

12. Period of assurance service under review¹

From:

d	d	m	m	y	y	y	y
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 To:

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

14. Particulars about the constitution of the PU during the period under review (as per Form 18 filled with the ICAI):

Name of Proprietor/ partner	Membership no. of Proprietor/ partner	Association with Practice unit (in years)	Professional experience in practice	Predominant function (e.g. audit, tax, consulting)	Details of Changes	
					Joined (Year)	Left (Year)

15. Is there assurance service like Statutory audit, tax audit, Taxation etc. headed by different partners, if yes details to be provided in the above table.

16. Are the Engagement Partner and Review Partner different and if yes provide the policy details?

17. Particulars of Chartered Accountants Employed or Consultants

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

¹ Refer Para 3.3 of Statement on peer Review (Revised) issued by the Institute

18. Details of Other Employees

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

19. 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	Tick if Gross Receipts Exceed Rs 25 Lacs

20. Do the Branches handle the assurance services. If yes, provide the details.

(May be given in a Separate Annexure)

21. How is the control procedure followed by the Branches. How the HO has verified the same and documented.

22. Gross receipts of the Practice Unit [both H.O. and branch(es)] from assurance functions for the period under review:

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

23. Concentration: Furnish details where professional fees from all assurance services provided to a client/ group by the PU exceed 10 % of the PU's total gross receipts²:

Name of the Entity/Group	% of PU's total gross receipts ²

Note – Kindly note that professional fees from assurance and other services are to be provided separately.

24. How are the workings papers of the assurance services maintained by the PU – Whether hard copy or in electronic form.

25. Where the Hard copy of working papers stored details of the same needs to be provided.

² Gross receipts means gross receipts from assurance services

26. Is there any software used to store data of the assurance services. If yes, provide details. (Detailed Questionnaire followed)

27. Periodicity of back-up of the software data taken and when was back-up data was tested last for ensuring complete restoration of data

28. Does the PU have Quality control manuals, If yes, share the same? Detailed questionnaire followed

29. Disciplinary proceedings: If disciplinary proceedings have been initiated by the Institute against any partner/employee of the PU, and remains unresolved, furnish details:

(i) _____

(ii) _____

(iii) _____

30. Please provide details of assurance clients in the following format for head office and each branch separately for the period under review – year-wise (Please use additional sheet for year-wise details)

PART B
GENERAL CONTROLS (Based on SQC 1)

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 Para 1 To 6 herein below.

[Notes:

- (i) Where responses to the questions below are readily available from PU's own Manual, it will be sufficient to provide a cross reference to the relevant Para/chapter of the same.
- (ii) 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.]
- (iii) Refer to implementation Guide to SQC1:
https://resource.cdn.icai.org/20913frpubcd_aasb1.pdf

1. Leadership Responsibilities for Quality within A Firm

- 1a Are there policies and procedures established by the PU to promote a culture of Quality in performing assurance engagements. If yes, are there any steps to demonstrate the Quality performance.

Does the PU's CEO or managing partner (MP) assume ultimate responsibility for the PU's system of quality control (QC) The PU needs to demonstrate how the responsibility is assumed by the ultimate personnel.

- 1b How does the PU ensure that commercial considerations do not override the quality of work performed. Does the PU have any Quality review policy. If yes, can the PU share the Quality review policy and documentation.

Is the engagement partner and review partner different or same? Give reasons if any.

- 1c To whom has the responsibility for developing, implementing and operating the PU's QC system been assigned? Does the PU have any QC system in place and if yes the same needs to be provided for verification. Attach the manual along with the details.

Describe how this authorized person has sufficient appropriate experience, ability and authority within the PU to assume that responsibility. Has the authorized personal attended sufficient training and updated his knowledge for the current affairs to assume the responsibility?

- 1d How policies and procedures of the Practice Unit addresses performance evaluation, compensation and promotion for its personnel to demonstrate the Practice Unit's overriding commitment to quality.

How is the performance linked to the assignment handled. Is there any manual/process documentation for the performance evaluation. If yes, provide the document.

- 1e Has the PU invested in any Technology for the QC review. If yes provide the details of the same. Does the PU maintain any QC Manual and how it is monitored and documented.

2. Ethical Requirements (Including Independence)

2a What internal policies and processes the PU had established to ensure that its proprietor/partners and professionals adhere to the ethical requirements contained in the Code of Ethics issued by the ICAI?

Does the PU follow the code of conduct prior to acceptance of any new assignment. If yes, provide the documentation for the same.

2b If the PU has any website, whether the same is in conformity with Institute's guidelines/directions issued on posting of particulars on website by Practice Unit(s). If yes, provide the web address.

2c How the PU ensures that its partners and professionals comply with the following professional ethics relating to assurance services:

➤ How the PU has applied integrity in their day to day activities. Kindly describe.

➤ How the PU measures the professional objectivity while carrying out the assurance functions.

- How the PU has maintained professional competence. Has it updated its knowledge on the latest developments and the same is implemented in the day today activities of the assurance functions.

- How has the PU maintained confidentiality of the professional information? Is there any NDA signed by the PU with the third-party vendors to maintain the confidentiality. In case professional information is shared with the third party what are the steps followed and can the same be demonstrated.

- Does the PU have Do's and Don'ts to be followed with clients, third parties, other members of the accountancy profession, staff, employers and the general public?

2d Does the PU set up policies and procedures to remain independent all through the assignment. How is the communication of independence to those who may be subject to them. Check the second question. Not clear

2e What policies, processes and safeguards has the PU established to mitigate the following threats to its independence. Elaborate in detail.

- What are the steps taken by PU so that the self-interest threat to independence is mitigated. Provide the manual for the same.

- How the PU is mitigating the self-review threats. Is there any checklist where the steps have been outlined

- How the PU is mitigating the risk of advocacy threats. Can the PU demonstrate the same.

- How the PU is mitigating the familiarity threats. Can PU demonstrate the same. Is the relationship with client personal disclosed in the Independence form.

- Can the PU demonstrate that professional skepticism was used in the entire assignment. What measures are taken to mitigate the same.

2f What policies, processes and safeguards has the PU established with regard to threats to its independence that could arise because of the following :

- Does the PU have any financial interests in audit clients, their owners and officials. How the threat is mitigated.

- Does any of the members of PU have other than business relationships in audit clients, their owners and officials. How these threats are mitigated.

- Does any of the Members of PU have any business relationships with audit clients, their owners and officials. How these threats are mitigated

- How many clients have long term professional relationship with the PU. How Independence is maintained in case of these clients and how it ensured that there are no threats.

➤ Do the clients, their owners and officials offer gifts and hospitality which are valuable in nature. How these cases are dealt in the PU. Is there any restriction on the members to accept such valuable gifts and hospitality from clients their owners and officials.

➤ Where fees from a client/ group of related entities from all services provided by the PU are a significant proportion of the total earnings of the PU ????
incomplete check

➤ What is the procedure to check the conflict of interest prior to acceptance of the professional service and its Scope provided to a client/ group of related entities by the PU.

2g Are there any cases of withdrawal from an engagement because the threats to independence could not be reduced to an acceptable level for the period under review.

2h Does the PU have the policy to obtain annual independence declaration from its partners and members. Also, whenever the new professional service is obtained, does the Independence declaration is verified.

2i In case professional service is conducted jointly with other auditor, how the annual independence is confirmed for the other auditor.

2j Are the number of tax audit assignments performed by the proprietor/ partners of the PU u/s 44AB, more than the specified number, as per ICAI Notification? (If yes, specify reasons with year wise details). How are the details maintained by PU.

2k Has the PU obtained No objection certificate from another auditor. Is the assignment still accepted where the audit fee of another auditor for carrying out audit under Companies Act, or various other Statutes has not been paid (except in the case of a sick unit). (If yes, specify reasons- with details)

2l Are the number of audit assignments held by the PU, at any time, more than the specified number of audit assignments of companies under the prevailing Companies Act and/or the limit prescribed by the ICAI? (If yes, specify reasons-with year wise details)

2m 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. (If yes, specify reasons)

2n 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 10,000. (If yes, specify reasons)

2o Has the PU at any point of time received fees from a client below the minimum scale of fees recommended for audit assignments by the ICAI? (If yes, specify reasons with name of the entities and year in which the service rendered)

2p 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 (if yes, specify reason with name of the entities and year in which such service was rendered)

2q 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? (If no, specify reasons)

2r 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. (If no, specify reasons)

2s Does the PU take care to ensure that the aggregate professional fees received from one or more clients by it, its partners, or other firms in which they are partners does not exceed 40% of the gross annual fees of the PU, its partners, or other firms in which they are partners? (refer guidance note for independence)

2t Does the PU take care to ensure that quality controls were not compromised while undertaking assurance services in respect of UDIN's generated by the firm? (Give Year-wise and partner-wise details of UDIN's generated during the Peer Review period)

2u Whether your firm has been reviewed by the Quality Review Board and when. If yes, whether any advisory/(ies) was/were issued by the QRB for compliance in future. And have you submitted the compliance report to the Quality Review Board and when.

3. Acceptance and Continuance of Client Relationships and Specific Engagements

3a When accepting or deciding to continue a client relationship, what processes does the PU have:

- How the integrity is verified at the time of continuance of client relationships and specific engagement.

- To determine whether it has the competencies and resources to undertake the engagements

- To comply with the ethical requirements

3b Has the PU obtained the engagement letter with clear scope of work to be performed.

3c What processes does the PU have, for withdrawal from an engagement and/or from a client relationship if required.

3d How does the PU document details of issues and decisions taken relating to acceptance and continuance of client relationships and specific engagements.

4. Human Resources

4a What steps has the PU taken to ensure that the personnel it hires have the desired capability, competence and commitment to ethical principles to perform as per the professional standards, regulatory and legal requirements?

4b What are the criteria considered before hiring a member in the PU. Are there any HR manual for the Interview process. If yes, provide the same. Does the HR maintain the documents for the interview conducted. If yes where the documents are maintained.

4c Does the PU have any criteria to select the engagement team for the professional functions of the client like work experience in the professional area, professional qualification etc.

4d Whether the PU considers professional knowledge, experience etc prior to assigning responsibility for an engagement to a particular partner or member.

4e Does the PU conduct any in-house training or attend CPEs conducted etc? Also, how the PU ensures that the members get updated on the current amendments and developments.

4f Whether professional knowledge would be considered prior to assigning the engagement to the member and also whether the same is linked to the performance evaluation.

5. Engagement Performance

5a Does the PU ensure that the planning process is undertaken for engagements to meet the professional, regulatory and legal requirements. If yes, share the planning process manual.

5b 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. If yes, kindly share the format for the pre-assignment meeting.

5c Does the PU's engagements are performed, supervised, documented, reported and communicated in accordance with the requirements of professional standards, applicable regulators and those of the PU itself. If yes, provide the checklist for the support,

5d How does the PU ensure that the qualified team members review the work performed by other team members on a timely basis? Is there any document maintained by the PU for the supervision of work performed.

5e Is there any document maintained by the PU for the supervision of work performed by the senior members and partner. Has the communication of the review points been shared with the team to ensure that the same is considered while performing the professional work.

5f How are the working paper files maintained for the professional functions. Does the PU maintain the working paper in electronic form or in physical form (hard copy.)

5g In case the working paper are kept in electronic form , where are those stored. Is there any service level agreement with the service provider Kindly share the same.

5h How does the PU maintain confidentiality, safe custody, integrity accessibility and retrievability of engagement documentation.

5i How is it ensured that the PU retains engagement documentation for a period of time sufficient to meet the needs of the firm, professional standards, laws and regulations?

5j What policies and procedures do the PU have to ensure that proper consultation takes place within the PU for difficult or contentious matters. Does the PU maintain the inter-team discussion documentation for such matters. For instance where any tax related or advisory related matters arise during assurance services, the process for discussion followed

- 5k (a) How does the PU deal with and resolve differences of opinion, within the engagement team or with those who are consulted or between engagement partner and quality control reviewer.

- (b) How the conclusions reached are documented and implemented. Has the observation sheet maintained been updated with the comments of the conclusion reached.

Are the observations discussed with the Management and those charged with the governance. If yes how the same is documented.

- (c) Does the firm ensure that it does not release the Report until the matter is resolved.

- 5l (a) Does the PU have criteria for determining whether an engagement quality control review should be performed for given engagements.

(b) How is it ensured/ monitored that reports of engagements for which an engagement quality assurance review is required , are not released before completion of the review.

5m What are the PU's procedures for addressing the nature, timing, extent and documentation of engagement quality assurance reviews.

5n What are the PU's established criteria for eligibility of 'Engagement Quality Assurance Reviewers'.

5o How does the PU ensure that the member doing the 'Engagement Quality Assurance Reviewers' possess the required technical qualification and experience.

6. Monitoring

6a Does the PU have any policies and procedures to provide reasonable assurance that such policies and procedures are relevant for the current trends.

6b How does the PU perform monitoring procedures in the light of adherence to professional standards, regulatory and legal requirement, appropriate designing and implementation of quality control system etc..

6c How and how frequently does the PU communicate the deficiencies noted and recommendations for remedial action to concerned engagement personnel and to other firm personnel.

6d How does the PU deal with the issue of complaints and allegations.

6e (a) What documentation does the PU prepare in evidence of the monitoring operation of each element of its quality control system.

(b) For how long the Practice Unit retains the monitoring documentation.

6f Has the PU been subjected to a Peer Review in the past. If so, give details and attach certificate.
