - (viii) To fix the terms and conditions of appointment of the Reviewers.
 - (ix) To prescribe the formats for maintenance of records by Peer Reviewers and to examine the same.
 - (x) To make changes in the Forms prescribed under these Guidelines. The changes so made shall be noted by the Council.
 - (xi) To reject any incomplete application, documents or forms as prescribed in these Guidelines as received by it.

- (xii) To Review the work performed by a Reviewer.
- (xiii) To define the scope of selection of Practice Unit for Peer Review as the Board may deem fit.
- (xiv) To collect information to determine whether the Practice Unit is covered under the Peer Review mandate as notified by the Council.
- (xv) To prescribe such criteria of selection of Practice Unit for Peer Review as the Board may deem fit.
- (xvi) To select and notify the Practice Unit for Peer Review to be conducted during the year.
- (xvii) To select three Reviewers and intimate their names to the Practice Unit and allow the Practice Unit to choose any one Reviewer therefrom within one working day or such other period as may be decided by it from time to time

Provided that, the Board shall, for reasons to be recorded in writing, appoint a Reviewer for the Practice Unit if: -

- a) the Practice Unit does not select Reviewer within a period of one working day or such other period as may be fixed, from the date of service of the intimation; or
 - b) the Reviewer selected by the Practice Unit does not give his confirmation within seven working days of being intimated by the Peer Review Board.
 - c) the Practice Unit on its own requests the Board to appoint a Reviewer.
- (xviii) To call for such information on regular intervals from UDIN Directorate as may be considered necessary.
 - (xix) To prescribe a register to be maintained by the Practice Unit for assurance services rendered during the year.
 - (xx) On considering the report of a Reviewer:
 - a) issue such advisory to the Practice Unit and/or Peer Reviewer as may be considered appropriate; or
 - b) order a "Follow On" Peer Review to be carried out; or
 - c) issue Peer Review Certificate in the format as the Board may decide.

- d) To examine that the Practice Units comply with appropriate Audit Assurance Quality Index or such other criteria as may be specified by the Center for Audit Quality or such other Committees as may be constituted by the Council.
- (xxi) To frame Rules for assigning grades to the Practice Units based on such criteria as may be decided by it and to provide suitable grading to the Practice Units. The Practice Units shall inform the grading to the Board in the application Form while applying for the next cycle of Peer Review.
- (xxii) To publish the grades so allotted on such platforms as the Board may decide for the purpose of reporting to appropriate Authorities or for such other purpose as may be decided by the Board.
- (xxiii) To Note and issue the Certificates to the Practice Units on the basis of report submitted by the Reviewer.
- (xxiv) To form such sub groups of the Board, as may be necessary to discharge its various functions.
- (3) Where deemed appropriate, after the conclusion of a cycle of Reviews or at the end of each such period as may be determined, the Board shall have powers to make a Special Report to the Council on:
 - (i) the level of implementation and adherence to Technical, Professional and Ethical Standards amongst Practice Units,
 - (ii) its suggestions for further improvement in quality of Peer Review and
 - (iii) such other related matters and/or information it may be deemed fit.
- (4)
 - (i) Pursuant to a follow on review carried out in terms of Clause 13(3), if the report of the reviewer continues to be adverse then the deficiencies as reported shall be referred to a Sub Committee of the Board. The Sub Committee shall consider the nature and materiality of the deficiencies contained in the follow on review and give its findings to the Board within thirty days from the date the said matter was referred to it.
 - (ii) The Board shall consider the findings of the Sub Committee on the nature and materiality of the deficiencies which the Board

after due deliberations may either accept or reject for reasons to be recorded in writing. If the Board is of the opinion that the findings of the Sub- Committee have observations on material deficiencies in the Practice Unit, then the Board shall refer the matter to the Council for considering whether the same may be referred to the Disciplinary Directorate for initiating disciplinary action.

- (5) The Board may perform such other functions or acts as may be incidental to, or, which it considers necessary or expedient for the performance of its functions, or exercise of its powers as delegated to it by the Council, including the formation of Sub-Committees and Regional Benches of the Board for specific tasks.
- (6) If the Peer Reviewer does not carry out Peer Review in terms of these Guidelines, the Board may, after giving him an opportunity of being heard, take action in the matter including recommending case to the Council for taking such action.
- (7) The Board shall appoint a Peer Reviewer and bear the cost of Peer Review in case the Reviewer appointed dies after submission of the report to the Board and the report is not complete in all aspects as reviewed by the Peer Review Secretariat. The Board shall bear the cost only if the Practice Unit has made payment in terms of the invoice of the deceased Peer Reviewer.
- (8) To review the Practice Unit with a view to check the appropriateness of the Peer Review report issued by the Reviewer and after giving an opportunity of being heard to the Reviewer, take appropriate action for deficiencies/ limitations noticed in the Peer Review Report.
- (9) For the purpose of clause 21(8), the Board can get the review done through its own resource or can appoint any one or more Peer Reviewer(s). The Cost of such Review shall be borne by the Board.

22. Revocation of Peer Review Certificate

- (1) The Board may, subject to the principle of natural justice, revoke the Peer Review Certificate of the Practice unit during its currency, if-
 - (i) The Practice Unit has not complied with the order or advisory issued by the Peer Review Board; or
 - (ii) The Peer Review Board receives any Directions from the Secretary, ICAI, Disciplinary Directorate or directions from any Regulator through Secretary, ICAI or the Council.

- (iii) On an information received from the Practice Unit or otherwise that the Practice Unit or any of its partners are held guilty by the Disciplinary Committee or the Court within one month of the final order issued by the DC/ Court as the case may be, the Board may take such immediate action as is considered necessary, including suspending or revoking the Peer Review Certificate.
 - (iv) On an information received from Practice Unit that there is a change of one half or more of the partners, the Certificate shall be revoked on the expiry of six months from the date of such change or shorter period in case the change has occurred during the last six months of the validity of the certificate.
- (2) The Board shall issue a notice to the Practice Unit in Form 10 & the Practice Unit shall be given an opportunity to present its response for the observations made by the Board stated in Form 10.
- (3) The name of the Practice Unit whose Certificate has been revoked shall be hosted on the ICAI website.

Chapter IV

Administration

23. Secretariat

- (1) The Council may cause an appropriate and independent Peer Review Board Secretary and Secretariat to be set up to assist the Board in the discharge of its functions.
- (2) All persons working in the Secretariat shall be subject to the same terms and conditions of confidentiality as the Board Members and Peer Reviewer(s).
- (3) Appropriate arrangements for training of personnel of the Secretariat shall be made from time to time.

24. Functions of the Peer Review Board Secretary and Secretariat

- (1) The Peer Review Board Secretary shall have the custody of all the records of the Board.
- (2) The Peer Review Board Secretary shall perform his duties and functions under the general superintendence and control of the Chairman of the Board.
- (3) Subject to any general or special order in writing of the Chairman, the Vice Chairman or any Member of the Board, the Secretariat including the Peer Review Board Secretary shall have the following powers and duties, namely:
 - (i) To receive the Application and Questionnaire from the Practice Unit, Peer Review Reports, Rectified Application and Questionnaire from the Practice Unit; Rectified Peer Review Reports, and any other Miscellaneous applications and make an entry of the same into respective receipt register;
 - (ii) To endorse on such applications the date of receipt, for the purpose of calculating the period of limitation;
 - (iii) To scrutinize all Applications and Questionnaires and Peer Review Reports received from the reviewers, and ensure that the same are complete in all aspects. In case there is any contradiction in the information provided by the Practice Unit and the comments of the reviewer the same may be pointed out

by the office. However, the comment of the reviewer shall be considered as final;

- (iv) To point out defects, in such Application and Questionnaire and Peer Review Reports, through email or by post to the Practice Unit and/ or the Peer Reviewer requiring him to rectify the same by affording reasonable opportunity and, if within the time so granted, defects are rectified, to place the reports before the Board or its Sub-Committee for consideration and issuance of Peer Review Certificate. The Certificate shall be issued when all documents submitted by the Peer Reviewer as prescribed under sub- clause 7 of Clause 9 are complete in all aspects and the date of receipt of report for the purpose of sub clause 1 of Clause 15 shall be the date of receipt of all such completed documents by the office.
- (v) To scrutinize all miscellaneous applications received from the reviewers and the Practice Unit and take such action as may be decided by the Board;
- (vi) To send the show cause notice along with enclosures, to the Practice Unit or the Peer Reviewer within a reasonable time and to receive cross-objection, if any, on the same;
- (vii) To preserve the records of the Board for a period of eight years
- (viii) To receive applications for substitution, on account of death, or otherwise, of the Peer Reviewer from the Practice Unit, during the pendency of Peer Review and place them before the Board;
- (ix) To requisition records from the custody of any authority;
- (x) To grant certified copies of the Peer Review Certificates in accordance with the Guidelines;
- (xi) To maintain :
 - (a) List of Peer Reviewed Practice Units;
 - (b) List of Reviewers who have been Empanelled with the Board alongwith the date of passing the test and the date of validity of their empanelment as well as the number of assignments handled by them;
 - (c) List of Reviewers empanelled with the Board who have qualified the special test held for conducting Peer Review

of Practice Units rendering statutory audit of listed entities along with the date of passing test and the date of validity of the their empanelment as well as number of assignments handled by them;

- (d) List of Practice Units along with the name of Reviewers which have been referred to the Council for initiating any action against them;
- (e) Minutes of Board Meetings duly signed by the Chairman and Peer Review Board Secretary;
- (f) Such other records as are necessary for the conduct of official work.

Chapter V

Practice Units

25. Obligations of the Practice Unit

- (1) A Practice Unit which falls under any of the Criteria prescribed under clause 5 (i); (ii) and (iv) of the Guidelines may apply for Peer Review in Form 1 - application cum questionnaire as prescribed by the Board. Provided that the Board shall intimate the Practice Unit to apply for Peer Review in cases where the criteria prescribed under clause 5 (iii) and (v) of the Guidelines are attracted.
- (2) All Practice Units shall comply with the provisions of these Guidelines. Any non-compliance by a Practice Unit shall attract disciplinary action under clause (2) of Part III of the First Schedule and/or under clause (1) of Part II of the Second Schedule of the Chartered Accountants Act, 1949. The Board is empowered to forward the name/s of a Practice Unit or Practice Units to the Council for initiating Disciplinary action.
- (3) Any Practice Unit, in addition to the prescribed information to be furnished including the questionnaire, statements and such other particulars as the Board may deem fit, shall comply with the following:
 - (i) Produce to the Reviewer or allow access to, any record, document or prescribed register maintained by the Practice Unit or any other record or document which is of a class or description so specified and which is in the possession or under the control of the Practice Unit.
 - (ii) Provide to the Reviewer such explanation or further particulars/ information in respect of anything produced in compliance with a requirement under the above clause 25 (3) (i) , as the Reviewer shall specify.
 - (iii) Provide to the Reviewer all assistance in connection with the Peer Review.
 - (iv) Where any information or matter relevant to a Practice Unit is recorded otherwise than in a legible form, the Practice Unit shall provide and present to the Reviewer an extract of any such information or matter, or of the relevant part of it in a legible

form, with a translation in English or Hindi, if the matter is in any other language, and if such translation is requested for by the Reviewer. The Practice Unit shall be responsible and accountable for the accuracy and truthfulness of the translation so provided.

Chapter VI

Peer Reviewer

26. Eligibility to be a Peer Reviewer

- (1) A member in practice shall be eligible to be enrolled as a Peer Reviewer if:
 - (a) He is a member in practice having at least seven years of assurance practice experience or
 - (b) A member in employment who has subsequently obtained a Certificate of Practice, having at least ten years of experience in employment and at least three years audit experience in practice and is in whole time practice at the time of enrolment and appointment as Peer Reviewer.
- (2) A member shall not be eligible for being appointed as a Reviewer of a Practice Unit, if -
 - (i) any disciplinary action / proceeding is pending against him
 - (ii) he has been found guilty of professional or other misconduct by the Council or the Board of Discipline or the Disciplinary Committee at any time
 - (iii) he has been convicted by a competent court whether within or outside India, of an offence involving moral turpitude and punishable with imprisonment,
- (3) A Peer Reviewer shall not accept any professional assignment from the Practice Unit for a period of two years from the date of appointment. Further, he should not have accepted any professional assignment from the Practice Unit for a period of two years prior to the date of appointment as a Peer reviewer of that Practice Unit or its partners in case of a firm.
- (4) A Reviewer shall be de-empanelled by the Board if his name is removed from the register of members or if he surrenders his Certificate of Practice at any time after he is empanelled with the Board.
- (5) A member on being appointed as a Reviewer shall be required to furnish a Declaration of Confidentiality to the Practice Unit as per Form

2 of these Guidelines while giving consent for appointment as a Peer Reviewer

27. Training and Test for Peer Reviewers

- (1) A Peer Reviewer should have undergone the training imparted by the Board for this purpose and should pass the test for Peer Review as prescribed and conducted by the Board.
- (2) Peer Reviewer of a Practice Unit conducting statutory audit of listed entities, shall be one who has undergone training and passed the test as prescribed by the Board in addition to normal training and test.
- (3) A member eligible to act as a Peer Reviewer shall make an application for enrolment as a Peer Reviewer with the Board in the prescribed Form 3.
- (4) A declaration of confidentiality in the prescribed Form 3 shall be submitted by the Peer Reviewer to the Board.
- (5) A reviewer once empanelled shall remain in the panel for three years from the date of Peer Review test that he has passed and on the basis of which he has been enrolled. However, a reviewer who is qualified to carry out Peer Review of a Practice Unit rendering statutory audit of a listed entity shall remain in the panel for two years.
- (6) The Reviewer shall approach the Board within six months before the expiry of his empanelment for undergoing fresh training and test.

28. Panel of Reviewers

The Board shall maintain:

- (1) A Register of Peer Reviewers which shall contain Region wise and City wise list of Peer Reviewers.
- (2) Application with Declaration of Confidentiality received from the Peer Reviewer
- (3) Name of the members removed from the panel of Peer Reviewers.

29. Appointment of a Peer Reviewer

- (1) The Board shall have the power to appoint a Peer Reviewer for any Practice Unit.
- (2) A Peer Reviewer who is registered with the Board will not be eligible for appointment as a Peer Reviewer of a Practice Unit if:

- (i) he or his partners have any obligation or conflict of interest in the Practice Unit or
 - (ii) he has undergone training/articleship under any of the partner of Practice Unit or.
 - (iii) he has been a partner of the Practice Unit
- (3) A Register of Empanelled Peer Reviewers shall be maintained by the Secretariat. The register shall contain information regarding the number of assignments handled by the Peer Reviewer and such other observations as may be prescribed by the Board.
- (4) The Board shall ensure equitable distribution of work to the empanelled Peer Reviewers.

30. Obligations of the Peer Reviewer

- (1) All Reviewers shall comply with the provisions of these Guidelines.
- (2) In case of non-compliance of any guideline, the Board is empowered to initiate appropriate action as per law.
- (3) The Peer Reviewer shall not take any extracts of the Practice Units' clients' files or records made available to him while conducting Peer Review.
- (4) The Peer Reviewer shall complete the Review within the prescribed time frame unless extended in concurrence with the Practice Unit.
- (5) The Peer Reviewer shall submit the Peer Review report to the Board within the time allowed.
- (6) The Reviewer shall document all his working papers and submit a copy of his working papers to the Board, if so directed by the Board. The Board can so direct within eighteen months of submission of the Peer Review Report.
- (7) A Peer Reviewer can appoint an assistant for conduct of Peer Review. However, such an assistant should be a Chartered Accountant in Practice.
- (8) Wherever the Reviewer seeks the assistance of a qualified assistant the said qualified assistant is under all the obligations as applicable to the Peer Reviewer.

Chapter VII

Miscellaneous

31. Immunity

- (1) A Practice Unit, which makes available records or documents to a Reviewer, shall not be held liable under the Code of Ethics or under the Chartered Accountants Act, 1949 and the Rules and Regulations framed thereunder, by reason of compliance with these Guidelines except as provided under any Clause of these Guidelines.
- (2) The Reviewer, by virtue of conducting the Peer Review shall not be held liable except for the liability arising out of his own conduct under the Code of Ethics under the Chartered Accountants Act, 1949 and the Rules and Regulations framed thereunder as well as under the relevant clauses of these Guidelines.
- (3) The members of the Board shall not be held liable by virtue of their having discharged the responsibilities as given in these Guidelines or as may be directed by the Council, other than the liability arising out of their own conduct under the Code of Ethics, the Chartered Accountants Act, 1949 and the Rules and Regulations framed there - under as well as under the relevant clauses of these Guidelines.

32. Confidentiality

- (1) Strict confidentiality shall be maintained by all those involved in the Peer Review process, namely, Reviewers, members of the Board, Peer Review Secretariat, qualified assistants and the Practice Unit.
- (2)
 - (a) All persons governed by the secrecy provisions shall, at all times, preserve and aid in preserving secrecy with regard to any matter arising in the performance or in assisting in the performance of any function, directly or indirectly related to the process and conduct of Peer Reviews;
 - (b) The Reviewer shall not make use of or disclose the contents of Review report or any confidential information about the process of Review except as required by the Board or the Council.
- (3) Non-compliance with the secrecy provisions in the above clause shall amount to professional misconduct as defined under Section 22 of the Chartered Accountants Act, 1949.

- (4) A Declaration of Confidentiality (Form 4) shall be signed by all members of the Board and the Board's Secretariat.

33. Power to remove difficulties

If any difficulty arises in the application or interpretation of these Guidelines, the Council may issue clarifications through circulars or any other mode after recording the reasons therefor in writing.

34. Power to relax strict enforcement of these Guidelines

The Council may, with a view to regulate the profession or for the development of the profession, relax the strict enforcement of any requirement of these Guidelines, if the Council is satisfied that:

- (i) The requirement is procedural or technical in nature and not substantial or
- (ii) The technical non-compliance was caused due to factors beyond the control of the member.

35. Repeals and Savings

- (1) On and from the commencement of these Guidelines, the Statement on Peer Review 2021 shall stand rescinded
- (2) Notwithstanding such rescission anything done or any action taken or purported to have been done or taken, any Peer Review Certificates issued or Peer Review process commenced or initiated in terms of the said Peer Review Statement 2021 shall be deemed to have been taken under the corresponding provisions of these Guidelines.

Appendix

FORM 1

APPLICATION CUM QUESTIONNAIRE TO BE SUBMITTED BY PRACTICE UNIT

[As per Clause 6(1) & 6 (2) of the Peer Review Guidelines 2022]

The Secretary, Peer Review Board,
The Institute of Chartered Accountants of India,
ICAI Bhawan,
Post Box No. 7100,
Indraprastha Marg, New Delhi – 110002

APPLICATION

Dear Sir,

1. Our Firm
(Name of practice unit as per ICAI Records) ; FRN/ M. No. (Firm Registration Number/ Mem. No. as per ICAI records) would like to apply for Peer Review for the period from.....to.....(three preceding financial years from the date of application). We have gone through the Peer Review Guidelines 2022 hosted at And undertake to abide by the same.
2. I/We hereby declare that my/our firm is applying for Peer Review (Tick the applicable clause):
 - (i) As it is Mandatory by: ICAI ☐ Any other Regulator (please specify) ☐
 - (ii) Voluntarily: ☐
 - (iii) As a special case Review initiated by the Board: ☐
 - (iv) New Unit: ☐
 - (v) As per decision of the Board: ☐

3. I/We hereby declare that my/our firm has signed reports pertaining to the following assurance services during the period under review:

S. No.	Type of Assurance service rendered	Major type of Client (please specify) (eg Banks; Insurance Company; Manufacturing; Individuals; Trading ; any other)
1	Central Statutory Audit	
2	Statutory Audit	
3	Internal Audit	
4	Tax Audit	
5	Concurrent Audit	
6	Certification work	
7	Any other , please specify	

4. I / We hereby declare that my/ our firm **has conducted/ has not conducted** Statutory Audit of enterprises Listed in India or abroad as defined under SEBI LODR, 2015 during the Review Period.

5. Option for appointment of Reviewer: (Tick appropriate option)

(i) Same City ☐

(ii) From outside City ☐

(iii) Either option (i) or (ii) ☐

(iv) Preferred City in case of option (ii) _____

6. Mail Id for communication with the Practice unit

7. Address for sending the Peer Review Certificate
.....
.....
.....
.....

Further Information to be submitted by New Unit

8. Tick the applicable clause or mention N.A. as the case may be:

- (i) CA, M.No. [.....] , partner of my firm is /was a partner/ proprietor of the firm(name and FRN of firm as per ICAI records) having a Peer Review Certificate No. (.....) that is valid from..... till.....
 - (ii) I am / was a partner/ proprietor of the firm(name and FRN of firm as per ICAI records) having a Peer Review Certificate No. (.....) that is valid from..... till.....
 - (iii) CA.....(M. N.....), an employee of my firm who is a Chartered Accountant, is / was a partner/ proprietor of the firm(name and FRN of firm as per ICAI records) having a Peer Review Certificate No. (.....) that is valid from..... till.....
 - (iv) CA , M.No. [.....] ,partner of my firm , is an Empanelled Peer Reviewer who has qualified the test organised by the Board.
 - (v) I, CA, M. No.....am an Empanelled Peer Reviewer who has qualified the test organised by the Board.
- 9.** Policies, procedures and infrastructure of my firm is in conformity with the Standards on Quality Control i.e. SQC-1 and
- 10.** I wish to undertake audit of listed entity and further declare that: (Fill as applicable or else mention N.A.)
- (i) CA , M.No. [.....] ,partner of my firm has carried out audit of Listed company in last three years.
 - (ii) I, CA....., M. No. (in case of proprietorship firm) have carried out audit of Listed company in last three years.
- 11.** The Practice Unit nominates its Partner CA..... for Peer Review process. His Mobile No. is.....and E-MAIL id is.....
- 12.** Annexure: Questionnaire
- I hereby Declare that the details furnished above are true and correct as borne out by the facts to the best of my knowledge and belief.

Peer Review Guidelines, 2022

- I understand that the Peer Review Certificate, issued on the basis of the report submitted by the reviewer does not provide immunity from Disciplinary/ legal proceedings or actions initiated against Practice Unit or its partners/ employees.
- I undertake to pay the fee to the Peer Reviewer within 7 days from the date of receipt of the invoice from the Peer Reviewer.
- I further undertake and agree that the certificate can be revoked for any of the reason stated in the Peer Review Guidelines

Signature

Name of Proprietor/Partner/
individual Practicing in own name:

Membership No. of the Signatory

Date:

QUESTIONNAIRE

(PART A - PROFILE OF PRACTICE UNIT (PU))

1. Name of the Practice Unit:
2. Peer Review of **HO**

Branch
3. Address (As per ICAI records) _____

4. Email ID and website of PU _____
5. Status: Partnership

 Proprietorship

 Limited Liability Partnership

 Practicing in individual name
6. Date of establishment of the PU:

d	d	m	m	y	y	y	y
---	---	---	---	---	---	---	---
7. Firm Registration Number:

--	--	--	--	--	--	--	--

 (Membership No. in case of an individual practicing in own name)
8. Is there any networking firm and if yes, please provide
 - (i) Name of network: _____
 - (ii) Since when the Networking is entered into: _____
 - (iii) Is there any exit from the Networking recently: _____. And if Yes, what is the reason or such exit: _____
9. Period of assurance service under review
 from:

d	d	m	m	y	y	y	y
---	---	---	---	---	---	---	---

 To:

d	d	m	m	y	y	y	y
---	---	---	---	---	---	---	---
10. Contact person of PU for Peer Review (along with Mobile No. and Email id) _____

11. Particulars about the constitution of the PU during the period under review (as per Form 18 filled with the ICAI). Is there assurance service like Statutory audit, tax audit, Taxation etc. headed by different partners, if yes details to be provided in the below table:

Name of sole-practitioner/ sole-proprietor/ partner	Membership no. of sole-practitioner/ sole-proprietor/ partner	Association with Practice unit (in years)	Any Post Qualification or Certificate course pursued within or outside ICAI.	Professional experience in practice	Predominant function (e.g. audit, tax, consulting)	Details of Changes	
						Joined (Year)	Left (Year)

12. Particulars of Chartered Accountants / Employed / Paid Assistant or Consultants as on <____>:(last date of block period of peer review)

Name (s)	Membership no.	Association with the practice unit (in years)	Experience (in years)

13. Details of Other Employees as on <____>:(last date of block period of peer review)

Particulars	Number
(a) Semi-Qualified Assistants	
(b) Articled Assistants	
(c) Administrative Staff	
(d) Others	

14. If the PU has any branch offices, furnish the following details of member in charge and number of staff

S.No	Member in Charge	No. of staff	Membership No	Address	Whether assurance services rendered

15. How is the control procedure followed by the Branch/es. And whether any periodic sample testing of clients handled by branch/es is done by HO?

16. Gross receipts of the Practice Unit [both H.O. and branch(es)] as per books of accounts from assurance functions for the period under review. In case of centralized billing the branch turnover may be added with HO otherwise separate figures (Rs. in Lakhs) to be given:

Financial Year	Head Office	Branch --	Branch --	Branch --

OR

Total Gross receipts of the Practice Unit [both H.O. and branch(es)] as per books of accounts for the period under review. In case of centralized billing the branch turnover may be added with HO otherwise separate figures (Rs. in Lakhs) to be given:

Financial Year	Head Office	Branch --	Branch --	Branch --

Peer Review Guidelines, 2022

17. Concentration: Furnish details where professional fees from any client exceed 15% of the PU's total gross receipts:

Name or code number of the Client	Type of Service (Assurance / Non Assurance)	% of PU's total gross receipts	Financial Year

18. Whether PU has ever undertaken self-evaluation as per 'Digital Competency Maturity Model-2? _____ If yes, when _____?

19. Has the PU been subjected to a Peer Review in the past? _____. If yes, the Certificate number issued by the Board _____.

20. Whether any Partner/Employee of Practice Unit has been found guilty by the Disciplinary Committee in the past 3 years in any capacity.

Name of Partner/Employee	Membership No.	Case No.	Whether found guilty YES/NO

21. Whether any client obtained through the process of tendering? _____

22. Please provide details of assurance clients where report/certificate has been signed during the period under review, financial year wise and branch wise as per Annexure A (Please use additional sheet for year-wise details):

ANNEXURE A

Note: The clients obtained through tender may please be marked with the word tender in bracket.

Sr. No.	Category of Client (Name or code of client)	Name of Branch/HO of PU	Name of Signing Partner	Type of Engagement*			Whether Engagement Quality review done?	Turn over Rs. Lakhs	Borrowing Rs. Lakhs	Net worth Rs. Lakhs
				FY....	FY....	FY....				
A	Any Bank or Insurance Company									
A1										
A2										
A3										
B	Non Banking Financial Companies having public deposits of Rs.100 crore or above.									
B1										
B2										
B3										
C	Central or State Public Sector Undertakings and Central Cooperative Societies having turnover exceeding Rs.250 crore or net worth exceeding Rs.5 crores.									
C1										
C2										
C3										
D	Enterprise which is listed in India or Abroad as defined under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.									
D1										
D2										
D3										
E	Asset Management Companies or Mutual Funds.									
E1										
E2										
E3										
F	Entities preparing the financial statements as per Ind AS.									
F1										
F2										
F3										

Peer Review Guidelines, 2022

G	Any Body corporate including trusts which are covered under public interest entities.									
G1										
G2										
G3										
H	Entities which have raised funds from public or banks or financial institutions or by way of donations/contributions over Fifty Crores rupees during the period under review.									
H1										
H2										
H3										
I	Entities which have been funded by Central and / or State Government(s) schemes of over Rs.50 crores during the period under review.									
I1										
I2										
I3										
J	Entities having Net Worth of more than Rs.100 Crores rupees or having turnover of Rs.250 crore or above during the period under review.									
J1										
J2										
J3										
K	Any other									
K1										
K2										
K3										

***Type of engagement (1) Central Statutory Audit (CSA), (2) Statutory Audit (SA), (3) Tax Audit (TA), (4) Internal Audit (IA), (5) Others (Concurrent, GST, certification work etc.)**

Note: Type of assurance service engagements include Central Statutory Audit, Statutory Audit, Tax Audit, GST Audit, Internal Audit, Certification work but does not include:

- (i) Management consultancy Engagements;
- (ii) Representation before various authorities;
- (iii) Engagements to prepare tax return or advising clients in taxation matter;
- (iv) Engagements for the compilation of financial statement;

- (v) Engagements solely to assist the client in preparing, compiling or collating information other than financial statement;
- (vi) Testifying as an expert witness;
- (vii) Providing expert opinion on points of principle, such as Accounting Standards or the applicability of certain loss on basis off acts provide by the client; and
- (viii) Engagements for due diligence.

PART B

GENERAL CONTROLS (Based on SQC 1) (Not applicable for New Units)

The Standard on Quality Control i.e. SQC-1 has been made mandatory by ICAI on and from (1st April 2009). Hence, the PU is required to establish a system of 'Quality Control', designed to provide reasonable assurance that the PU and its personnel comply with professional standards; regulatory, legal and ethical requirements.

Broadly, PU system of quality control should include policies and procedures addressing leadership responsibility, ethical requirements, acceptance and continuance of client relationship, Human Resources, Engagement Performance and Monitoring etc. A Questionnaire based on these criteria is given in Part B(I); B(II); B(III); B(IV); B(V) and B(VI) herein below.

[Notes:

- (i) The application of SQC-1 will depend on various factors such as the size and operating characteristics of the PU and whether it is part of network.]
- (ii) Refer to implementation Guide to SQC1:
https://resource.cdn.icai.org/20913frpubcd_aasb1.pdf

PART B (I)

LEADERSHIP RESPONSIBILITIES FOR QUALITY WITHIN THE FIRM

S.No.	Policies and Procedures	Remarks/Yes/No/Na
1	Does the PU have a Quality Control Manual in place?	
2	Whom has the firm entrusted with the responsibility for developing, implementing, and operating the Firm's QC system?	
3	Who is ultimately responsible for ensuring the effectiveness of the firm's System of QC and setting a tone that emphasizes the importance of quality?	
4	Whether the same has been formally	

S.No.	Policies and Procedures	Remarks/Yes/No/Na
	documented and agreed upon by partners?	
5.(i)	Who evaluates the client relationships and specific engagements to ensure that commercial considerations do not override the objectives of the system of QC?	
5.(ii)	How often is this evaluation carried out?	
6	What is the procedure followed by firm to ensure that fee considerations and scope of services do not infringe upon the quality of work and proper documentation as envisaged in SQC 1 is maintained?	
7.(i)	How and when are the Firm's QC policies and procedures shared with the personnel working in the Firm?	
7.(ii)	Whether refresher sessions are taken periodically?	
8	Does the firm's compensation system provide incentives and advancement to the personnel who demonstrate quality of work and compliance with professional standards?	
9	Has the PU come across any instances where the QC was overridden?	
10	Which of the following resources have the firm deployed for developing, implementing and maintaining Firm's QC policies and procedures:	
(i)	Manpower	
(ii)	IT tools	
(iii)	Library	
(iv)	Regular review mechanism etc.	

PART B (II)
ETHICAL REQUIREMENTS

S.No.	Policies and Procedures	Remarks/Yes/No/Na
1	Which of the following procedures does the PU have in place for ensuring that the personnel adhere to ethical requirements those contained in the code:	
(i)	Designated Independence and Ethics Partner who is responsible for all aspects of independence and ethics of the PUs partners and professional staff	
(ii)	If answer to (i) above is yes, name of the Partner	
(iii)	Is the Partner same as QC Partner?	
(iv)	Has the PU established a system for identifying all services performed for each client and evaluating whether any of the services impair independence?	
(v)	Does the PU regularly update itself with the changes in professional ethics and independence standards/ requirements?	
(vi)	What checks are put in place to ensure that all personnel follow the independence and ethics policies of the PU?	
2.	Which of the following checks does the PU put in place to ensure that the independence requirements are communicated to its personnel:	
(i)	Does the PU maintain a list of entities with which PU personnel and others, if any, are prohibited from having a financial or business relationship?	
(ii)	Does the PU make the list available to the concerned personnel so that they evaluate their independence?	

S.No.	Policies and Procedures	Remarks/Yes/No/Na
(iii)	Are the changes in the list notified to the personnel as soon as such changes occur?	
(iv)	Does the PU provide frequent reminders of professional responsibilities to personnel?	
3.	Which of the following policies, procedures and the safeguards the PU has in place to mitigate threats to its independence?	
(i)	Do the Engagement Partners provide the PU with relevant information about client engagement to enable it to evaluate the overall impact on independence requirements?	
(ii)	Does the PU provide training to partners and professional staff on what constitutes threat to independence and the safeguards that may be taken to reduce the threats to an acceptable level?	
(iii)	Accumulating and communicating relevant information to appropriate personnel	
(iv)	How and to whom the personnel notify of circumstances and relationships that cause threat to independence?	
(v)	What are the steps taken by PU so that the self-interest threat to independence is mitigated?	
(vi)a.	How the PU is mitigating the self-review threats.	
(vi)b.	Is there any checklist where the steps have been outlined?	
(vii)a.	How the PU is mitigating the risk of advocacy threats.	

S.No.	Policies and Procedures	Remarks/Yes/No/Na
(vii)b.	Can the PU demonstrate the same?	
(viii)a.	How the PU is mitigating the familiarity threats.	
(viii)b.	Can PU demonstrate the same?	
(viii)c.	Is the relationship with client personal disclosed in the Independence form?	
(ix)a.	Can the PU demonstrate that professional skepticism was used in the entire assignment?	
(ix)b.	What measures are taken to mitigate the same?	
4.	What policies, processes and safeguards has the PU established with regard to threats to its independence:	
(i)	Is it ensured that the PU does not have any financial interests in audit clients, their owners and officials?	
(ii)	Does the ethics policy of the PU emphasize that the members of PU must not have other than business relationships in audit clients, their owners and officials?	
(iii)a.	Does the PU have the policy of rotating out senior personnel from the assurance engagements after a certain length of service at a particular engagement?	
(iii)b.	If yes what is the length of service?	
(iv)	Whether there is a policy that the personnel declares - the acceptance of gifts & hospitality from clients/owners	
(v)	Does the PU have the policy to obtain annual independence declaration from all personnel?	
(vi)	As a step in the engagement program, is the Engagement Partner required to sign	

S.No.	Policies and Procedures	Remarks/Yes/No/Na
	a compliance with independence requirements?	
(vii)	In case professional service is conducted jointly with other auditor, is the annual independence confirmed for the other auditor?	
5.	Are the number of audit assignments held by the PU, at any time, more than the specified number of audit assignments:	
(i)	Under the prevailing Companies Act and/or the limit prescribed by the ICAI.	
(ii)	Tax audit assignments as per ICAI notification	
6.(i)	Has the PU accepted appointment as Statutory Auditor of – PSU(s)/Government Company (ies) Listed company(ies) and other Public Company(ies) having turnover of more than Rs. 50 crores or more in a year and accepted other work or assignment or service in regard to the same entity(ies) on a remuneration which in total exceeds the fee payable for carrying out statutory audit of the same entity.)	
6.(ii)	If yes, specify reasons	
7.(i)	Has the PU accepted appointment as an auditor of a concern while it/he is indebted to the concern or has given any guarantee or provided any security in connection with the indebtedness of any third person to the concern, for the limits fixed in the statute and in other cases for amount not exceeding Rs.1,00,000.	
7.(ii)	If yes, specify reasons.	
8.(i)	Has the PU received fees from a client	

S.No.	Policies and Procedures	Remarks/Yes/No/Na
	below the minimum scale of fees recommended for audit assignments by the ICAI?	
8.(ii)	If yes, reason for accepting fee below recommended scales	
9.(i)	Has the PU, being statutory auditor of a client rendered any services to the same client, as mentioned in section 144 of Companies Act 2013	
9.(ii)	(if yes, specify reason with name of the entities and year in which such service was rendered)	
10.(i)	Has the PU, as incoming auditor for an entity, followed the direction given by the ICAI not to accept an appointment as auditor in the case of unjustified removal of earlier auditor?	
10.(ii)	If no, reasons for non-adherence to the direction	
11.(i)	Does the PU or a Network, as a good and healthy practice, make a disclosure of the payment received by it for other services through the medium of a different firm or firms in which the said PU or Network or its partners may have an ownership interest.	
11.(ii)	(If no, specify reasons)	
12.	Has the PU followed the Guidelines issued by the ICAI in respect of engagement/(s) procured through Tender?	
13.	Is the website of the PU in conformity with Institute's guidelines/ directions issued on posting of particulars on website by Practice Unit(s)?	

S.No.	Policies and Procedures				Remarks/Yes/No/Na
14.	Whether your firm has been reviewed by:				
(i)	The Quality Review Board (QRB)				
(ii)	Financial Reporting Review Board (FRRB)				
(iii)	Any regulator (Pls. specify)				
(iv)	If yes, details as under:				
	Yr. of Review	Name of entity	Broad description of deficiencies	Dt. Of Submission of compliance report (where ever reqd.)	
15.	Have any Government Bodies/ Authorities evaluated the performance of the firm to the extent of debarment/ blacklisting?				

PART B (III)

Acceptance and Continuance of Client Relationships and Specific Engagements

S.No.	Policies and Procedures				Remarks/Yes/No/Na
1.	Whether PU documents the decisions taken relating to acceptance and continuance of client relationships/ engagements?				
(i)	Does the PU maintain a client engagement/ acceptance and continuance form?				
(ii)	Who is responsible for completing the client engagement/acceptance and continuance form?				

S.No.	Policies and Procedures	Remarks/Yes/No/Na
(iii)	If No, how has the client engagement/ acceptance been documented Pls. elaborate.	
2.	Which of the following processes does the PU have in place when accepting or deciding to continue a client relationship:	
(i)	Informing Firm personnel of the policies and procedures for accepting and continuing clients	
(ii)	Usage of Client Acceptance/engagement acceptance checklists listing down:	
a)	Obtaining and evaluating relevant information before accepting or continuing clients	
b)	Performing Background checks for the business, KMP, sister concerns, and other person(s) in questions	
c)	Considering the integrity of the client	
d)	Communicating with previous auditor when required or recommended by professional standards	
e)	Evaluating the risk of providing services to clients for which the firm's objectivity or independence may be impaired	
f)	Whether all KYC norms issued by ICAI are fulfilled?	
3.	Who evaluates the information about the client and gives final approval for acceptance/continuance of client engagement?	
4.	Which of the following procedures the firm has in place for assessing its capability before taking up new engagements/continuance of existing clients:	

S.No.	Policies and Procedures	Remarks/Yes/No/Na																		
(i)	Evaluating whether the firm has sufficient personnel with necessary capabilities and competence																			
(ii)	Specialists in terms of specific industry experience or certain skill sets are available, if needed																			
(iii)	Individuals meeting the criteria and eligibility requirements to perform an engagement QC review are available, when needed , whether internally or externally																			
(iv)	Assessment that the firm would be able to complete the engagement within agreed deadline																			
5.(i)	Does the PU prepare engagement letter documenting the understanding with the client?																			
5.(ii)	Is the engagement letter signed by the client?																			
6.	Has the PU withdrawn from an engagement and/or from client relationship during the period of review?																			
a)	If yes, has the reason for withdrawal been documented																			
b)	<p>If yes, please mention the Names /Codes of the clients alongwith the year and the reason for withdrawal- (Pls. use extra sheet, if required)</p> <table border="1"> <thead> <tr> <th>Client Name/ Code</th><th>Year of withdrawal</th><th>Reason for Withdrawal</th></tr> </thead> <tbody> <tr><td></td><td></td><td></td></tr> <tr><td></td><td></td><td></td></tr> <tr><td></td><td></td><td></td></tr> <tr><td></td><td></td><td></td></tr> <tr><td></td><td></td><td></td></tr> </tbody> </table>	Client Name/ Code	Year of withdrawal	Reason for Withdrawal																
Client Name/ Code	Year of withdrawal	Reason for Withdrawal																		

S.No.	Policies and Procedures	Remarks/Yes/No/Na
7.	Did the PU face any issues relating to acceptance or continuance of client relationships and specific engagements during the period of review?	
a)	If yes, how was it resolved?	
b)	Who has the custody of such documents?	

PART B (IV)
Human Resources

S.No.	Policies and Procedures	Remarks/Yes/No/Na
1.	Which of the procedures does the PU have in place for managing the Human Resource function:	
(i)	Does the PU have a designated individual to be responsible for managing Human Resource function?	
(ii)	How frequently the designated person/ PU evaluate the PUs personnel needs?	
(iii)	Is there a formal documented process for hiring by the PU, covering:	
a)	Does the PU have an established criterion for determining which individuals would be involved in hiring process?	
b)	Has the PU laid down any qualification, experiences, attributes required for the entry level and experienced personnel to be hired?	
c)	Additional procedures like performing background checks etc. been put in place?	
d)	Whether joining check-list is maintained?	
2.	Does the firm maintain and monitor the employee turnover ratio and identify measures to keep it minimal?	

S.No.	Policies and Procedures	Remarks/Yes/No/Na
3.	Does the firm maintain a minimum Staff to Partner Ratio, Partner to Manager, Manager to Articles, Client to Staff ratio, etc.	
4.	Which of the following considerations does the PU have in place to select the engagement partner & team required for an engagement:	
a)	Understanding the role of PUs Quality Control and Code of Ethics issued by the Institute in ensuring the integrity of the accounting, auditing and attest functions to user of reports	
b)	Performance, supervision and reporting aspects of the engagement, which ordinarily are gained through training or participation in similar engagements	
c)	The industry in which the client operates, including its organization and operating characteristics, sufficient to identify areas of high or unusual risk associated with engagement	
d)	The skills that contribute to sound professional judgment, including the ability to exercise professional skepticism	
e)	Adequate mix of different level personnel in the team	
f)	How the auditee uses information technology and the manner in which information systems are used to record and maintain financial information	
5.	Which of the following procedures does the PU follow to determine the capabilities and competencies possessed by personnel:	

S.No.	Policies and Procedures	Remarks/Yes/No/Na
(i)	Does the PU have an established criterion for evaluating personal characteristics such as integrity, competence and motivation?	
(ii)a.	Does the PU evaluate the personnel atleast annually to determine their capabilities and competencies?	
(ii)b.	If yes, whether this is documented?	
6.	Does the PU have any policy for assigning responsibility for engagements to an engagement partner?	
7.	Does the PU have following parameters in place to ensure that the knowledge of its personnel get updated on an ongoing process:	
(i)	Requires personnel (including articled trainees) to participate in the CPED programs in accordance with firm guidelines to keep them updated on the current developments	
(ii)	Maintains/tracks record of CPE status of its professional personnel as per the requirements of the ICAI	
(iii)	Provides CPED course materials / access to digital content on the latest changes in accounting, auditing, independence requirement	
(iv)	Provides orientation and training programs for new hires	
(v)	Employees are equipped with technological skill sets – like AI, Blockchain, Audit & Data analytical tools, etc.	
(vi)	Does the PU sponsor any of skill development tools?	

S.No.	Policies and Procedures	Remarks/Yes/No/Na
(vii)	Does the PU provide access to technology, infrastructure and methodology for better enablement of day to day work?	
(viii)	Does the PU organize self-developed programs like group discussions, mock presentation, short reviews by Team Leader etc.?	
8.	Does the PU have policies and procedures for career advancement of its personnel?	
9.	Is there a system for evaluating the performances on timely basis with the individual being evaluated?	
10.	Is there a fast track advancement policy for star performers?	

PART B (V)
Engagement Performance

S.No.	Policies and Procedures	REMARKS/YES/NO/NA
1.(i)	Does the PU plan for performing engagements in accordance with professional standards and regulatory and legal requirements?	
(ii)	If yes, what does the plan encompass:	
a)	Are the responsibilities assigned to appropriate personnel during the planning phase?	
b)	Is the background information on the client and the engagement developed/updated and team briefed accordingly?	
c)	Does the firm prepare a planning document mentioning the staffing requirements/the risks/time allocation etc.?	

S.No.	Policies and Procedures	REMARKS/YES/NO/NA
d)	Whether checklist of relevant Laws/Rules including those related with Accountancy & audit is shared with the engagement team?	
e)	Whether industry briefing about nature, structure & vertical, and important points from previous year audit summary memorandum are provided to team during planning of the engagement?	
f)	Any other (pls. specify)	
2.	Does the PU conduct pre-assignment meeting with the clients, liaison office etc. to understand the preparedness of the client to start the professional functions.	
3.	Does the PU prepare and document Audit Summary Memorandum to provide the history of the planned risks, the audit procedures which mitigated the risk, conclusions on controls etc.?	
4.	Does the PU prepare standardized forms, checklists and questionnaires used in performance engagements?	
5.	Does the team leader/Engagement Partner keep a track of the audit findings, other significant issues at various stages of the engagement (including disposal/discussion with the TCWG)?	
6.	How does the PU ensure that	
(i)	the qualified team members review the work performed by other team members on a timely basis?	

S.No.	Policies and Procedures	REMARKS/YES/NO/NA
(ii)	Is there any document maintained by the PU for the supervision of work performed?	
7.	What is the mode for maintaining the working papers? Electronic mode or in physical form or in a hybrid manner?	
8.	What tool does the PU use for maintaining the working in electronic form?	
9.	Which of the following procedures does the PU have in place to maintain confidentiality, safe custody, integrity, accessibility and retrievability of engagement documentation:	
(i)	Documenting when and by whom the engagement documentation was prepared and reviewed	
(ii)	Protecting integrity of information at all stages of engagement especially when the information was shared through electronic means	
(iii)	Preventing unauthorized changes in engagement documentation	
(iv)	Allowing access to engagement documentation by engagement team and other authorized parties only	
(v)	Enabling confidential storage of hardcopies of engagement documentation	
(vi)	Requiring use of passwords by engagement team members and data encryption to restrict access to electronic engagement documentation to authorized users	

S.No.	Policies and Procedures	REMARKS/YES/NO/NA
(vii)	Maintaining appropriate backup routines at appropriate stages during the engagement	
(viii)	Enabling the scanned copies to be retrieved and printed by authorized personnel	
10.	Which procedures does the PU follow to ensure that it maintains engagement documentation for a period of time sufficient to meet the needs of the firm, professional standards, laws and regulations:	
(i)	For how many years the PU maintains engagement documentation?	
(ii)	How does the PU enable retrieval of, and access to engagement documentation during the retention period in case of electronic documentation as the underlying technology may be upgraded or changed overtime	
(iii)	Does the PU ensure that, record of changes made to engagement documentation after assembly of files has been completed?	
(iv)	Does the PU ensure that only authorized external parties access and review specific engagement documentation for QC or other purposes?	
11.(i)	Does the PU have the policy for documenting the issue requiring consultation, including any decisions that were taken, the basis for those decisions	
11.(ii)	And how they were implemented?	

S.No.	Policies and Procedures	REMARKS/YES/NO/NA
12.	Who resolves with the differences of professional judgement among members of the engagement team?	
13.	Is there a formally designed an escalation matrix, in case the differences are not resolved at certain level?	
14.	Are the conclusions reached properly documented?	
15.	What happens if the members of the team continue to disagree with the resolution?	
16.	When does the PU release the report in cases where differences in opinion exist?	
17.	Does the PU have a policy of having engagement quality review conducted for all audit of financial statements of listed entities?	
18.	Which of the criteria does the PU have in place for carrying out the engagement QC review for its engagements (other than covered above):	
(i)	Certain class of engagements (mention the class)	
(ii)	Risks in an engagement (mention type/level)	
(iii)	Unusual circumstances (mention the particular circumstance)	
(iv)	Required by law or regulation (quote the law/regulation)	

S.No.	Policies and Procedures	REMARKS/YES/NO/NA
(v)	Any other like size (pls. elaborate)	
19.	Which of the following procedures are followed by the PU for addressing the nature, timing, extent, and documentation of engagement QC review:	
(i)	Discuss significant accounting, auditing and financial reporting issues with the engagement partner	
(ii)	Discuss with the EP the engagement team's identification and audit of high risk assertions and transactions	
(iii)	Confirm with the EP that there are no significant unresolved issues	
(iv)	Read the financial statements and the report and consider whether the report is appropriate	
(v)	The procedures required by the firm's policies on engagement QC review have been performed	
(vi)	The engagement QC review has been completed before the report is released	
(vii)	Resolving conflict between the engagement partner and the engagement QC reviewer regarding significant matters	
20.	Which of the following are the PU's established criteria for eligibility of 'Engagement Quality Assurance Reviewers':	
(i)	Selected by QC partner or the Managing Partner	

S.No.	Policies and Procedures	REMARKS/YES/NO/NA
(ii)	Has technical expertise and experience	
(iii)	Carries out the responsibilities with objectivity and due professional care without regard to relative positions	
(iv)	Meets the independence requirements relating to engagement reviewed	
(v)	Does not participate in the performance of the engagement except when consulted by the engagement partner	
(vi)	Any other (Pls. specify)	

PART B (VI)
Monitoring

S.No.	Policies and Procedures	Remarks/Yes/No/Na
1.(i)	Does the PU have Policies and Procedures to confirm on the adequacy and relevance of Quality Control procedures adopted?	
(ii)	If yes, what document is in place to establish the procedure	
2.	Who is responsible to evaluate the Quality and Control policies and procedures to ensure the relevance, adequacy, effectiveness and appropriateness with current trends?	
3.	How frequently are the processes and the procedures related to QC revised?	
4.	When was the last revision to the Quality Control policies and procedures carried out?	
5.(i)	Did the PU follow ongoing consideration and evaluation system of quality controls?	

S.No.	Policies and Procedures	Remarks/Yes/No/Na
5.(ii)	If yes, what document is in place to establish the same	
6.	Which of the following monitoring procedure, the PU has in place for QC:	
(i)	Designated partner/(s) for performing annual inspection	
(ii)	Deciding how long to retain detailed inspection documentation	
(iii)	Reviewing correspondence regarding consultation on independence, integrity and objectivity matters and acceptance and continuance decisions	
(iv)	Preparing summary inspection report for the partner and sets forth any recommended changes that should be made to the firm's policies and procedures	
(v)	Reviewing and evaluating Firm practice aids, such as audit programs, forms, checklists and considering that they are up to date relevant	
(vi)	Reviewing summary of CPED records of firms professional personnel	
(vii)	Reviewing other administrative and personnel records pertaining to QC elements	
(viii)	Soliciting information on the effectiveness of training programs from the Firm's personnel	
(ix)	Any other (Pls. elaborate)	

PART C

(Scores obtained by self-evaluation using AQMMv1.0)

[Mandatory Applicable w.e.f 1st April 2023 for Practice units conducting statutory audit of listed entities (other than branches of banks and Insurance companies) and recommendatory for other Practice Units]

Section 1- Practice Management –Operation

Competency Basis		Score Basis	Max Scores	Scores obtained
1	Practice Management – Operation			
1.1.	Practice Areas of the Firm			
I	Revenue from audit and assurance services	(i) 50% to 75% – 5 Points (ii) Above 75% – 8 Points	8	
ii	Does the firm have a vision and mission statement? Does it address Forward looking practice statements/Plans?	For Yes – 4 Points For No – 0 Point	4	
	Total		12	
1.2.	Work Flow - Practice Manuals			
i.	Presence of Audit manuals containing the firm's methodology that ensures compliance with auditing standards and implementation thereof.	For Yes – 8 Points For No – 0 Point	8	
ii.	Availability of standard formats relevant for audit quality like - - LOE - Representation letter - Significant working papers - Reports and implementation thereof	For Yes – 8 Points For No – 0 Point	8	
	Total		16	

Competency Basis		Score Basis	Max Scores	Scores obtained
1.3.	Quality Review Manuals or Audit Tool			
i.	Usage of Client Acceptance/engagement acceptance checklists and adequate documentation thereof.	For Yes – 4 Points For No – 0 Point	4	
ii.	Evaluation of Independence for all engagements (partners, managers, staff, trainees) based on the extent required. The firm must identify self-interest threat, familiarity threat, intimidation threat, self-review threat, advocacy threat and conflict of interest.	For Yes – 4 Points For No – 0 Point	4	
iii.	Does the Firm maintain and use the engagement withdrawal/ rejection policy, templates, etc.	For Yes – 4 Points For No – 0 Point	4	
iv.	Availability and use of standard checklists in performance of an Audit for Compliance with Accounting and Auditing Standards	For Yes – 4 Points For No – 0 Point	4	
v.	Availability and use of standard formats for audit documentation of Business Understanding, Sampling basis, Materiality determination, Data analysis, and Control Evaluation	For Yes – 4 Points For No – 0 Point	4	
vi.	Are the documents related to Quality control mentioned from (i) to (v) above reviewed and updated on a frequent basis (say annually) or with each change in the	For Yes – 4 Points For No – 0 Point	4	

Competency Basis		Score Basis	Max Scores	Scores obtained
	respective regulation or statute and remedial action taken?			
	Total		24	
1.4	Service Delivery - Effort monitoring			
i.	Does the firm carry out a Capacity planning for each engagement?	For Yes – 4 Points For No – 0 Point	4	
ii.	Is a process of Budgeting & Planning of efforts required maintained (hours/days/weeks)?	For Yes – 4 Points For No – 0 Point	4	
iii.	Are Budget vs Actual analysis of time and effort spent carried out to identify the costing and pricing?	Up to 10% – 0 Point More than 10% and up to 30% – 4 Points More than 30% and up to 50% – 8 Points More than 50% and up to 70% – 12 Points More than 70% and up to 90% – 16 Points More than 90% – 20 Points	20	
iv.	Does the firm deploy technology for monitoring efforts spent - Utilisation of tools to track each activity (similar to Project management - Say timesheets, task management, etc.)? Note: DCMM Version 2 may be referred to arrive at the	For Yes – 8 Points For No – 0 Point	8	

Competency Basis		Score Basis	Max Scores	Scores obtained
	technical maturity of the firm/ CA.			
	Total		36	
1.5	Quality Control for engagements			
i.	Does the firm have a Quality Review of all Listed audit engagements as per para 60 of SQC1? Is there a document of time spent for review of all engagements?	For Yes – 8 Points For No – 0 Point	8	
ii.	Total engagements having concluded to be satisfactory as per quality review vs No of engagements quality reviewed	Up to 10% – 0 Point More than 10% and up to 30% – 4 Points More than 30% and up to 50% – 8 Points More than 50% and up to 70% – 12 Points More than 70% and up to 90% – 16 Points More than 90% – 20 Points	20	
iii.	No. of engagements without findings by ICAI, Committees of ICAI and regulators that require significant improvements	10% to 30% – 4 Points More than 30% and up to 50% – 8 Points More than 50% and up to 70% – 12 Points More than 70% and up to 90% – 16 Points More than 90% – 20 Points	20	

Competency Basis		Score Basis	Max Scores	Scores obtained
iv.	Documentation of the firm in accordance with SQC 1	For the presence of documentation in the critical areas of Ethical requirements, Acceptance and continuance of client relationships and specific engagements, and Engagement performance – 6 Points For the presence of documentation in the areas of Leadership responsibilities for quality within the firm, Human resources, and Monitoring – 6 Points	12	
v.	Does the firm have Accounting and Auditing Resources in the form of soft copies of archives Q&As, firm thought leadership, a dedicated/ Shared Technical desk?	For Yes – 8 Points For No – 0 Point	8	
vi.	Is appropriate time spent on understanding the business, risk assessment and planning an engagement? Have risks been mitigated through performance of audit procedures?	For Yes – 12 Points For No – 0 Point	12	
	Total		80	
1.6	Benchmarking of service delivery			
i.	Does the firm follow/	For Yes – 4 Points	4	

Competency Basis		Score Basis	Max Scores	Scores obtained
	implement Standard delivery methodology – the adoption of audit manuals, adherence to practice standards and tools?	For No – 0 Point		
ii.	The number of statutory audit engagements re-worked (filing errors, information insufficiency, wrong interpretation of provisions, etc.)	Less than 5% – 0 Point More than 5% to 15%: (-1) Point More than 15% to 30%: (-2) Points More than 30% to 50%: (-3) Points More than 50%: (-4) Points	0	
iii.	Number of client disputes (other than fees disputes) and how they are addressed.	Less than 5% – 0 Point More than 5% to 15%: (-1) Point More than 15% to 30%: (-2) Points More than 30% to 50%: (-3) Points More than 50%: (-4) Points	0	
iv.	Is the timing of audit interactions with management planned in such a way that integrates with the auditor's requirements so that audit timelines can be met? [Review frequency of backlog, engagement agreed upon and not commenced, WIP, etc. (Excl. of client-side delays)]	For Yes – 12 Points For No – 0 Point	12	
	Total		16	

Competency Basis		Score Basis	Max Scores	Scores obtained
1.7	Client Sensitisation			
i.	<p>Awareness meetings and Knowledge dissemination meetings/articles/document sharing with clients including:</p> <p>1) Updating client on audit issues, formally-effectiveness of the process of communication with management and those charged with Governance;</p> <p>2) Updating client on changes in accounting, legal, audit aspects, etc. with client specific impact; and</p> <p>3) Follow through on previous audit observations and updates to management and those charged with Governance.</p>	<p>For Yes – 8 Points</p> <p>For No – 0 Point</p>	8	
ii.	Monitoring planned hours vs actual hours across engagement; the focus is on the existence of a monitoring mechanism	<p>For Yes – 8 Points</p> <p>For No – 0 Point</p>	8	
	Total		16	
1.8	Technology Adoption			
(i)	Technology adoption at			
	Office –			
	• Internal communication – chats	<p>For Yes – 4 Points</p> <p>For No – 0 Point</p>	4	
	• Has the firm automated its office with automated Attendance	<p>For Yes – 4 Points</p> <p>For No – 0 Point</p>	4	

Competency Basis		Score Basis	Max Scores	Scores obtained
	System and Leave management?			
	<ul style="list-style-type: none"> Project or activity management/ Timesheet management, 	For Yes – 4 Points For No – 0 Point	4	
	<ul style="list-style-type: none"> Digital storage of records (scan, etc.), 	For Yes – 4 Points For No – 0 Point	4	
	<ul style="list-style-type: none"> Centralised server/ Cloud 	For Yes – 4 Points For No – 0 Point	4	
	<ul style="list-style-type: none"> Digital Library (Own or ICAI) 	For Yes – 4 Points For No – 0 Point	4	
	<ul style="list-style-type: none"> Client interaction (Alerts, updates, availability of information in website, etc.), 	For Yes – 4 Points For No – 0 Point	4	
	<ul style="list-style-type: none"> Video conferencing facilities adopted, 	For Yes – 4 Points For No – 0 Point	4	
	<ul style="list-style-type: none"> Does the firm use only licensed operating system, software etc.? 	For Yes – 4 Points For No – 0 Point	4	
	<ul style="list-style-type: none"> Own E-mail domains, E-mail usage policies, etc. 	For Yes – 4 Points For No – 0 Point	4	
	<ul style="list-style-type: none"> Use of anti-virus and malware protection tools, 	For Yes – 4 Points For No – 0 Point	4	
	<ul style="list-style-type: none"> Data security, etc. 	For Yes – 4 Points For No – 0 Point	4	
	<ul style="list-style-type: none"> Cyber security measures 	For Yes – 4 Points For No – 0 Point	4	
ii.	Awareness and Adoption of Technology for Service delivery – Say, use of Audit tools, usage of analytical tools, use of data visualisation tools or	For Yes – 12 Points For No – 0 Point	12	

Competency Basis		Score Basis	Max Scores	Scores obtained
	adoption of an audit tool. Note: DCMM Version 2 may be referred to arrive at the technical maturity of the firm/ CA.			
	Total		64	
1.9	Revenue, Budgeting & Pricing			
i.	Whether the client wise revenue is in compliance with the Code of Ethics (currently fees from one client should not exceed 40% of total revenue unless safeguards are put in place) and once the deferred clauses of Part A are implemented this will be reduced to 15%.	For Yes –4 Points For No – 0 Point	4	
ii.	Fee considerations and scope of services should not infringe upon the quality of work and documentation as envisaged in SQC 1 under Leadership is responsible for quality within the firm.	Yes – 8 Points For No – 0 Point	8	
iii.	Adherence to a minimum scale of fees standards recommended by ICAI	For up to 50% of the engagements- 2 Points For More than 50% of the engagements – 4 Points For None – 0 Point	4	
	Total		16	
Total of Section 1			280	

Competency Basis		Score Basis	Max Scores	Scores obtained
2	Human Resource Management			
2.1.	Resource Planning & Monitoring as per the firm's policy			
i.	Does the firm have a process of Employee/ Resource Planning for the engagements based on skill set requirement, experience, etc.?	For Yes – 4 Points For No – 0 Point	4	
ii.	Methods/Tools used by the firm for Resource Allocation (use of spreadsheets, work flow tools, etc.)	For Yes – 4 Points For No – 0 Point	4	
iii.	Is there a method of tracking the employee activity, to identity resource productivity (e.g., timesheet)?	For Yes – 4 Points For No – 0 Point	4	
iv.	Does the firm maintain a minimum Staff to Partner Ratio, Partner to Manager, Manager to Articles, Client to Staff ratio, etc.	For Yes – 8 Points For No – 0 Point	8	
v.	Does the firm monitor the Utilisation & Realisation rate per employee	For Yes – 4 Points For No – 0 Point	4	
vi.	Does the firm document the resource plan for each engagement and file it for reference during the engagement?	For Yes – 4 Points For No – 0 Point	4	
	Total		28	
2.2.	Employee Training & Development			
i.	Does the firm have an employee training policy?	For Yes – 4 Points For No – 0 Point	4	
ii.	Number of Professional Development hours/days spent (Frequency) as a firm	60 hours per year for junior- level: 2 Points for general training and 6	24	

Competency Basis		Score Basis	Max Scores	Scores obtained
	– per employee	points for specialised technical training 30 - 60 hours per year for mid- level: 2 Points for general training and 6 points for specialised technical training More than 30 hours for partners: 2 Points for general training and 6 points for specialised technical training		
iii.	<p>Employees are equipped with technological skill sets – AI, Blockchain, Audit & Data analytical tools, etc. and sponsored by the firm to develop the same:</p> <p>1. Knowledge of technological skill sets will be more relevant for large audits (Like Audit Engagements of Listed entity, Banks other than co-operative banks (except multi-state co-operative banks) and Insurance Companies etc.). Hence, the question should be relevant only for such audit engagements.</p> <p>2. The audit Teams should be aware of Data</p>	<p>Use of Analytical Tools for the listed entity, Banks other than co-operative banks (except multi-state co-operative banks) and Insurance Companies audit engagements:</p> <p>For Yes – 8 Points For No – 0 Point / NA</p>	8	

Competency Basis		Score Basis	Max Scores	Scores obtained
	<p>Analytics Tools and comprehend the results of the tools to adjust the audit strategy.</p> <p>3. Technologies like AI and blockchain may be considered as an incremental factor for differentiation purposes, if the firms are scored at the same level.</p>			
iv.	Whether the firm has a performance management culture that rewards high performing employees and those who demonstrate high levels of quality and ethics?	For Yes – 8 Points For No – 0 Point	8	
	Total		44	
2.3.	Resources Turnover & Compensation Management			
i.	Does the Firm evaluate a team composition overall to build the Team Strength - say, Number of Managers, Assistant Managers, Paid Assistants, Article Assistants, Other Degree holders?	For Yes – 8 Points For No – 0 Point	8	
ii.	Does the firm maintain and monitor the employee turnover ratio and identify measures to keep it minimal?	For Yes – 8 Points For No – 0 Point	8	
iii.	Qualified professionals retained by the firm (resources available to a partner)	10 and above – 20 Points 8 to 9 – 16 Points 6 to 7 – 12 Points 4 to 5 – 8 Points Up to 3 – 4 Points	20	

Competency Basis		Score Basis	Max Scores	Scores obtained
iv.	Does the firm evaluate the Employee relation with the firm (No. of Professionals vs. No. of years employed with firm) to identify reasons for turnover if any?	For Yes – 4 Points For No – 0 Point	4	
v.	Statutory contributions wherever applicable, Health Insurance and other benefits, available in the firm for staff members and partners	For Yes – 8 Points For No – 0 Point	8	
vi.	Does the firm evaluate for which kind of audits does it have a revolving door (between different engagements) for people below partner level?	For Yes – 4 Points For No – 0 Point	4	
vii.	Progress of people through an established framework and time commitment of Managers and Partners – Engagement level review and overall performance evaluation and rewards mechanism for differentiated performance levels	For Yes – 8 Points For No – 0 Point	8	
viii.	Access and use of technology, infrastructure, methodology for better enablement of day-to-day work / including favorable remote working policies	For Yes – 8 Points For No – 0 Point	8	
ix.	Coaching and mentoring program investment, especially for women colleagues to enhance the diversity of audit leaders in the profession	For Yes – 8 Points For No – 0 Point	8	
x.	Special policies to provide people time to rejuvenate	For Yes – 4 Points For No – 0 Point	4	

Competency Basis		Score Basis	Max Scores	Scores obtained
	especially after busy audit seasons			
xi.	Focused policies and support for staff well - being, engagement and communication	For Yes – 8 Points For No – 0 Point	8	
xii.	An established mechanism to listen to people and their views and suggestions. Credible Employee survey and its outcome demonstrate how well people are taken care of and heard.	For Yes – 8 Points For No – 0 Point	8	
xiii.	Standards of recruiting people – Assessment methodology, evaluation of quality and fitment to the job and culture	For Yes – 4 Points For No – 0 Point	4	
xiv.	Are the employees of the firm compensated as per a defined approach where salary is mapped to the knowledge and experience level of the employee?	For Yes – 4 Points For No – 0 Point	4	
	Total		104	
2.4.	Qualification Skill Set of employees and use of Experts			
i.	Number of Professionally qualified members – ACA/FCA If evaluation is being done for a firm that primarily offers Statutory and Tax Audit Services then only ACA / FCA should be considered for evaluation purposes.	Upto 30% – 4 Points More than 30% to 50% – 8 Points Above 50% – 12 Points	12	
ii.	Post Qualification Certifications obtained from professional bodies or similar organisations (DISA,	Applicable – 8 Points Not Applicable – 0 Point	8	

Competency Basis		Score Basis	Max Scores	Scores obtained
	IP, etc.) DISA and IP are courses that are required in Information System Audits. If qualified resource is not available in the firm, whether the services of expert are taken? Whether all partners have complied with CPE requirements of ICAI?			
iii.	Members with Specialisation courses or Certifications – (Ranking can be based on newer areas or international qualification – say, Dip. IFRS or Firm Ind AS / IFRS Accreditation Requirements, etc.)	Upto 30% – 4 Points 30% to 50% – 8 Points Above 50% – 12 Points	12	
	Total		32	
2.5	Performance evaluation measures carried out by the firm (KPI's)			
i.	Does the firm have written KPIs for performance evaluation of the firm and partners?	For Yes – 8 Points For No – 0 Point	8	
ii.	Method for measurement and evaluation as mentioned above (i) are determined / specific.	For Yes – 8 Points For No – 0 Point	8	
iii.	There is a decided frequency for the evaluation and is consistently applied	For Yes – 8 Points For No – 0 Point	8	
iv.	Are engagement partners reviewed based on the review results of the engagements of each partner	For Yes – 8 Points For No – 0 Point	8	
	Total		32	
Total of Session 2			240	

Competency Basis		Score Basis	Max Scores	Scores obtained
3	Practice Management – Strategic/Functional			
3.1	Practice Management			
	Does the firm Manage the following attributes relating to Assurance partners to maintain the same at optimum levels as deemed fit for the respective organisations?			
i.	Does the firm have a balanced mix of experienced and new Assurance partners?	For average partner experience of partners > 5 years – 4 Points For average partner experience of partners > 10 years – 8 Points	8	
ii.	Is the firm compliant with the ICAI Code of Ethics, Companies Act 2013 and other regulatory requirements in relation to Professional Independence and Conflict of Interest?	For Yes – 8 Points For No – 0 Point	8	
iii.	Is there is a 'whistle blower' policy?	For Yes – 4 Points For No – 0 Point	4	
	Total		20	
3.2	Infrastructure – Physical & Others			
i.	Number of Branches & Associates and network firms and affiliates	Upto 3 – 2 Points 4 to 7 – 4 Points 8 to 15 – 6 Points More than 15 – 8 Points	8	
ii.	Are branch level activities Centralised/ Decentralised in accounting, Invoicing, and	Centralised – 8 Points Decentralised – 4	8	

Competency Basis		Score Basis	Max Scores	Scores obtained
	Payroll processing	Points		
iii.	Physical & Logical Security of Information are extended and implemented across locations?	For Yes – 8 Points For No – 0 Point	8	
iv.	Are there adequate DA tools and IT infrastructure available and are they being used for the relevant assignment?	For Yes – 12 Points For No – 0 Point	12	
v.	Is the infrastructure adequate in terms of internet/intranet network bandwidth/ VPN/Wi-Fi etc. for remote working?	For Yes – 12 Points For No – 0 Point	12	
	Total		48	
3.3	Practice Credentials			
	What are the credentials of the firm that distinguish the firm or stands as testimony to the quality of the firm?			
i.	Is the firm ICAI Peer Review certified?	For Yes – 4 Points For No – 0 Point	4	
ii.	Empanelment with RBI / C&AG	For Yes – 8 Points For No – 0 Point	8	
iii.	Is there an advisory as well as a decision, to not allot work due to unsatisfactory performance by the CAG office?	For Yes – (-5) Points For No – 0 Point	0	
iv.	Have any Government Bodies/ Authorities evaluated the performance of the firm to the extent of debarment/ blacklisting?	For Yes – (-10) Points For No – 0 Point	0	
v.	Any negative assessment in the report of the Quality	For Yes – (-5) Points	0	

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Competency Basis		Score Basis	Max Scores	Scores obtained
	Review Board?	For No – 0 Point		
vi.	Has there been a case of professional misconduct on the part of a member of the firm where he has been proved guilty?	For Yes – (-5) Points For No – 0 Point	0	
	Total		12	
Total of Section 3			80	
Grand Total			600	

Signature :

Name of Proprietor/Partner/ individual Practicing in own name: :

Membership No. of the Signatory :

Mobile No. of the Signatory :

Stamp of Firm :

Date :

Acceptance cum Declaration of Confidentiality
(To be Submitted to The Practice Unit)
[As per Clause 6(7) of the Peer Review Guidelines 2022]

To

M/s/CA.,

FRN/ Mem. No. :....

Sir,

(A) With reference to selection of my name for conducting peer review of
M/s/CA.

.....,FRN/Mem.
No.:....., I hereby convey my acceptance for the same.

(B) I also hereby declare that I am aware of the need for confidentiality in the conduct of peer reviews. I undertake and promise that in so far as any or all of the following relate to me or are brought to my knowledge/attention, in any manner whatsoever and when so ever, I shall ensure that:

- Full Confidentiality of the Working papers shall always be maintained at all times so that unauthorized access by any means (including electronic means) is not gained by anyone.
- The practice unit's assurance services procedures shall not be disclosed to third party except as provided under the Peer Review Guidelines 2022.
- Any information with regard to any matter coming to my knowledge in the performance or in assisting in the performance of any function during the conduct of peer reviews shall not be disclosed to any person except as provided under the Peer Review Guidelines 2022.
- Access shall not be given to any person other than as required under the Peer Review Guidelines 2022, to any record,

document or any other material, in any form which is in my possession, or under my control, by virtue of my being or having been so appointed or my having performed or having assisted any other person in the performance of such a function.

- I or any of my partners have no obligation and no direct or indirect conflict of interest with the Practice Unit.
- I shall not accept any professional assignment from the Practice Unit for a period of two years from the date of appointment. Further, I have not accepted any professional assignment from the Practice Unit for a period of two years before the date of appointment as reviewer of the Practice Unit.
- No Disciplinary action / proceeding are pending against me.
- I have not been found guilty of professional or other misconduct by the Council or the Board of Discipline or the Disciplinary Committee at any time.
- I have not been convicted by a Competent Court whether within or outside India, of an offence involving moral turpitude and punishable with imprisonment.
- I have not undergone training/articleship under any of the partner of Practice Unit
- I was not a Partner of the said Practice Unit.

I understand that any breach of the provisions regarding confidentiality as contained in the Peer Review Guidelines 2022 will be considered as gross negligence and make me liable for appropriate disciplinary action.

(C) If appointed,

I confirm that I will not use any qualified assistant for carrying out the peer review

Or

The declaration of Confidentiality of Qualified Assistant used for the peer review shall be submitted with the Practice Unit before start of peer review.

Regards,

Signature :

Name : _____

Membership No.: _____

Email ID: _____

Mobile No.: _____

Period of Review: _____

Date: _____

Place: _____

Note: To be submitted on Mail ID :..... (Email ID of PU)

APPLICATION CUM DECLARATION FORM FOR EMPANELMENT AS A PEER REVIEWER

[As per Clause 27(3) of the Peer Review Guidelines 2022]

APPLICATION

**The Secretary, Peer Review Board,
The Institute of Chartered Accountants of India,
ICAI Bhawan,
Post Box No. 7100,
Indraprastha Marg, New Delhi – 110002**

Dear Sir,

1. I (Name of Member as per ICAI Records) ; M. No. (as per ICAI records) would like to apply for Empanelment as a Peer Reviewer.
2. I have attended the training Programme organized by the Board physically/ through VCM on and cleared the test organized by the Peer Review Board held on
3. I have attended advanced training organized by the Board physically/ through VCM on and cleared the advanced test organized by the Peer Review Board held on
4. I have gone through the Peer Review Guidelines 2022 hosted at And undertake to abide by the same.

Other information is as follows:

5. Mobile No. (as per ICAI records)

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6. Present Communication Address (as per ICAI records):

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7. E-mail Address: (as per ICAI records):

[illegible]

8. Telephone (Landline) Number (optional):

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--	--	--	--	--	--	--	--

9. Date of COP:

D	D	M	M	Y	Y	Y	Y
---	---	---	---	---	---	---	---

D	D	M	M	Y	Y	Y	Y
---	---	---	---	---	---	---	---

10. No. of years Audit and assurance service experience in Practice (in signing capacity only)

Y	Y	M	M
---	---	---	---

11. Details of practicing experience

Sr No.	Firm Name	FRN	Nature of industry (banking/insurance/ others please specify.)	Type assurance service	For the year

12. (i) Have you experience of statutory audit of :

A listed entity

YY	MM
----	----

(ii) If Yes, provide the following details:

Sr No.	Name of listed Entity	Financial Year(s) for which the statutory audit of listed entity has been conducted?

13. Number of years of experience for Audit & Assurance services as a member of the team, while working in employment:

Y	Y	M	M
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14. Details of experience in employment:

S. No.	Job Title/ Designation	Name of the Company	Worked from (Date)	Worked Till (Date)	Listed on any Stock Exchange (Yes/ No)	Nature of Industry

Annexure: Declaration

Signature

Name

Date

DECLARATION

I hereby declare that:

1. I am a practicing member of the Institute,
2. (i) I possess minimum Seven Years' cumulative experience of audit & assurance services and am currently active in the practice of accounting and auditing or;
(ii) I have moved from employment to Practice and I have more than Ten years' of audit experience in employment,
3. I have not been convicted by a competent court whether within or outside India, of an offence involving moral turpitude and punishable with imprisonment or of an offence, not of a technical nature, committed by me in professional capacity
4. I have no objection if my profile being provided to the practice unit which selects my name for conducting Peer Review, if asked for it;
5. I have not been found guilty of professional or other misconduct by the Council or the Board of Discipline or the Disciplinary Committee at any time.
6. That no disciplinary action/proceeding is pending against me at present and I will immediately intimate to the Board at peerreviewboard@icai.in, if any Disciplinary Action is initiated against me or against Qualified Assistant (if used during particular Peer Review), in future.
7. In case of removal of my name from the register of members or withdrawal of certificate of Practice by me, I shall immediately inform the same to the Board.
8. Full Confidentiality of the Working papers shall always be maintained at all times so that unauthorized access by any means (including electronic means) is not gained by anyone.
9. The practice unit's assurance services procedures shall not be disclosed to third party except as provided under the Peer Review Guidelines 2022.
10. Any information with regard to any matter coming to my knowledge in the performance or in assisting in the performance

of any function during the conduct of peer reviews shall not be disclosed to any person except as provided under the Peer Review Guidelines 2022.

- 11. Access shall not be given to any person other than as required under the Peer Review Guidelines 2022, to any record, document or any other material, in any form which is in my possession, or under my control, by virtue of my being or having been so appointed or my having performed or having assisted any other person in the performance of such a function.

I understand that any breach of the provisions regarding confidentiality as contained in the Peer Review Guidelines 2022 will be considered as gross negligence and make me liable for appropriate disciplinary action.

Signature:

Name: _____

Date: _____

DECLARATION FORM

(To be submitted by Board members and Secretariat)
[As per Clause 32(4) of the Peer Review Guidelines 2022]

I _____ (name of the member), S/o or D/o
 _____ having membership number¹
 _____ of the Institute of Chartered

Accountants of India, declare:

That I shall keep all the matters referred to me as well as any other information, papers, documents, etc, received by me during the course of the review, confidential.

That I shall not make or cause to be made any communication between myself and the reviewer of the Practice Unit whose assurance services are under review;

That I shall consider conflict of interest, if any, on each occasion I have to conduct a review or am asked to advice on a case;

That in case where a conflict of interest exists, I shall inform the Board;

That I shall refrain myself from participating in the discussion on the case and shall not be entitled to vote in case where conflict of interest exists; and

That I shall maintain the confidentiality in relation to the matters of the Board.

.....

(Name and signatures of the Member of the Board)

.....

(Date)

.....

.....

(Professional Address)

.....

(Telephone)

.....

(Fax)

.....

(Email)

¹ To be filled in by the Members of the Institute.

Notice by Peer Reviewer for visiting office of the Practice Unit
[As per Clause 7(2) of the Peer Review Guidelines 2022]

To,
Name of Partner of PU:

This is regarding the Peer Review of the Firm for the period

This is to inform you that I plan to visit your office on [proposed date of visit] ²

Further on going through the questionnaire submitted by you, you are requested to keep ready the files pertaining to the Following Clients so that I may review them on visiting your office :

S. No.	Name of Client	F.Y.

Thanking you,

Signature :

Name : _____

Date : _____

² Alternate dates may be given to the Practice Unit, if the PU is not ready with the required records or for any other reason.

**Format for seeking additional information from the
Practice Unit by the Reviewer
[As per Clause 7(3) of the Peer Review Guidelines 2022]**

To,

Name of Partner of PU:

This is regarding the Peer Review of the Firm for the period

I would like to inform you that the responses submitted by you to the following clauses of the Questionnaire are incomplete/ not clear. Accordingly, you are requested to provide clarifications on the following points:

S. No.	Reference no. of the Questionnaire	Further Information required	Reason for asking the information [Not clear/ incomplete/ left blank etc.]

On receipt of the above information by [date by which information is required], I will intimate you the date of my visit to your office.

Thanking you,

Signature :

Name : _____

Date: _____

Joint intimation to be made by PU and RE for extension of time for completion of Peer Review process

[As per Clause 11 of the Peer Review Guidelines 2022]

To,

Dated:

The Secretary,
Peer Review Board

Sub: Letter for seeking additional time for completion of Peer Review Process

Dear Sir,

Our Firm, FRN Applied for Peer Review vide Application No. on

The Peer Reviewer was appointed by the Board on However, the Peer Review process has been initiated but is yet to be completed due to the following reason:

1.
2.
3.

As the process is not yet completed we request the Board to kindly grant us more days for completion of Peer Review and submit the report to the Board.

We assure that the Peer Review will be completed by And the report will be submitted to the Board by

Thanking You,

Yours faithfully

Signature

Signature

Name of Partner of PU

Name of Peer Reviewer

[Membership No]

[Membership No.]

**[To be submitted by the Practice Unit to the Board for seeking extension to the validity of Peer Review Certificate]
[As per Clause 15(4) of the Peer Review Guidelines 2022]**

To,

Dated:

The Secretary,
Peer Review Board

Sub: Letter for seeking extension to the validity of Peer Review Certificate

Dear Sir,

Our Firm, FRN- Applied for Peer Review vide Application No. on

The Peer Reviewer was appointed by the Board on However, the Peer Review process has initiated but is yet to be completed due to the following reason:

- ☐ A pandemic announced by the Central Government
☐ Serious illness of any partner/ member

*I am attaching the medical certificate issued by the Doctor.

The Last issued Peer Review Certificate of our Firm was valid till

We request you to kindly extend the validity of the Certificate from
To

Thanking You,

Yours faithfully

Signature

Name of Partner of the Practice Unit

.....

[Membership No]

[Note: As decided by the Council, extension cannot be granted beyond 6 months from the expiry of last issued certificate]

Enclosure: Medical Certificate

**Letter for submission of report by the Peer Reviewer to the
Peer Review Board**

[As per Clause 9(1) of the Peer Review Guidelines 2022]

To,

Dated:

The Secretary,
Peer Review Board

**Sub: Peer Review Report of [Name of Firm],
FRN**

Dear Sir,

I have carried out the Peer Review of [Name of firm],
FRN..... in terms of Peer Review Guidelines issued by the Council of the
Institute of Chartered Accountants of India.

The Peer Review process has been completed and I am submitting the Peer
Review Report along with the following:

1. Annexure I
2. Annexure II
3. Annexure III (AQMM, if applicable)
4. List of Samples selected alongwith basis of selection and sample
confirmation (as per Board's criteria)
5. Preliminary Report along with Practice Unit submission and my
verification on the same
6. Questionnaire copy as received from the Practice Unit.

I also confirm to have received the Peer Review fees from the Practice Unit
for the above review conducted by me.

Regards,

Signature :

Name : _____

Membership No.: _____

[To be filled by the Practice Unit]

I/ We confirm the receipt of Peer Review report from the Peer Reviewer as mentioned above and confirm that the Reviewer had submitted the Declaration of Confidentiality as prescribed by the Board in Form 2 to us on

Regards

Signature

Name of partner of the Practice Unit

Membership No

**Notice to be given to the Practice Unit by the Board in case of
revocation of Peer Review Certificate
[As per Clause 22(1) of the Peer Review Guidelines 2022]**

To, _____ Dated: _____
CA....
Partner: M/s.....
FRN:
Address.
.....
**Sub: Revocation of Peer Review Certificate No. issued to
[Name of Firm], FRN....**

Dear Sir,
This is in reference to the Peer Review Certificate No..... issued to M/s
[Name and City of the PU], FRN:
The Board has observed that:
.....
.....

The Board desires to know whether the above observations are true and correct. Please send your response within 7 days of receipt of this communication.

If no information or response is received in this matter within 7 days of receipt of this communication, then it will be considered that the above-mentioned facts are true and correct.

Thereafter, the Board will take further action warranted in the facts and circumstances of the case and as per Clause 22 of the Peer Review Guidelines 2022.

With Regards

Thanking you

Yours Faithfully

Signatures

[Name of Secretary, Peer Review Board]

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