

PEER REVIEW MANUAL



**THE INSTITUTE OF
Company Secretaries of India**

भारतीय कम्पनी सचिव संस्थान

IN PURSUIT OF PROFESSIONAL EXCELLENCE

Statutory body under an Act of Parliament

(Under the jurisdiction of Ministry of Corporate Affairs)

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PREFACE TO THE THIRD EDITION

William Foster, an American Politician worded quality and its significance that hold true even decades later after they were said. According to him, “Quality is never an accident; it is always the result of high intention, sincere effort, intelligent direction and skilful execution”. This not only holds true for each aspect of our lives but is all the more heightened if the deliberations move in the sphere of professionals and the services provided by them. The *raison d’être* for the same can be attributed to the faith reposed by the Government and the Regulatory Authorities in the services rendered by professionals and their ethical conduct.

Peer Review plays significant role in the maintenance as well as enhancement of quality of services rendered by members of the Institute and the Guidelines developed by the Council has made the same mandatory for certain Audit and Certification services, thus according both Peer Review as well as the services greater significance.

This publication titled ‘Peer Review Manual’ was designed to assist the Peer Reviewers and Practice Units (PU) in carrying out the exercise of Peer Review. With the recent amendments in Guidelines, the Third Edition of the publication seeks to guide the Members regarding the same.

I commend the dedicated efforts of CS Naveen Kumar in bringing out of this publication under the able guidance of CS Banu Dandona, Joint Director in the Directorate of PMQ, Boards and Certificate Courses.

I place on record my sincere thanks to CS Ashish Garg, Chairman; CS Vineet K. Chaudhary, Vice Chairman; and all the members of the Peer Review Board for their valuable inputs in this publication.

It is sincerely hoped that this Manual would make an easy reading and

pave the way for improving the quality of professional services rendered by practicing members while facilitating the members in understanding the nuances of Peer Review.

Further suggestions for value additions and improvement of the manual are sincerely welcomed.

Date : 14th November, 2019

CS Ranjeet Pandey

Place : Jaipur

President

PREFACE TO SECOND EDITION

The Companies Act, 2013 has delineated distinct role for Company Secretaries, both in practice or employment. This changing regulatory paradigms call upon professionals to provide quality, efficient, value added, application oriented solutions matching the expectations of the clients or employers.

Aristotle said that the Quality is not an act, it is a habit. Quality in professional services is the hallmark of success in a competitive environment. The performance and quality can be enhanced to the level of excellence only if professionals follow high Technical, Professional and Ethical Standards while serving the client or society.

Keeping this in mind, the Council has revised the Guidelines for Peer Review of Attestation Services by the Practising Company Secretaries, covering the Secretarial Audit Report, Annual Return Certification, Certifications under listing agreements etc.

This Peer Review Manual has been revised to facilitate the members to carry out Peer Review exercise smoothly. It will also be helpful to the Practice Unit to enhance the quality of professional services.

It is sincerely hoped that this Peer Review Manual would make an easy reading and pave the way for improving the quality of professional services rendered by practising members.

I wish to thank the Peer Review Board led by Ms. Mamta Binani, Vice-President, ICSI, for taking up the revision of Guidelines and Manual on priority basis. I wish to place on record the dedicated efforts put in by the team comprising Mr. Saurabh Jain, Deputy Director, ICSI and Mr. Sudhir Saklani, Assistant Education Officer, ICSI led by Dr. S K Dixit, Joint Secretary, ICSI in providing academic and technical support in revising

this Manual, under the guidance of Mr. Sutanu Sinha, Chief Executive & Officiating Secretary, ICSI.

I am confident that the Manual would facilitate the members in understanding the nuances of Peer Review.

I welcome your suggestions for further value additions to this publication.

Date : April 16, 2015

(CS Atul H Mehta)

President

President@icsi.edu

PREFACE

Professional Codes of Conduct are one of the most important characteristics of a profession. Such Codes of Conduct illustrate the high ethical and professional standards to reassure stakeholders of two conditions, namely, that any particular set of professional services is being rendered not only by (i) properly qualified or technically expert persons but also (ii) by persons whose professional standards merit the high degrees of trustworthiness, typically required of professionals.

Excellence is the hallmark of success in a competitive environment. The performance of a Professional can be kept at the level of excellence, by continuous self learning, professional development and a system of review of professional services by peers.

Peer Review is used in working groups for many professional occupations, only to strengthen systems and infrastructure to enhance the quality of professional services.

It was in this backdrop that the Council of the Institute constituted the Peer Review Board. The Board was instrumental in crystallizing the Guidelines for Peer Review of Attestation Services by Practicing Company Secretaries, which were approved by the Council and published in the Gazette of India and made effective from October 1, 2011.

This Manual has been prepared to facilitate the practicing members to carry out the Peer Review exercise and to appreciate their duties and responsibilities as a Practice Unit that is being peer reviewed.

I take this opportunity to express my sincere thanks to all members of the Peer Review Board who contributed in visualizing and enriching the contents of the Manual through their fruitful discussions. I commend the dedicated efforts put in by the team ICSI for giving this Manual a final shape under the leadership of CS N K Jain, Secretary & CEO, ICSI.

I am confident that the Manual will facilitate the members and other readers in understanding the nuances of Peer Review.

The Peer Review being dynamic in nature is ever evolving, there would always be scope for further improvement. I would personally be grateful to the users and readers for offering their suggestions for further refinement.

CS ANIL MURARKA
PRESIDENT – The ICSI

Place : Kolkata

Date : January 09, 2012

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**GUIDELINES FOR PEER REVIEW OF ATTESTATION AND
AUDIT SERVICES BY COMPANY SECRETARIES IN PRACTICE
(AS AMENDED BY THE COUNCIL IN ITS 254TH (ADJ.)
MEETING HELD ON 1ST SEPTEMBER, 2018)**

1. Introduction

The Company Secretaries Act, 1980 (the Act) was enacted to make provision for the regulation and development of the profession of Company Secretaries. The Institute of Company Secretaries of India set up under the said Act has been conducting examinations and prescribing standards for adherence by its members.

The concept of whole-time practice, which gained its initial recognition in 1988, got further momentum after the enactment of the Companies (Amendment) Act, 2000 which required Compliance Certificate to be issued by Practicing Company Secretary for certain size of companies. Members in practice are also being recognised for issuing certificates under various laws. The Companies Act, 2013, introduced concept of Secretarial Audit to specified class of companies, which shows confidence of the Regulators on the Profession of Company Secretaries.

Excellence is the hallmark of success in a competitive environment. The performance can be judged and enhanced to that level of excellence only by evaluation by a competent professional. The Council of the Institute, therefore, in its 202nd meeting held on 25th and 26th August, 2011 decided to introduce Peer Review for Practicing Company Secretaries to periodically review the Practice Units and evaluate the quality, sufficiency of systems, procedures and practices, so that excellence in their performance can be maintained.

The Council of the Institute has been constituted under the Company Secretaries Act, 1980 for discharging the functions assigned to the Institute under the Act. Section 15(1) of the Act provides that "The Institute shall function under the overall control, guidance and supervision of the

Council and the duty of carrying out the provisions of the Act shall be vested in the Council”, and enumerates various other duties of the Council. With a view to regulate the profession of Company Secretaries and in terms of the powers vested, the Council is authorised to issue guidelines for Peer Review and also modify/ amend/ adopt new guidelines from time to time. These guidelines serve as a mechanism intended to further enhance the quality of professional services rendered by Practicing Company Secretaries over a period of time, thereby ensuring that the profession of Company Secretaries continues to serve the society in the manner envisaged.

2. Objectives

- 2.1 The main objective of Peer Review is to ensure that in carrying out their professional assignments; the Practice Units (a) comply with the Technical Standards laid down by the Institute and (b) have in place proper systems (including documentation systems) for maintaining the quality of the work they perform.
- 2.2 Peer Review is directed towards maintenance as well as enhancement of quality of Attestation and Audit Services and to provide guidance to members to improve their performance and adhere to various statutory and other regulatory requirements. Essentially, through a review of Attestation and Audit Services engagement records, Peer Review identifies the areas where a practicing member may require guidance in improving the quality of his/her performance and adherence to various requirements as per applicable Technical Standards.
- 2.3 These guidelines provide a framework of the Peer Review process and the expectations from member during the process of Peer Review.

3. Key Definitions - For the purpose of these guidelines

- 3.1 Associate – Subject to the provisions of Part I of the First Schedule to the Company Secretaries Act, 1980 an “associate” includes any member holding Certificate of Practice and signing [in the style “Associate of [Individual / Firm / LLP Name]”] on behalf

of a Practice Unit with whom such member is in partnership or employment.

3.2 Attestation and Audit Services in relation to the Peer Review, means the following services as per the law applicable as on date 'or' such other laws as may be in force –

- 1) Annual Returns Certified/Signed under Companies Act, 2013
- 2) Certificates Issued under Regulation 40 (9) of SEBI (LODR) Regulations, 2015
- 3) Secretarial Audit Reports issued Section 204 of the Companies Act, 2013 / Regulation 24A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015
- 4) Annual Secretarial Compliance Reports under SEBI (LODR) Regulations, 2015
- 5) Internal Audits under Section 138 of the Companies Act, 2013
- 6) Audit Reports issued under Clause 76 of SEBI (Depositories & Participant Regulations) 2018
- 7) Certificate issued under Regulation 56 of LODR Regulation 34(3) read with Schedule V, Para C, Clause (b) (i)
- 8) Compliance Certificates issued under Clause E, Schedule V of SEBI (LODR) Regulations, 2015
- 9) Internal Audit of Registrar and Share Transfer Agent (RTA) under SEBI Circular No. SEBI/HO/MIRSD/CIR/P/2018/73
- 10) Internal Audit of Credit Rating Agencies under SEBI Circular No. SEBI/MIRSD/CRA/Cir-01/2010
- 11) Issuance of Internal Audit Certificate for operations of the Depository Participants
- 12) Half yearly bank due diligence certificates issued

3.3 Concurrent Records – means the records relating to the professional assignments, such as correspondence of the Practice Unit with its clients, query letters, information sought from clients, engagement letters, forms uploaded on regulators' database, details of Board and General meetings, copies of paid challans etc.

- 3.4 Engagement Records – means the permanent records and concurrent records relating to the professional assignments and also includes the letter of engagement, if any, issued to the Practice Units.
- 3.5 Firm – means a sole practitioner, partnership, Limited Liability Partnership or any other entity of professional Company Secretaries as may be permitted by law and constituted under The Company Secretaries Act, 1980 & Regulations made thereunder.
- 3.6 Member - means a member of the Institute of Company Secretaries of India in terms of Company Secretaries Act, 1980.
- 3.7 Partner – includes any individual holding Certificate of Practice, with authority to bind the firm with respect to the performance of a professional services assignment.
- 3.8 Practice Unit – means members in practice practicing individually in own name, or as a sole proprietorship, partnership of Company Secretary Firm / LLP of Company Secretaries.
- 3.9 Peer Review – Means an examination and review of the systems, procedures and practices to determine whether they have been put in place by the Practice Unit for ensuring the quality of Attestation and Audit Services as envisaged and implied/ mandated by the Technical Standards and whether these were effective or not during the period under review.
- 3.10 Peer Review Board – means Board established by the Council in terms of these Guidelines to carry out the purposes of these Guidelines. The expression “Peer Review Board” is hereinafter referred to as “Board”/PRB.
- 3.11 Permanent Records – include KYC, master data on Ministry of Corporate Affairs website, signatory details, details of CIN, DIN, authorised and paid up capital, information available on regulators’ database, etc.
- 3.12 Regulator – means Government or any regulatory body constituted by the Parliament or State Legislature who is/are empowered to regulate the Acts, which include various attestation and audit

services which the Council may, from time to time, prescribe to cover as attestation and audit services for the purpose of peer review.

- 3.13 Reviewer – means any member engaged, to carry out Peer Review, from the panel of Peer Reviewers as maintained by the Board.
- 3.14 Technical Standards – Mean and include:
 - Auditing Standards issued by the Institute of Company Secretaries of India
 - Compliance of the Guidance Notes issued by the Institute of Company Secretaries of India which are applicable in the context of the specific engagements being reviewed.
 - Compliance of the provisions of the various relevant Statutes and/or Regulations, which are applicable in the context of the specific engagements being reviewed; and
 - Notifications/Directions issued by the Council of Institute of Company Secretaries of India.
- 3.15 Qualified Assistant – means a person assisting the reviewer for carrying out peer review, who is a member of the Institute and has undergone adequate training in the manner considered appropriate by the Board in terms of clause 15.1 of the Guidelines.
- 3.16 Words and expressions used and not defined in these guidelines shall have the meanings assigned to them under the Company Secretaries Act, 1980 and the Company Secretaries Regulations, 1982 framed thereunder and as amended from time to time or in case of absence under the Companies Act, 2013 or any other law for the time being in force.

4. Authority of the Guidelines on Peer Review

- 4.1 The guidelines on Peer Review shall apply to all or any of the following cases :
 - a. Whenever Peer Review is mandated on the Instructions of Government / Regulators / Statutory Bodies

- b. Whenever Peer Review is requested Voluntarily by the Practice Unit
- c. Whenever Peer Review is conducted on the basis of random selection
- d. Upon the recommendation of the Board of discipline or Disciplinary Committee of ICSI / Quality Review Board / Council of ICSI

4.2 The Guidelines on Peer Review are issued in relation to the Peer Review of Attestation and Audit Services, so as:

- to promulgate an appropriate mechanism for ensuring the quality of professional assignments and guide the members to conduct themselves in a manner that the Council considers appropriate;
- to provide guidance in relation to the statutory powers and obligations with respect to the parties involved in Peer Review;
- to prescribe the scope of Peer Review and the procedures to be adopted during the conduct of Peer Review; and
- to establish the expected conduct of members during Peer Review.

5. Powers of the Council

The powers of the Council shall include –

- To constitute the Board and to fill in the vacancies arising in the Board from time to time.
- To decide upon, from time to time, the Technical Standards, the implementation of which will fall within the purview of the Peer Review process.
- To refer such matters to the Board as the Council may deem fit.

6. Peer Review Board

6.1 *Constitution and Appointment*

- (1) The Board shall be constituted by the Council.

- (2) The Board shall consist of not less than seven members to be appointed by the Council, of whom at least four shall be from amongst the Members of the Council.
- (3) The balance members of the Board shall be drawn from amongst members of high integrity and reputation, including but not limited to, former public officials, regulatory authorities etc.
- (4) The Council shall appoint the Chairperson and the Vice-Chairperson from amongst the Members of the Council.
- (5) At least one-half of Council Members on the Board shall hold Certificate of Practice.
- (6) The tenure of the Peer Review Board shall be co-terminus with the tenure of the Council and the term of a member shall be for such period as may be prescribed by the Council.
- (7) Any vacancy(ies) on the Board shall be filled in by the Council.
- (8) Members of the Disciplinary Committee or Board of Discipline of the Institute of Company Secretaries of India shall not concurrently serve on the Board.

6.2 ***Meetings***

- (1) No business shall be transacted at a meeting of the Board unless there are present at least three members, including the Chairperson or, in his absence, the Vice-Chairperson.
- (2) If there is no quorum within half an hour of the time fixed for the meeting, the meeting shall stand adjourned to a date, time and place fixed by the Chairperson or, in his absence, the Vice-Chairperson.
- (3) The Board shall have a minimum number of four meetings every year in such a manner that not more than one hundred and twenty days shall intervene between two consecutive meetings of the Board.

6.3 ***Reporting***

The Board shall submit proceedings of the meeting of the Board within 30 days from the date of its meeting, to the Council.

7. Scope of Peer Review

- 7.1 The Peer Review process is directed to the Attestation and Audit Services of Practice Units.
- (1) Once a Practice Unit is selected for review, its engagement records pertaining to the immediately preceding financial year shall be subject to review.
 - (2) The Review shall focus on:
 - (i) Compliance with Technical Standards;
 - (ii) Quality of Reporting;
 - (iii) Office systems and procedures with regard to compliance of Attestation and Audit Services; and
 - (iv) Training Programs for staff (including trainees) concerned with attestation and audit functions, including appropriate infrastructure.

8. Powers of the Board

The Board shall exercise such powers as provided in these guidelines for the purpose of discharging its duties under the provisions of these guidelines.

- 8.1 The duty of carrying out the provisions of these guidelines shall be vested in the Board.
- 8.2 In particular, and without prejudice to the generality of the foregoing powers, the duties of the Board shall include:
 - (1) To call for information from Practice Units in such form, as it deems fit.
 - (2) To maintain a panel of Peer Reviewers.
 - (3) To define the terms of appointment of the Reviewers.
 - (4) To send a Panel of at least 3 (three) Peer Reviewers (from the panel maintained in terms of these Guidelines) to the Practice Unit and allow the Practice Unit to choose any one Reviewer from the panel so forwarded.

Provided that in case the Practice Unit would like to have Reviewers from another State/Region (and undertakes to bear the extra costs that would be incurred for TA/DA etc.), then the Practice Unit may make a special request to the Board to provide names of Reviewers from outside the State/Region where the Practice Unit has place of business.

- (5) To examine the aspects of basis of selection of records pertaining to the Attestation and Audit Services in terms of the appropriate Technical Standards.
 - (6) To arrange for such training programs for Reviewers and orientation programmes for practice unit as may be deemed appropriate;
 - (7) To prescribe the system, practice and procedure to be observed in relation to Peer Review; and
 - (8) On considering the Report of a Reviewer, to do any or all of the following:
 - (a) To issue recommendations to the Practice Unit;
 - (b) To order further Peer Review to be carried out;
 - (9) After considering the report of the Reviewer and compliance of recommendations by the Practice Unit, wherever deemed appropriate by the Board, to issue Peer Review Certificate.
 - (10) To guide the members on best practices on Peer Review.
 - (11) Such other action(s) as may be necessary for the fulfilment of these Guidelines.
- 8.3 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 the powers to make a Special Report to the Council on:
- (i) General issues regarding the level of implementation and adherence to Technical Standards amongst practice units.
 - (ii) Its own suggestions for further improvement in quality of Attestation and Audit Services.

- 8.4 The Board may perform any other duties 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 councils of the Board for specific tasks.

9. Compliance with Peer Review Guidelines

- 9.1 Practice Units are required to comply with the provisions of these Guidelines. Practice Units failing in this regard will be required to undergo appropriate review of their quality controls by the Board in terms of such specific directions as may be given to it by the Council in these regards from time to time and as notified to the members.
- 9.2 Practice Units failing to comply with these Guidelines shall be liable for disciplinary action as provided under the Company Secretaries Act, 1980.

10. Qualifications of the Reviewer

- 10.1 The nature and complexity of Peer Review require the exercise of professional judgement. Accordingly, an individual to be empanelled as Peer Reviewer shall:-
- a) Be a member with at least 10 years of post qualification experience as Company Secretary
 - b) Be currently holding Certificate of Practice as issued by the Institute;
- 10.2 Further to be empanelled as Peer Reviewer, a member shall not have: -
- a) disciplinary action / proceedings pending against him during the past 3 years;
 - b) been convicted by a Competent Court whether within or outside India, of an offence involving moral turpitude and punishable with transportation or imprisonment;
- 10.3 The Board may examine the quality of the report and shall have

powers to remove the Reviewer from the panel of Peer Reviewers, in case the quality of the review/report fails to match the desired standards.

- 10.4 Sitting members on the Council / Regional Council and sitting Office Bearers of Managing Committee of the Chapter(s) of the ICSI shall not act as Peer Reviewers till they demit their office.

11. Practice Units Subject to Review

- 11.1 Peer Review shall be conducted as per the criteria mentioned in the para 4.1 of the Guidelines or in the situations mentioned in 11.2 and 11.3 given below.
- 11.2 If Client of Practice Unit requests the Board for the conduct of Peer Review of the concerned Practice Unit, the Board shall take due cognizance of such request and in that case the cost of the Peer Review shall be borne by such client.
- 11.3 If Council / Government or any regulatory body requests the Board for conduct of Peer Review of any Practice Unit, the Board shall take due cognizance of such request and in that case the cost of Peer Review shall be borne by the concerned Practice Unit.
- 11.4 The Peer Review Board may alter/change/modify the above method of selection with prior approval of the Council.

12. Obligations of the Practice Unit

- 12.1 Access to records or documents:
- (1) Any person to whom this clause applies and who is reasonably believed by a Reviewer to have in his/her possession or under his/her control any record or other document, which contains or is likely to contain information relevant to the Peer Review shall:
- (i) Produce to the Reviewer or allow him/her access to, any record or document specified by the Reviewer or any other record or document which is of a class or description so specified and which is in his/her possession or under his/her control/ being in either case a record or other

document, which the Reviewer reasonably believes is or may be relevant to the Peer Review, within such time as the Reviewer may reasonably require;

- (ii) If so required by the Reviewer, allow and provide him such explanation or further particulars in respect of anything produced in compliance with the requirements under sub clause (i) above, as the Reviewer shall specify; and
 - (iii) Provide to the Reviewer all assistance in connection with Peer Review which he/she is expected to provide.
- (2) 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 a reproduction of any such information or matter, or of the relevant part of it in a legible form, with a suitable translation in English if the matter is in any other language and such translation is requested for by the Reviewer.
 - (3) The Practice Unit shall ensure that the Reviewer is given access to all documents relevant to his review no matter which office of the Practice Unit, these documents may be available in, in case the Practice Unit has more than one office.
 - (4) A Practice Unit shall allow the Reviewer to inspect, examine or take any abstract of or extract from engagement record or copy therefrom which may be required by the Reviewer.

12.2 For the purpose of this clause a person means an Individual / Partner/ designated partner / Sole Proprietor of the Practice Unit to which the particular review relates or any person employed by or whose services are engaged by such unit.

13. Periodicity of Peer Review

13.1 The Peer Review of every Practice Unit should be mandatorily carried out at least once in a block of five years and the validity of the Peer Review Certificate shall be five years from the date of issue.

If the Board so decides or otherwise at the request of the Practice Unit, the Peer Review for a practice unit can be conducted at shorter intervals.

Further, in case the PU is reviewed within two year of its incorporation, the validity of the Peer Review Certificate shall be two years.

14. Cost of Peer Review

- 14.1 The cost of Peer Review, payable to the Reviewer, as may be decided by the Board from time to time, shall be borne by the Practice Unit. Each of the branch / office under review would be considered separately.
- 14.2 The cost of Peer Review shall be paid by the Practice Unit within 30 days from the receipt of Invoice from the Peer Reviewer.

15. Training and Development

- 15.1 To ensure that the objective of Peer Review is attained in letter and spirit, adequate training facilities shall be provided, from time to time, to the Reviewers and also to other persons who assist the Board as and when and in the manner considered appropriate by the Board. Reviewer shall be expected to be fully familiar with all procedures, technical standards, guidelines and other decisions as may be issued by the Board from time to time.

16. Review Framework

- 16.1 Essentially, a Peer Review entails a review of engagement records and related documents to ascertain that the Practice Unit is adhering to Technical Standards. In certain situations, where a Practice Unit is not following Technical Standards, suggestions and recommendations for improvement should be given, which shall possibly be followed by a further review, keeping in view with the primary thrust of Peer Review.
- 16.2 The methodological approach involved in Peer Review can be defined in terms of three stages viz., planning, execution and reporting, which are summarized below:

16.2.1 Planning

Notification - A Practice Unit will be notified in writing about an impending Peer Review and will be sent a Questionnaire for completion.

Return of completed Questionnaire - The Practice Unit shall have to complete and return the Questionnaire to the Secretariat within 15 (fifteen) days of receipt. The information will be used for the planning of the review. In addition, Practice Units will be required to enclose a complete list of their Attestation and Audit Services and to provide any other information as the Reviewer may consider necessary to facilitate the selection of a sample of Attestation and Audit Services, engagement records, which represents the Practice Unit's client portfolio, for review.

Sample of Attestation and Audit Services Engagements:-

- (a) From the complete list of Attestation and Audit Services, an initial sample will be selected by the Reviewer. Practice Units will be notified of the selection in writing about 2 (two) weeks in advance, requesting the relevant records of the selected Attestation and Audit Services, to be made available for review.
- (b) At the execution stage, the initial sample may be reduced to a smaller actual sample for review. However, if the reviewer considers that the actual sample does not cover a fair cross-section of the Practice Unit's Attestation and Audit Services engagements, he/she may make further selections.

16.2.2 Execution

Initial meeting

An initial meeting may be held between the Reviewer and an Individual / partner/ sole proprietor of the Practice Unit concerned to conduct the review. The primary purpose of this meeting is to confirm the accuracy of the responses given

in the Questionnaire. The description of the system in the Questionnaire may not fully explain all the relevant procedures and policies adopted/ followed by the Practice Unit and this initial meeting can provide additional information. The Reviewer should gather a full understanding of the system, and be able to form a preliminary opinion/evaluation of its adequacy at the conclusion of the meeting.

Confirmation of visit

In consultation with the Practice Unit, date(s) will be set for the on-site review to be carried out. Flexibility will be permitted to ensure that members are not uncomfortable at especially busy periods. The on-site review date(s) will be decided by mutual consent such that the review is concluded within 30 (thirty) days of intimation or any other time as may be extended by Peer Review Board keeping in view of the Practical difficulties.

Peer Review visits will be conducted at the Practice Unit's head office or any other office/branch for which Peer Review has been initiated. The complete on-site review of a practice unit may take at least a full day depending upon the size of the Practice Unit. This is based on the assumption that the Practice Unit concerned has made all the necessary information and documentation available to the Reviewer for review. However, in any case this on-site review should not extend beyond 3 (three) working days.

Compliance Review-General Controls

- (a) The Reviewer may carry out a compliance review of the General Controls and evaluate the degree of reliance to be placed upon them. The degree of reliance will, ultimately, affect the Attestation and Audit Services engagements to be reviewed. The following 5 (five) key controls will be considered as General Controls:
- Independence;
 - Professional skills and standards;

- Outside consultation;
- Staff supervision and development;
- Office administration including maintenance of registers and records.

Practice Units are expected to address each of the 5 (five) key control areas.

- (b) In each key control area there shall be supplementary questions and matters to consider. These are intended to ensure that the kind of controls that are expected to be maintained, are installed and operated within Practice Units.
- (c) All questions in the Questionnaire may not necessarily be relevant to particular types of Practice Units because of the size and culture etc. However, Practice Units should still assess their internal control systems to ascertain whether they address the objectives under the five key control areas.

Selection of Attestation and Audit Services engagements to be reviewed

- (a) The number of Attestation and Audit Services engagements to be reviewed depends upon:
 - The number of practicing members involved in Attestation and Audit Services engagements in the Practice Unit;
 - The degree of reliance placed, if any, on general quality controls; and
 - The total number of Attestation and Audit Services engagements undertaken by the Practice Units for the period under review.
- (b) The engagements reviewed should be a balanced sample from a variety of different types of companies. Accordingly, if the Reviewer considers that the actual

sample is not representative of the Practice Unit's Attestation and Audit Services client portfolio, he may make further selections from the initial sample or from the complete Attestation and Audit Services list.

Review of records

The Reviewer may adopt a compliance approach or substantive approach or a combination of both in the review of engagement records.

(a) Compliance approach

- The compliance approach is to assess whether proper control procedures have been established by the Practice Unit, to ensure that Attestation and Audit Services are being performed in accordance with Technical Standards.
- Practice units should have procedures and documentation sufficient to cover each of the key areas. Members in smaller practices may find some of the documentation too elaborate for most of their clients and so should tailor their documentation to suit their particular circumstances with justification for doing so provided to the reviewer.

(b) Substantive approach

A substantive approach will be employed if the Reviewer chooses not to place reliance on the Practice Unit's specific controls on attestation engagements or is of the opinion that the standard of compliance is not satisfactory. This approach requires a review of the working papers in order to establish whether the attestation and audit work has been carried out as per norms of Technical Standards.

16.2.3 Reporting

(i) Preliminary Report of Reviewer

- At the end of an on-site review, the reviewer shall, before making his report to the Board, communicate a preliminary report to the Practice Unit (in case he/she finds any deficiency in the systems and procedures of the Practice Unit in rendering Professional Services to the clients). The Reviewer shall report on the areas where systems and procedures had been found to be deficient or where non-compliance with reference to any other matter was noticed.
- The Practice Unit shall make submissions or representations, in writing to the Reviewer, concerning the preliminary report within 15(fifteen) days from the date of receipt of preliminary report from Reviewer.

(ii) Final Report of Reviewer

- (a) The Reviewer will submit a Final Report to the Board with a copy to the Practice Unit (the Reviewer's Report), incorporating the findings. The Final Report will be examined/inspected by the Board in terms of the degree of compliance with the Technical Standards by the reviewed Practice Unit. The model forms of such Final Reports shall be communicated to the Reviewer by the Board.
- (b) The Board may, if deems fit, issue Peer Review Certificate to the Practice Unit.

OR

- (c) The Board, having regard to the Report and any submissions or representations attached to it, may:
 - make recommendations to the Practice Unit concerned regarding the application by it of Technical Standards;
 - if it is of the opinion that:
 - (1) In case the review is related to a firm, any one

or more or all of the partners in the firm may have failed to observe, maintain or apply, as the case may be, Technical Standards;

- (2) In case the review is related to a member practicing on his own account, the member may have failed to observe, maintain or apply, as the case may be, Technical Standards; Then;
 - (3) Issue instructions to the Reviewer to carry out, within such period as may be specified in the instructions (which period shall not commence earlier than six months after the date on which the instruction is issued), a further Peer Review as regards the Practice Unit to which the report relates; and
 - (4) Specify in the instruction, the matters as regards which the review is to be carried out;
- (d) The Board will make recommendations to the Practice Unit where:

Based on the report of the Reviewer, it appears that the Practice Unit has satisfied all key control objectives, which the Board has determined and/or prescribed in respect of maintenance of/ adherence to Technical Standards but where further improvements could be made to internal quality control systems; and

Based on the report of the reviewer, it appears that the Practice Unit has satisfied the major key control objectives but some weaknesses exist in others. The Practice Unit is expected to consider the recommendations for rectifying the weaknesses thus identified and informed by the Board and take all necessary actions to ensure that all key control areas are addressed.

- (e) A follow up review will be required where the Practice

Unit has not satisfied the Board that all the key control objectives have been maintained and where, in the view of the Board the deficiencies are likely to materially affect the overall quality of engagements of the Practice Unit. In such cases the Board will also make recommendations, which it expects the practice unit to implement in order to ensure the maintenance of Technical Standards. The implementation of these recommendations will be examined during the follow up review.

- (iii) The Reviewer shall not communicate any Report(s) unless the examination of such Report(s) and related records has been made by him/her or by a partner or an employee of his/her firm.

17. Referral of Disputes and Appeal

- 17.1 Where a dispute arises over the powers of Reviewers or the process or conclusions reached after the review or to any other matter related to the review, the Practice Unit, the Reviewer or both may refer the dispute, in writing, to the Board. Such referral shall have to be made within 2 (two) months of occurrence of the issue in dispute, in such manner as may be prescribed by the Board in this regard.
- 17.2 Where a dispute is referred, after considering any submissions or representations (which shall be made in writing) made by the relevant Practice Unit and/or the relevant Reviewer, the Board:
- shall decide the dispute within 6 (six) months of the reference and communicate such decision to each of the parties to the dispute, simultaneously;
 - may issue directions relating to the matter in dispute to such Practice Unit or the Reviewer concerned and require such Unit or Reviewer to comply with them within 30 (thirty) days and send a report to the Board of the said compliance within 15 (fifteen) days of such compliance;

- shall convey its decision in these regards to each of the parties within 15 days from the date of the decision.
- 17.3 Where either of the parties are dissatisfied with the decision of the Board, it may refer the matter to the Council within 2 (two) months in such manner as may be prescribed.

18. Immunity

- 18.1 A Practice Unit, which makes available records or documents to Reviewer(s), shall not incur any liability under the Code of Conduct under the Company Secretaries Act, 1980 and the Regulations framed thereunder, by reason of compliance with these Guidelines on Peer Review.
- 18.2 The Reviewer, by virtue of carrying out the Peer Review shall not incur any liability other than the liability arising out of his/her own conduct under the Code of Conduct under the Company Secretaries Act, 1980 and Regulations framed thereunder as well as under the relevant clauses of these Guidelines.
- 18.3 The members of the Peer Review Board shall not incur any liability by virtue of their having discharged the responsibilities as given in these Guidelines and/or as may in future be specified by the Council, other than the liability arising out of their own conduct under the Code of Conduct under the Company Secretaries Act, 1980 and Regulations framed thereunder as well as under the relevant clauses of these Guidelines.

19. Confidentiality

- 19.1 Strict confidentiality provisions shall apply to all those involved in the Peer Review process, namely, Reviewers, members of the Board, the Council, or any person who assists any of these parties.
- 19.2 Those persons subject to the secrecy provision:
- (1) shall at all times after their appointment preserve and aid-in preserving secrecy with regard to any matter coming to their knowledge in the performance or in assisting in the

performance of any function, directly or indirectly related to the process and conduct of Peer Review.

- (2) shall not at any time communicate any such matter to any other person; and
 - (3) shall not at any time permit any other person to have any access to any record, document or any other material, if any, which is in their possession or under their control by virtue of their being or having been so appointed or their having performed or having assisted any other person in the performance of such a function.
- 19.3 Non-compliance with the secrecy provisions in the above clause shall amount to professional misconduct as defined under Section 22 of the Company Secretaries Act, 1980.
- 19.4 A statement of confidentiality (appended as **Annexure**) shall be filled in by the person(s) who are responsible for the conduct of Peer Review i.e., Reviewers/ the members of the Board and others who assist them.

20. Procedural Departures

- 20.1 Where the persons who are responsible for the conduct of Peer Review (Reviewers, the members of the Board and others who assist them) have not followed the prescribed procedures, they shall have to justify significant departures and such justification shall have to be mandatorily made known to the Council in the periodic Reports of the Board to the Council.

21. Budget and Finance

- 21.1 The Council shall approve the Annual Budget of the Board.
- 21.2 The Board shall have the autonomy to administer its budget after the approval as above. For this purpose, the Secretary to the Board shall be the authorized officer.

22. Secretariat

- 22.1 The Council shall cause to be set up an appropriate and independent Secretariat to assist the Board in the discharge of its functions.
- 22.2 All persons working in the Secretariat shall be subject to the same norms of confidentiality as the Board Members and Reviewer(s).
- 22.3 Appropriate arrangements for training of personnel of the Secretariat shall be made from time to time.

Annexure**Statement of Confidentiality**

[In accordance with the Guidelines for Peer Review of Attestation and Audit Services by Company Secretaries in Practice, this statement of confidentiality is to be filled in by the persons who are responsible for the conduct of Peer Review i.e., Reviewers, members of the Board and others who assist them, individually. The Reviewer shall be responsible for taking this undertaking from all those persons who assist him or are likely to assist him in conducting Peer Reviews, and shall send the same to the Board. This statement of Confidentiality should be renewed every year.]

To

The Chairperson

Peer Review Board

The Institute of Company Secretaries of India

Sir/Madam,

I hereby declare that my attention has been drawn to the need for confidentiality in the conduct of Peer Review. I therefore undertake and assure 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, when so ever, I will ensure that on my part

- Working papers shall always be kept securely so that unauthorised access is not gained by anyone.
- The Practice Unit's Attestation and Audit Services procedures shall not be disclosed to third parties.
- 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.

Access 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 having performed or having assisted any other person in the performance of such functions, shall not at any time be permitted to any other person.

I understand that any breach of the provisions regarding confidential information contained in the Guidelines on Peer Review will be considered as gross negligence and, subject to investigation, will result in appropriate action.

(For office use only)

Signature:

Taken on record on (date)

Name:

By

Designation:

Signature:

Date:

Name:

Place:

Designation:

Other Guidelines with respect to Peer Review

Guidelines	Issued at
Limits for the issue of Secretarial Audit Reports: • 10 Secretarial Audits per partner/ PCS, and • an additional limit of 5 secretarial audits per partner/PCS in case the unit is peer reviewed. (For Secretarial Audit Reports issued for FY 2016-17 onwards)	235 th meeting of the Council held on 11 th February, 2016
Number of Annual Secretarial Compliance Reports to be issued by PCS: • 5 (five) reports individually / per partner in each financial year • an additional limit of 5 (five) ASCR individually / per partner in case the unit has been Peer Reviewed. (w.e.f. 1st April, 2020)	260 th meeting of the Council held on 4-5 May, 2019

Mandatory Peer Review for Certifications and Audit Services

The Council has issued Guidelines for mandatory Peer Review for Certification and Audit services as under:

Services	Applicability	Effective date (w.e.f.)
• Secretarial Audit Report / Annual Secretarial Compliance Report under SEBI (LODR) Regulations, 2015 • Certification of Annual Return in terms of Section 92 (2) of the Companies Act, 2013	Top 100 companies as per market capitalization as on 31 st March, 2020	April 1, 2020

• Compliance Certificate under Schedule V, Clause E of SEBI (LODR) Regulations, 2015 • Half yearly Share Capital Reconciliation Certificate under Regulation 40 (9) of SEBI (LODR) Regulation, 2015 • Quarterly Share Capital Reconciliation Certificate under Regulation 76 of SEBI (Depository Participants) Regulation, 2018	Top 500 companies as per market capitalization as on 31 st March, 2021	April 1, 2021
	all listed companies	April 1, 2022
	all companies	April 1, 2023
• Internal Audit of Operations of the Depository Participants • Diligence Report for Banks in case of Consortium Lending / Multiple Banking Arrangements		April 1, 2020

Further the Council has decided that the PCS shall mandatorily mention the Peer Review Certificate number while signing / certifying the above, in the following format:

	For XYZ & Associates
	Company Secretaries
	Name
	FCS
Date	CP
Place	PR 123/2018

CHAPTER 1

INTRODUCTION

Definition

The dictionary meaning of the term “Peer” is, a person of the same legal status or a person who is equal to another, in abilities, qualifications, age, background, etc. “Review” means to look back upon (a period of time, sequence of events, etc.) Thus, “Peer Review” is a self improvement process and is a method of evaluation of a person’s work or performance, by a person or group of people, in the same occupation, profession, or industry.

Professional Peer Review

Professional peer review focuses on the performance of professionals, with a view to improving quality, upholding standards, or providing certification. Professional Peer Review activity is widespread in the field of accounting, law, engineering (e.g., software peer review, technical peer review, etc.), aviation, and even forest fire management. In academia, Peer Review is common in decisions related to faculty advancement and tenure.

Peer review for Company Secretaries

Peer Review contemplates examination of the systems and approach of a Practice Unit (PU) by another member of the Institute with the objective of identifying the areas, where the member may require guidance in improving the quality of his performance and adherence to the requirements of various technical standards.

The focus lies on the promotion of continuing quality improvement in an atmosphere of openness and mutual trust that contributes to enhancing transparency and comparability. Good practice is valued and mutual learning is encouraged in a dynamic and motivating process, from which both the Practice Unit and the Reviewer get benefit.

A Peer Review examines whether a Practice Unit has adequate policies and procedures (including documentation systems) in place to comply with the Technical Standards of ICSI and other legal requirements for maintaining the quality of the Services/ work they perform

Rationale

The concept of whole-time practice, which received its initial statutory recognition in 1988, has gained momentum after the enactment of the Companies (Amendment) Act, 2000 which required Compliance Certificate to be issued by a Company Secretary in Practice for Companies having a prescribed paid up capital. Company Secretaries in Practice are also being recognised for issuing certificates under various laws.

Excellence is the hallmark of success in a competitive environment. Performance can be judged and enhanced to a level of excellence only by evaluation by a competent professional. The Council of the Institute, therefore, decided to introduce Peer Review for Practising Company Secretaries (PCS) to periodically evaluate the quality, sufficiency of systems, procedures and practices, so that excellence in their performance can be maintained.

Authority for Peer Review

The Council of the Institute of Company Secretaries of India is constituted under the Company Secretaries Act, 1980, for discharging the functions assigned to the Institute under the Act. Section 15(1) of the Act provides that "The Institute shall function under the overall control, guidance and supervision of the Council and the duty of carrying out the provisions of the Act shall be vested in the Council", and enumerates various other duties of the Council. With a view to regulate the profession of Company Secretaries and in terms of the powers vested, the Council has issued guidelines for Peer Review of Attestation and Audit Services by Company Secretaries in Practice. The guidelines serve as a mechanism intended to further enhance the quality of professional work of Company Secretaries in Practice (PCS) over a period of time, thereby ensuring that the profession of Company Secretaries continues to serve the society in the manner envisaged.

The Guidelines on Peer Review are issued in relation to conduct of Peer Review of members rendering services:

- to promulgate an appropriate mechanism for ensuring the quality of professional services and guide the members in a manner that the Council considers appropriate;
- to provide guidance in relation to the statutory powers and obligations with respect to the parties involved in Peer Review;
- to prescribe the scope of Peer Review and the procedures to be adopted during the process of Peer Review; and
- to establish the expected conduct of members during a peer review.

Objectives of Peer Review

The main objective of Peer Review is to ensure that in carrying out their Services, the PCS has complied with the Technical Standards laid down by the Institute and has in place proper systems (including documentation systems) for maintaining the quality of the Services/ work they perform. The Council has specified the Technical Standards in relation to which Peer Review is to be carried out, in the guidelines for Peer Review of Attestation and Audit Services by Company Secretaries in Practice. Peer Review does not seek to redefine the scope and authority of the Technical Standards specified by the Council but seeks to enforce them within the parameters prescribed by the Technical Standards.

Peer Review is directed towards maintenance as well as enhancement of quality of professional services and to provide guidance to members to improve their performance and adhere to various statutory and other regulatory requirements. Essentially, through review of professional services engagement records, Peer Review identifies the areas where a practicing member may require guidance in improving the quality of his performance and adherence to various requirements as per applicable Technical Standards and regulatory requirements.

Benefits of Peer Review

There are significant benefits which a Practice Unit will obtain in undergoing a Peer Review.

These may be summarised below:

1. A successful Peer Review will provide comfort to the Practice Unit that it has adhered to various statutory, documentary and other regulatory requirements.
2. If deficiencies are noticed and corrective measures suggested, the Practice Unit will have an opportunity to correct the deficiencies and thereby enhance professional competence.
3. If a Peer Review Certificate is issued in favour of the Practice Unit it enhances credibility of the Practice Unit in the eyes of the general public.
4. Since a Chinese Wall exists between the Peer Review Process and the Disciplinary Proceedings, the Practice Unit will benefit from Peer Review without any apprehension of any disciplinary proceedings being initiated against for any deficiencies noticed on its part.
5. Clients of the P.U. will benefit from knowing that their Practice Unit is periodically reviewed by the ICSI.
6. Furthermore, the benefits of getting Peer Reviewed Units can be seen by Guidelines issued by Council of the Institute from time to time. The benefits given by the Council to the Peer Reviewed Units are as follows:
 - **an additional limit of 5 secretarial audits per partner/PCS in case the unit is peer reviewed.**
(For Secretarial Audit Reports issued for FY 2016-17 onwards)
 - **an additional limit of 5 (five) Annual Secretarial Compliance Report under Regulations, 2015 individually / per partner in case the unit has been Peer Reviewed.**
(w.e.f. 1st April, 2020)
7. To ensure the quality of services rendered by members of the Institute to their clients and to the society as a whole, the Council has decided to make Peer Review mandatory in phased manner as follows:

Services	Applicability	Effective date (w.e.f.)
• Secretarial Audit Report / Annual Secretarial Compliance Report under SEBI (LODR) Regulations, 2015 • Certification of Annual Return in terms of Section 92 (2) of the Companies Act, 2013 • Compliance Certificate under Schedule V, Clause E of SEBI (LODR) Regulations, 2015 • Half yearly Share Capital Reconciliation Certificate under Regulation 40 (9) of SEBI (LODR) Regulation, 2015 • Quarterly Share Capital Reconciliation Certificate under Regulation 76 of SEBI (Depository Participants) Regulation, 2018	Top 100 companies as per market capitalization as on 31 st March, 2020	April 1, 2020
	Top 500 companies as per market capitalization as on 31 st March, 2021	April 1, 2021
	all listed companies	April 1, 2022
	all companies	April 1, 2023
• Internal Audit of Operations of the Depository Participants • Diligence Report for Banks in case of Consortium Lending / Multiple Banking Arrangements		April 1, 2020

Further the Council has decided that the PCS shall mandatorily mention the Peer Review Certificate number while signing / certifying the above in the following format:

	For XYZ & Associates
	Company Secretaries
	Name
	FCS
Date	CP
Place	PR 123/2018

Scope of Peer Review

At present the following Attestation and Audit Services are covered under the purview of Peer Review.

- 1) Annual Returns Certified/Signed under Companies Act, 2013
- 2) Certificates Issued under Regulation 40 (9) of SEBI (LODR) Regulations, 2015
- 3) Secretarial Audit Reports issued Section 204 of the Companies Act, 2013 / Regulation 24A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015
- 4) Annual Secretarial Compliance Reports under SEBI (LODR) Regulations, 2015
- 5) Internal Audits under Section 138 of the Companies Act, 2013
- 6) Audit Reports issued under Clause 76 of SEBI (Depositories & Participant Regulations) 2018
- 7) Certificate issued under Regulation 56 of LODR Regulation 34(3) read with Schedule V, Para C, Clause (b) (i)
- 8) Compliance Certificates issued under Clause E, Schedule V of SEBI (LODR) Regulations, 2015
- 9) Internal Audit of Registrar and Share Transfer Agent (RTA) under SEBI Circular No. SEBI/HO/MIRSD/CIR/P/2018/73
- 10) Internal Audit of Credit Rating Agencies under SEBI Circular No. SEBI/MIRSD/CRA/Cir-01/2010
- 11) Issuance of Internal Audit Certificate for operations of the Depository Participants
- 12) Half yearly bank due diligence certificates issued

Since law is a dynamic subject, situations may arise whereby regulatory prescriptions may necessitate certification / recognition in other areas also in due course. The Council and the Peer Review Board may include other services under the scope of Peer Review from time to time.

Peer Review Process

Once a practice unit is selected for review, the professional services rendered by it during the immediately preceding financial year shall be subject to review.

The Review shall focus on:

- (i) Compliance with Technical Standards (A reference related to the Technical Standards has been placed as **Annexure** to the chapter).
- (ii) Quality of Reporting
- (iii) Office systems and procedures with regard to compliance of services including appropriate infrastructure.
- (iv) Training Programs for staff (including trainees) concerned, including appropriate infrastructure.

Applicability of the Guidelines on Peer Review

The guidelines on Peer Review shall apply to all or any of the following cases:

- (a) Whenever Peer Review is mandated on the Instructions of Government / Regulators
- (b) Whenever Peer Review is requested Voluntarily by the Practice Unit
- (c) Whenever Peer Review is conducted on the basis of random selection
- (d) Upon the recommendation of the Board of discipline or Disciplinary Committee of ICSI / Quality Review Board / Council of ICSI

The Council of the Institute on any legislative amendment to law may require a Peer Review to be conducted of any Practice Unit.

Qualifications for a Peer Reviewer

To be empanelled as Peer Reviewer, and individual –

- (a) Be a member with at least 10 years of post qualification experience as Company Secretary

- (b) Be currently holding Certificate of Practice as issued by the Institute;

Further to be empanelled as Peer Reviewer, a member shall not have: -

- a) disciplinary action / proceedings pending against him during the past 3 years initiated by the government/ regulatory body/ statutory body;
- b) been convicted by a Competent Court whether within or outside India, of an offence involving moral turpitude and punishable with transportation or imprisonment;

The Reviewer's Approach

- a. The approach of the Reviewer should be courteous, professional and helpful throughout the review process.
- b. He should be appreciative of good practices while suggesting areas of improvement.
- c. He should adopt a collaborative approach with the Practice Unit during the review process and should ensure minimum disruption to the Practice Unit during the peer review.
- d. He should be able to provide practical and insightful comments in a discussion mode as a Peer during the review process.
- e. He should try and give value addition to Practice Unit and not merely adopt a tick box approach.
- f. In determining issues which are subjective, the purpose is not to replace the PU's opinion with the opinion of the Reviewer but to verify the process followed in exercise of judgment by the Practice Unit. Verification of the process will include verification of working papers maintained by the Practice Unit.

Expected Qualities of Reviewer

The nature and complexities of Peer Review requires the exercise of professional judgment. The reviewer should:-

- a. Be well acquainted with the technical aspects of the Attestation and Audit Services.

- b. Know the provisions of Code of Conduct of ICSI.
- c. Have studied various cases decided on Code of Conduct of ICSI.
- d. Get himself/herself acquainted with decisions of various courts on 'cases relating to deficiency in service'.
- e. Be aware of relevant provisions of Company Secretaries Act 1980, Company Secretaries Regulations, 1982, Consumer Protection Act, Evidence Act, Indian Penal Code, etc.
- f. Have studied the technical standards like Secretarial Standards, Auditing Standards, Guidance Notes, Notifications and Guidelines issued by Council of ICSI from time to time.
- g. Be aware of evolving standards and best practices in the field.
- h. Be good at drafting, written and spoken English.
- i. Display professional and courteous behavior while on peer review visit.
- j. Understand his limitations.
- k. Be clear about what is outside the scope of Peer Review.

Annexure

Reference Material Related to Technical Standards

The Institute had released the Guidelines for Peer Review of Attestation and Audit Services by Company Secretaries in Practice as approved by the Council in its meeting held on August 25-26, 2011 as amended from time to time.

Under Sl. No. 3.14 of the guidelines, Technical Standards means and includes:

- Auditing Standards issued by the Institute of Company Secretaries of India
- Compliance of the Guidance Notes issued by the Institute of Company Secretaries of India which are applicable in the context of the specific engagements being reviewed.
- Compliance of the provisions of the various relevant Statutes and/or Regulations, which are applicable in the context of the specific engagements being reviewed; and
- Notifications/Directions issued by the Council of Institute of Company Secretaries of India.

Since the Peer Review Process involves examination of the degree of compliance with the Technical Standards, it is necessary for both the Reviewer and the Practice Unit to be fully familiar with the Auditing Standard, other Guidance Notes, Notifications/directions issued by the Council of ICSI and other relevant statutes or regulations which are applicable to the review engagement.

The Standards and Guidance Notes referred to are available as publications of the Institute and can be obtained from the Institute on payment.

In order to provide a practical guide to the members of the profession on various subjects relating to corporate secretarial functions, the Institute has been bringing out a number of Guidance Notes for the benefit of the members from time to time. For immediate reference, a synopsis of the Standards and Guidance Notes are furnished below

Auditing Standards

1. Guidance Note on Signing of Annual Return.
2. Guidance Note on Meetings of the Board of Directors
3. Guidance Note on General Meetings
4. Guidance Note on Dividend
5. Guidance Note on Board's Report
6. Guidance Note on Internal Audit of Stock Brokers
7. Guidance Note on Related Party Transactions
8. Guidance Note on Code of Conduct for Company Secretaries
9. Guidance Note on Secretarial Audit

Peer Reviewers and Practice Units are expected to be familiar with the Standards and Guidance Notes issued by the Institute. During the course of Peer Review, the Reviewer is expected to examine the compliance of these Standards and/or Guidance Notes by the Practice Unit to the extent applicable.

CHAPTER 2

PEER REVIEW PROCESS

This Manual seeks to explain the process of Peer Review as envisaged in the Guidelines for Peer Review of Attestation and Audit Services by Company Secretaries in Practice. The process of empanelment of a Reviewer and the Peer Review process has been explained in detail. A step-by-step guide has been presented for the entire process.

Empanelment of Reviewers

1. The Peer Review Board has been empowered to maintain a panel of Reviewers. Para 10 of the Guidelines provides for the qualifications of the reviewer. It states, "The nature and complexity of peer review require the exercise of professional judgment. Accordingly, an individual serving as a reviewer shall:- (a) Be a member with at least 10 years of experience post qualification as Company Secretary; (b) Be currently holding Certificate of Practice as issued by the Institute.

The Peer Review Board has clarified that the requirement of at least ten years experience as a member does not necessarily entail his/her experience as a Company Secretary in Practice. Even a member who has earlier been in employment for a decade can seek empanelment as a Reviewer provided he/she is holding a certificate of practice on the date of making the application for empanelment as reviewer.

Further to be empanelled as Peer Reviewer, a member shall not have: -

- a) disciplinary action / proceedings pending against him during the past 3 years;
- b) been convicted by a Competent Court whether within or outside India, of an offence involving moral turpitude and punishable with transportation or imprisonment;

2. The Board has prescribed a format for inviting applications from members

fulfilling the criteria and willing to empanel as Reviewers. The application form seeks to collate information on professional experience, educational qualifications, practice areas, etc. which would enable the Board to assess the core competence of the applicant for empanelment as Reviewer. When a Peer Review is required to be conducted, the Board would endeavour to match the relevant experience and standing of the Reviewer with the profile of Practice Unit which is being reviewed.

3. A copy of the application format for empanelment of Reviewer is placed as **Annexure** to the Chapter and may also be downloaded from the webpage of the Peer Review Board at the ICSI portal <https://www.icsi.edu/prb/home/>

Training and Development of Reviewers

To ensure that the objective of Peer Review is achieved in letter and spirit, adequate training facilities shall be provided, from time to time, to the Reviewer(s) and other persons who assist the Board as and when, and in the manner considered appropriate by the Board. Reviewers shall be expected to be fully familiar with all procedures, prescriptions, guidelines and other decisions as may be issued by the Board from time to time.

A Reviewer may be required to assess his/her capability to perform Peer Review exercise. He/she should also consider carefully the number and availability of trained staff in deciding whether he/ she would be in a position to perform Peer Review of a Practice Unit.

To equip the Reviewers with the required inputs for Peer Review, the Institute undertakes Training Programmes for Reviewers on regular basis. Institute has also developed a Training Module to guide the Reviewers.

Members eligible to empanel as Peer Reviewer are requested to send their empanelment form in the prescribed format at prb-icsi@icsi.edu The prescribed format is placed as **Annexure** to the chapter.

Statement of Confidentiality

The process of Peer Review requires high level of integrity on the part of the Peer Reviewer and Authorised Assistant(s) who may assist Reviewer during the Review. The Board has prescribed a Statement of Confidentiality for this purpose, which is placed as part of the Guidelines for Peer Review

of Attestation and Audit Services by Company Secretaries (PCS), in this Manual. Before accepting to undertake Peer Review assignment, the Reviewer and Authorised Assistant(s) are required to sign the Statement of Confidentiality and shall send the same to the Peer Review Board. The statement of Confidentiality should be renewed every year.

Methodology to be followed by Reviewer

(a) Offsite review

- This contemplates studying the information given by the Practice Unit in the Questionnaire (placed as **Annexure** to the chapter 3) and based on the same make observations about possible areas where improvement is possible and to note other aspects to be discussed in personal meeting with Practice Unit.

(b) Onsite review

- Verification of information given by the Practice Unit.

Test checks in respect of assignments handled by the Practice Unit.

- Interaction with the staff & trainees of Practice Unit should be a part of the Peer Review.
- Calling for the records in respect of the client maintained by the Practice Unit to verify whether proper systems and procedures have been followed.

Compliance with Peer Review Guidelines

Practice Units are required to comply with the provisions of the Guidelines for Peer Review of Attestation and Audit Services by Company Secretaries in Practice. Practice Units selected for being reviewed will be required to undergo appropriate review of their quality controls by the Board in terms of such specific directions as may be given by the Council in this regard from time to time.

Selection of Members/ Firms Subject to Review

Peer Review will be implemented either on the basis of random selections from software designed for the purpose; mandated by any regulatory body / Government / Council or at the request of practice unit on voluntary basis

or as per the criteria laid down in the Guidelines. The Peer Review Board may alter/change/modify the above method of selection with prior approval of the Council.

Cost of Peer Review

The cost of Peer Review, payable to the Reviewer, as may be decided by the Board from time to time, shall be borne by the Practice Unit. Each of the branch/ office under review would be considered as a separate unit for the purpose of payment of cost of Peer Review.

The cost of Peer Review shall be paid by the Practice Unit within 30 days from the receipt of Invoice from Peer Reviewer.

If a company / concern requests the Board for the conduct of Peer Review of its Secretarial Auditor (Practice Unit) or the Company Secretary in Practice rendering services to the company / concern, the Board shall take due cognizance of such request and in that case the cost of the Peer Review shall be borne by such company/ concern.

If the Council / Government or any Regulatory Body requests the Board for conduct of Peer Review of any Practice Units, the Board shall take due cognizance of such request and in that case the cost of Peer Review shall be borne by the referred Practice Unit.

Obligations of the Practice Unit

The Practice Unit under review shall provide access to any record or document as may be asked by the Reviewer. For these purposes:

Any person who is reasonably believed by a Reviewer to have in his possession or under his control any record or other document, which contains or is likely to contain information relevant to the Peer Review shall:

(1) (a) Produce to the Reviewer or afford him access to, any record or document specified by the Reviewer or any other record or document which is of a class or description so specified, and which is in his possession or under his control/ being in either case a record or other document which the Reviewer reasonably believes is or may be relevant to the Peer Review, within such time as the Reviewer may reasonably require;

(b) If so required by the Reviewer, afford and provide to him such explanation or further particulars in respect of anything produced in compliance with requirement mentioned above, as the reviewer shall specify; and

(c) Provide to the Reviewer all assistance in connection with Peer Review which he is expected to provide.

(2) 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 a reproduction of any such information or matter, or of the relevant part in a legible form, with a suitable translation in English if the matter is in any other language, and such translation is requested for by the Reviewer.

(3) The Practice Unit shall ensure that the Reviewer is given access to all documents relevant to review, no matter which office of the Practice Unit these documents may be available in, in case the Practice Unit has more than one office.

(4) A Practice Unit shall allow the Reviewer to inspect, examine or take any abstract of or extract from a record or document or copy there from which may be required by the Reviewer.

Periodicity of Peer Review

The peer review of every Practice Unit should be mandatorily carried out at least once in a block of five years. However, if the Board so decides or otherwise at the request of the Practice Unit, the Peer Review for such Practice Unit can be conducted at shorter intervals.

Further, in case the PU is reviewed within two year of its incorporation, the validity of the Peer Review Certificate shall be two years and the Practice Unit shall be subject to review again, once the validity of certificate expires.

Review Framework

Essentially, a Peer Review entails a review of engagement records and related financial / other statements to ascertain whether the Practice Unit is adhering to Technical Standards. Where a Practice Unit is not following Technical Standards in certain situations, suggestions and

recommendations for improvement may be made, and possibly followed by a further review, in keeping with the primary thrust of Peer Review.

Reporting

The central element of a Peer Review is the assessment i.e. the professional judgment by the peers. Para 16.2.3 of the Guidelines for Peer Review contains provisions for the report of Peer Reviewer. It has been provided that at the end of an on-site review, the Reviewer shall, before making his report to the Board, communicate a preliminary report to the Practice Unit, in case the Reviewer observes any deficiency in the systems and procedures of the Practice Unit. The Reviewer shall report on the areas where systems and procedures had been found to be deficient or where he has noticed non-compliance with reference to any other matter. In arriving at this conclusion, the Reviewer shall be expected to examine the materiality of the non-compliance or deficiency, the number of occasions when such non-compliance was noticed and its overall impact on the quality of professional service rendered by the Practice Unit.

The different stages of reporting are covered in detail in a subsequent Chapter.

Annexure

ICSI House, 22, Institutional Area, Lodi Road, New Delhi 110 003

EMPANELMENT AS PEER REVIEWER**PROFORMA FOR INCLUSION OF NAME IN THE PANEL OF
“PEER REVIEWERS”****CONSTITUTED UNDER THE AEGIS OF
“PEER REVIEW BOARD, ICSI”**

The Guidelines for Peer Review of Attestation and Audit Services by Company Secretaries in Practice have been issued by the Council of the Institute at its 202nd Meeting held on August 25-26, 2011 as amended from time to time. The Peer Review Board has decided to seek from amongst its members in practice, to empanel themselves as “Peer Reviewer”. The qualifications prescribed for appointment of Reviewer are as follows:

- (a) Be a member with at least 10 years of post qualification experience as Company Secretary
- (b) Be currently holding Certificate of Practice as issued by the Institute;

Members who are desirous of being empanelled and to carry out Peer Review of their contemporaries in practice would require to register themselves as a Peer Reviewer with the Institute.

With the object to identify those members who are desirous of being empanelled, this information is being floated to seek details of the members who would be registered with the Institute as Peer Reviewer and assigned to carry out Review from time to time. Members fulfilling the eligibility criteria and desirous of being empanelled are requested to

submit the attached proforma with all relevant details to enable the Board to consider their request.

The duly filled in proforma may be sent to - The Secretary, Peer Review Board, The Institute of Company Secretaries of India, ICSI House, 22, Institutional Area, Lodi Road, New Delhi 110 003 (email: prb-icsi@icsi.edu).

**PROFORMA FOR INCLUSION OF NAME IN THE PANEL OF
“PEER REVIEWERS” CONSTITUTED UNDER THE AEGIS OF
“PEER REVIEW BOARD, ICSI”**

To,

The Secretary,
Peer Review Board
The Institute of Company Secretaries of India
ICSI House
22, Institutional Area
Lodi Road
NEW DELHI – 110 003

**Affix your
Passport size
Photograph**

First Name

Middle Name

Surname

1. Name (In CAPITAL Letter)																			
2. Date of Birth (DD/MM/YY)				3. Gender (M/F)		4. Membership No.													
5. C.P. Number				6. Date of obtaining Membership (DD/MM/YYYY)															

7. Contact details in CAPITAL letters:

(a) Residential Address: City State Pin Code : Phone No. (with STD code)..... Mobile No. E-mail ID:	(b) Professional Address: City State Pin Code : Mobile No. FAX No. Website Address: Unique Code of Firm:
--	---

8. Details of academic, professional and Post Membership qualifications obtained by passing the examinations (Graduation onwards):

Examination Passed		University/ Institution	Main/Specialized Subjects, if any
Name of Exam	Year of Passing		

9. Details of Post Qualification Experience in Employment/Practice*

Professional Experience		No. of years experience	Name of the Employer/s	Work Assigned / Performed
From	To			

*Note : I. For being appointed as Reviewer, a member should be currently in practice as a Company Secretary.

II. In case the space provided is insufficient entire information can be provided in supplementary sheet as per the structure provided herein above.

10. Firm's Details

(a) Name of your Firm (b) Nature of Firm – Proprietorship/ Partnership/ LLP (c) Name(s) of Firms with which you are associated as a Partner or Associate.	
In the event of Partnership/LLP, please mention names of other partners:	1. 2. 3. 4.

No. of Trainees currently undergoing training under you/your firm	
No. of Qualified members associated with your firm as Associates and / or Employees	
No. of Company Secretaries employed by your firm Give Name(s) and Membership No. of each	
Any past experience of carrying out Peer review work or work of similar nature.	
Any other information you wish to provide which could be considered by the Board for appointment of your goodself as reviewer. i.e. Directorships, Award received etc.	
Number of Companies in which you are a Director and names of the Companies.	

11. Attestation and Audit Services provided in the previous financial year:

Sl. No.	Nature of Services	
1	Annual Returns Certified/Signed under Companies Act, 2013	
2	Certificates Issued under Regulation 40 (9) of SEBI (LODR) Regulations, 2015	
3	Secretarial Audit Reports issued Section 204 of the Companies Act, 2013 / Regulation 24A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015	
4	Annual Secretarial Compliance Reports issued under SEBI (LODR) Regulations, 2015	
5	Internal Audits under Section 138 of the Companies Act, 2013	
6	Audit Reports issued under Clause 76 of SEBI (Depositories & Participant Regulations) 2018	
7	Certificate issued under Regulation 56 of LODR Regulation 34(3) read with Schedule V, Para C, Clause (b) (i)	
8	Compliance Certificates issued under Clause E, Schedule V of SEBI (LODR) Regulations, 2015	
9	Internal Audit of Registrar and Share Transfer Agent (RTA) under SEBI Circular No. SEBI/HO/MIRSD/CIR/P/2018/73	

10	Internal Audit of Credit Rating Agencies under SEBI Circular No. SEBI/MIRSD/CRA/Cir-01/2010	
11	Internal Audit Certificate for operations of the Depository Participants	
12	Half yearly bank due diligence certificates issued	

I hereby declare that:

- (a) I am a member of the ICSI
- (b) Possess at least Ten Years experience as Company Secretary.
- (c) I am currently in Practice
- (d) The particulars given above are true and correct to the best of my knowledge and belief.

Place

Date

.....

Signature of Member

FOR OFFICE USE ONLY		
Acknowledgment No.	Acknowledgment Date	Reviewer Registration No.

CHAPTER 3

QUESTIONNAIRE FOR PRACTICE UNITS

The Peer Review process requires each Practice Unit (PU) to provide some basic information about the PU to the Reviewer [as contemplated in clause 8.2(1) of the Guidelines] in the questionnaire specifically designed by the Board for the purpose.

The questionnaire with the answers provided, would enable the Reviewer to make a fair assessment as to the Key Control Areas prevalent in the Practice Unit and the degree of reliance that can be placed on the internal control mechanism and records maintained by the Practice Unit.

Most of the questions are of objective type which can be answered in simple YES or NO. Some of the questions may require a little explanation from Practice Unit. In case any question is not relevant to a particular Practice Unit, it may be replied by writing “Not Applicable” as the answer, with reasons for the same.

The questionnaire is expected to act as guidance to the Practice Units as to the basic internal control measures that each Practice Unit should normally undertake. Non-existence of any of the internal control measures as elucidated in the questionnaire does not necessarily mean that the Practice Unit has failed in any aspect related to quality of services. Still it is desirable that the Practice Unit has in place all the internal control mechanisms contained in the questionnaire as a measure of good practice.

All the responses to the questionnaire would be kept **strictly confidential** by the Reviewer and his team and no information contained therein would be shared with any third party.

The Reviewer places a great deal of reliance on the responses provided by the Practice Unit in the questionnaire while designing his / her review plan. Care should therefore be taken by the Practice Unit while answering the questions. A copy of the questionnaire is placed as **Annexure** to the chapter.

Annexure**PEER REVIEW BOARD****INFORMATION THAT MAY BE CALLED FROM PRACTICE UNIT
(PU) AS CONTEMPLATED BY CLAUSE 8.2(1) OF
PEER REVIEW GUIDELINES****PART – A – PROFILE OF THE PRACTICE UNIT
(FIRM/ PRACTISING COMPANY SECRETARY)**

1. Name of the Practice Unit (PU)
2. Firm Unique Code (issued by the Institute)
3. Status : (Please Tick) Individual / Sole Proprietorship / Partnership / LLP
4. Date of establishment of the firm/LLP/PCS Registration (dd/mm/yyyy)
.....
5. Address of the firm/PCS:
 - a) Professional
 City State PIN
 - b) Residential
 City State PIN
6. Details of Practice Unit
 - A. Telephone Number with STD code
 - B. Mobile Number(s)
 - C. Email ID
 - D. Website Address
 - E. Number of partners including self (Not Applicable for Individual)

F. Particulars of the services rendered during previous 2 financial years:

Sl. No.	Nature of Services	Financial years	
		2017-18	2018-19
1	Number of Annual Returns Certified/Signed		
2	No. of Certificates Issued under Regulation 40 (9) of SEBI (LODR) Regulations, 2015		
3	No. of Secretarial Audit Reports issued under Section 204 of the Companies Act, 2013 / Regulation 24A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015		
4	No. of Annual Secretarial Compliance Reports issued		
5	No. of Internal Audits under Section 138 of the Companies Act, 2013		
6	No. of Audit Reports under Clause 76 of SEBI (Depositories & Participant Regulations) 2018 issued		
7	No. of Certificate issued under Regulation 56 of LODR Regulation 34(3) read with Schedule V, Para C, Clause (b) (i)		
8	No. of Compliance Certificates issued under Clause E, Schedule V of SEBI (LODR) Regulations, 2015		
9	Internal Audit of Registrar and Share Transfer Agent (RTA) under SEBI Circular No. SEBI/HO/MIRSD/CIR/P/2018/73		
10	Internal Audit of Credit Rating Agencies under SEBI Circular No. SEBI/MIRSD/CRA/Cir-01/2010		

11	Issuance of Internal Audit Certificate for operations of the Depository Participants		
12	Number of half yearly bank due diligence certificates issued		

G. Directorship of the companies held by partner(s) of the Practice Unit:

Sl. No.	Name of the partner(s)	Name of the Companies

Please paste extra sheet, if required

H. Name of the partner(s) empanelled as Peer Reviewer with the Peer Review Board, ICSI (mention 'NA', if none of the partner(s) are empanelled as Peer Reviewer):

Sl. No.	Name of the partner(s)	Peer Reviewer code issued by the Board

I. Name the Practice Units peer Reviewed by the partner(s) during the last three years

Sl. No.	Name and Address of the Peer Reviewed Practice Unit	Year for which Peer Reviewed	Name of the Partner(s) / PR Code

7. Period under Review (dd/mm/yyyy) to (dd/mm/yyyy)
.....

(Please note: The period under review shall be previous financial year.)

8. Particulars of the constitution of the firm as on last day of the financial year under review

Name(s)	Membership Number	Years of Practice/ Association with the firm (in years)	Experience (in years)

9. Particulars of Company Secretaries employed

Name(s)	Membership Number	Association with the firm (in years) and responsible for what task	Experience (in years)

10. Furnish details of change in constitution (partners / company secretaries employed), if any, during the year(s) under review:

Name(s)	Membership Number	Date of joining the firm	Date of leaving the firm

11. Number of other staff employed

- Qualified Assistant
- Other Professionals (specify qualifications)
- Trainees
- Other than above

12. Does the PU have any branch offices? (Please tick)

Yes

No

If yes, please give the name(s) of member(s) in charge of each branch, their location, membership number, address and turnover from Attestation and Audit Services of branches:

Sr. No.	Member In charge	M. No.	Location	Address	Turnover (Rs. In Lacs)

(Please note that each of the branch office(s) shall be treated as separate unit for the purpose of Peer Review)

13. Major Areas of Practice

Company Law – Attestation Services	
Company Law – Non-attestation Services	
Audit work, including Secretarial / Internal Audit, as mandated by Companies Act, 2013 or any other Act.	
SEBI – Attestation Services	
SEBI – Non-attestation Services	
Excise	
Customs	
FEMA	
Appearances before Judicial and Quasi-Judicial Bodies	
Corporate Restructuring	
Legal Opinions	
Income Tax	
IPR	
BIFR	
Reconciliation of Share Capital Audit	
Secretarial Audit	

Insolvency Practices	
Others	

PART – B – GENERAL CONTROL

Independence

14. Whether the PU has any material pecuniary interest (apart from fees) in respect of the Client(s) for whom Attestation and Audit Services have been rendered?

15. Whether any partner or the proprietor of the PU worked as an employee in the companies for which he/she provided Attestation and Audit Services covered under the Guidelines?

16. Whether any relative of the partner or the proprietor of the PU works as an employee in the companies for which the PU provided Attestation and Audit Services covered under the Guidelines? For the purpose of determination of relatives, the Companies Act, 2013 may be considered.

17. Whether the PU provides any other services to the company in which he is engaged for rendering Attestation and Audit Services?

18. Whether any of the employees of the PU worked in the company for which PU provided attestation and audit service during the last five years?

19. Whether the proprietor or partner is a member of the board of the company or any of its subsidiaries for which PU provided attestation and audit service?

Maintenance of Professional Skills and Standards

20. Whether any partner/employee/associate of the PU who is a member of the Institute, has received any order under Chapter V of the Institute of Company Secretaries Act, 1980 for Misconduct. If so, details thereof.

21. Does the PU mandate that all Company Secretaries employed by it, comply with the Guidelines for Attending Professional Development Programmes of ICSI?

22. Is there an in-house mechanism for continuing professional education?

23. Does the PU monitor the continuing professional education by way of maintaining records thereof?

24. Does the PU sponsor the Company Secretaries appointed by it for various Professional Development Programmes organized by ICSI/ other professional bodies?

25. Does the PU maintain a repository / library/e-library containing case studies, Journals, magazines, books of interest, etc. for reference?

Outside Consultation

26. Does the PU have any mechanism in place for outside consultation?

27. Are there any induction procedures established for new employees like:

- Orientation to the firm and the profession?
- Discussion of office procedures including:
 - Distribution of reference material
 - Requirements of ICSI
 - Continuing Professional Education

Independence

28. Is there a system for scheduling and staffing for carrying out an engagement?

Office Administration

29. Whether the works are assigned on the basis of the skill and competence of assistant(s) before assignment of attestation and audit engagement?

30. Whether the progress of the Attestation and Audit Services is monitored by the service incharge and reviewed regularly?

PART – C – PERFORMANCE OF ATTESTATION AND AUDIT ENGAGEMENTS

Service Record Administration

31. Does the PU ensure receipt of engagement letters before commencing the assignment?

32. Does the PU have appropriate procedures for planning engagements?
33. Are there any procedures established to ensure proper documentation with regard to Attestation and Audit Services?
34. Does the PU maintain records in a manner so that the records are easily retrievable, as and when required?

Substantive Tests and Due Diligence

35. Whether Know Your Client (KYC) has been done for the clients voluntarily by the PU?
36. Does the firm obtain representation from the management on matters material to the engagement?
37. Does the PU obtain sufficient and appropriate documentary evidence and such are properly documented
38. Whether the PU as a policy consults the professional who undertook the assignment prior to the PU taking up the assignment?

Professional Service Conclusion and Reporting

39. Does the PU document the findings and reasons thereof while carrying out Attestation and Audit Services?
40. In case of a qualified report, does the PU provide reasons or disclaimers for such qualifications?
41. Does PU reports to the Financial Intelligence Unit (FIU)/ICSI any irregularity which is covered under Money Laundering Act to ICSI, being Self Regulatory body.
42. Does PU reports the frauds committed against the company to its Board or the Audit Committee and to the Central Govt.?

I / We hereby declare that the information provided in this Questionnaire are true and correct to the best of my / our knowledge.

Name of the PCS / Partner on behalf of firm :

Signature

(firm name, in case partner signs the Questionnaire)

Date

CHAPTER 4

REVIEW PROCESS

The methodological approach involved in Peer Review can be described in terms various stages viz., preparation, planning, execution and reporting, which are summarized below:

(i) Preparation

A Practice Unit will be notified in writing about an impending Peer Review and will be sent a Questionnaire for completion, the Practice Unit is required to send the duly filled in Questionnaire to the Board.

Return of completed Questionnaire – The Practice Unit shall have to complete and return the Questionnaire within 15 days of the notification. The information will be used for the planning of the review. In addition, practice units will be required to enclose a complete list of services rendered.

The Board will send a panel of three suggested names of Reviewers, along with their details. The Practice Unit will have to give its choice of reviewer within a period of 15 days from the day of receipt of the panel sent by the Board. In case the Practice Unit would like to have reviewers from another State/ Region (and undertakes to bear the extra costs that would be incurred for TA/DA etc.) and none of the Reviewers as identified by the Board for the Practice Unit are from outside the place of business of the Practice Unit, then the Practice Unit may make a special request to the Board to provide names of Reviewers from outside the State/Region where the Practice Unit has its place of business. The Board will send an assignment letter to the selected Reviewer for his/her consent.

(ii) Planning

On acceptance of the Peer Review by the selected Reviewer, the Practice Unit will be notified.

The Reviewer may also require the Practice Unit to provide other information as he considers necessary to facilitate the selection of a sample of services engagements, representative of the Practice Unit's client portfolio, for review.

- *Sample of services Engagements*

- (a) From the complete services client list, an initial sample will be selected by the Reviewer. Practice Units will be notified of the selection in writing about two weeks in advance, requesting the relevant records of the selected services clients to be made available for review.
- (b) At the execution stage, the initial sample may be reduced to a smaller actual sample for review. However, if the Reviewer considers that the actual sample does not cover a fair cross-section of the Practice Unit's services engagements, he may make further selections.

- *Confirmation of visit*

In consultation with the Practice Unit, date(s) will be set for the on-site review to be carried out. Flexibility will be permitted to ensure that Practice Units are not inconvenienced at especially busy periods. The on-site review date(s) will be arranged by mutual consent such that the review is concluded within Thirty days of confirmation of acceptance of Peer Reviewer, by the Board.

(iii) Execution

- (i) *On site review*

Peer Review visits will be conducted at the Practice Unit's head office or other officially noted/ recorded place of office. The complete on-site review may take one or two full days depending upon the size of the Practice Unit and scope of the Peer Review. This is based on the assumption that the Practice Unit concerned has made all the necessary information and documentation available to the Reviewer for review. However, in any case this on-site review should not extend beyond three working days.

(ii) Initial meeting

An initial meeting will be held between the Reviewer and the sole proprietor/ partner(s) of the Practice Unit designated to deal with the review (designated partner{s}). The primary purpose of this meeting is to discuss the agenda of the peer visit and confirm the accuracy of the responses given in the Questionnaire. The description of the system in the Questionnaire may not fully explain all the relevant procedures and policies adopted by the Practice Unit and this initial meeting can provide additional information. The Reviewer should have a full understanding of the system, and be able to form a preliminary evaluation of its adequacy at the conclusion of the meeting. During the meeting, decision can also be taken on the evaluation method and the person(s) in the office of the Practice Unit to be interviewed and who will be able to assist the Reviewer in completing the Peer Review Process during his/her visit.

(iii) Compliance Review-General Controls

- (a) The Reviewer may carry out a compliance review of the General Controls and evaluate the degree of reliance to be placed upon them. The degree of reliance will, ultimately, affect the services engagements to be reviewed. The following five key controls will be considered as General Controls:

- Independence
- Maintenance of Professional Skills and standards
- Outside Consultation
- Staff Supervision and Development
- Office Administration

Practice Units are expected to address each of the five key control areas.

- (b) In each key control area there shall be supplementary questions and matters to consider. These are intended to ensure that the controls that are expected to be maintained, are installed and operated within Practice Units.
- (c) All questions in the questionnaire may not necessarily be relevant

to particular types of Practice Units because of its size, nature and type of its practice. However, Practice units should still assess their internal control systems to ascertain whether they address the objectives under the five key control areas.

- (d) The Reviewer should evaluate these general controls to understand the functioning of the office of the Practice Unit.

(iv) Selection of services engagements to be reviewed

- (a) The number of services engagements to be reviewed depends upon:
 - The number of practicing members involved in services engagements in the Practice Unit;
 - The degree of reliance placed, if any, on general quality controls; and
 - The total number of services engagements undertaken by the Practice Units for the period under review.
- (b) The engagements reviewed should be a balanced sample from a variety of different types of companies. Accordingly, if the reviewer considers that the actual sample is not representative of the practice unit's Attestation and Audit Services client portfolio, he may make further selections from the initial sample or from the complete Attestation and Audit Services client list.
- (c) The Reviewer should not undertake Peer Review of engagements which have been the subject matter of disciplinary proceedings nor should the Practice Unit influence the Reviewer to select such engagements for Peer Review.

(v) Review of records

The Reviewer may adopt a compliance approach or substantive approach or a combination of both in the review of services engagement records.

- (a) Compliance approach - services engagements
 - The compliance approach is to assess whether proper control procedures have been established by the Practice Unit to ensure that professional services are being performed in

accordance with Technical Standards.

- Practice Units should have procedures and documentation sufficient to cover each of the key areas. If Members in smaller practices find some of the documentation too elaborate for their clients and they tailor their services documentation to suit their particular circumstances, justification for doing should be provided to the Reviewer.
- If the size of the Practice Unit is small or medium (a matter left to the judgment of the Reviewer), the Compliance Approach may not be appropriate. In such a case, the Reviewer may choose the Substantive Approach for conduct of Review.

(b) Substantive approach - services Engagements

A substantive approach will be employed if the Reviewer chooses not to place reliance on the Practice Unit's general controls on engagements or is of the opinion that the standard of compliance is not satisfactory or not appropriate in the case of a specific Practice Unit selected for Peer Review. This approach requires review of the working papers in order to establish whether the professional work has been carried out as per norms of Technical Standards.

The various steps in the Peer Review Process have been enumerated in **Annexure** to the chapter, for the benefit of the readers.

Annexure

Steps in Peer Review

1. Selection of Practice Unit to be Peer Reviewed on as per the criteria mentioned in the Guidelines.
2. Intimation to Practice Unit impending Peer Review along with Questionnaire.
3. Return of Questionnaire within 15 days.
4. Panel of 3 suggested reviewers be sent to Practice Unit.
5. Choice of Reviewers within 15 days to be intimated to Peer Review Board by Practice Unit.
6. Peer Reviewer be intimated of selection.
7. Consent of Peer Reviewer be received within 7 days.
8. Selection of Sample by the Peer Reviewer.
9. Intimation of sample to the Practice Unit two weeks in advance of visit by Peer Reviewer.
10. Fixation of date for onsite visit by Peer Reviewer after consultation with Practice Unit.
11. Onsite visit within 30 days from the date of confirmation of acceptance of Peer Reviewer, by the Board.
12. Onsite review from one day to a maximum of three working days.
13. Initial meeting between the Peer Reviewer and sole proprietor/partner of the Practice Unit so as to ensure accuracy of the responses to the Questionnaire.
14. Reviewer to carry out a compliance review of the General Controls and evaluate the degree of reliance to be placed on them.
15. Key control areas to be considered – Independence; Maintenance of Professional Skills and standards; Outside consultation; Staff supervision and Development; Office Administration.

16. Review of Records by the Reviewer on Compliance Approach/ Substantive Approach.
17. Preliminary Report of Reviewer to the Practice Unit reporting deficiencies in systems and procedures, if any.
18. Practice Unit may make submissions or representations in writing to the Peer Reviewer within 15 days from the date of receipt of the Preliminary Report.
19. Submission of Final Report by the Reviewer to the Board with a copy to the Practice Unit (the Reviewer's Report), incorporating the findings.
20. Examination / Inspection by the Board in terms of the degree of compliance with the Technical Standards by the reviewed Practice Unit.
21. Peer Review Board may issue instructions to the Practice Unit regarding the application by it of Technical Standards (compliance review within six months).
22. Issue of Peer Review Certificate to the Practice Unit by the Peer Review Board, in case of receipt of clean final report.

CHAPTER 5

REPORTING

Para 16.2.3 of the Guidelines contains provisions for reports of Peer Reviewer.

(i) Preliminary Report of Reviewer

It has been provided that at the end of an on-site review, the Reviewer shall, before making his report to the Board, communicate a Preliminary Report to the Practice Unit, in case the Reviewer observes any deficiency in the systems and procedures of the Practice Unit. The Reviewer shall report on the areas where systems and procedures had been found to be insufficient or deficient or where any non-compliance has come to his notice with reference to any matter. The Reviewer shall not name any individual in his reports. The Reviewer need not communicate any Preliminary Report if he has not noticed any instance of non-compliance or deficiency during the Peer Review. In such a case, the Reviewer shall submit a Final Report to the Board. All Reports shall be prepared on the letterhead of the Reviewer, signed by him and should contain his Membership Number/C.P. No. and the Reviewer's Code Number allotted by the Board.

Response to the Preliminary Report.

- The Practice Unit shall, within 15 days from the date of receipt of Preliminary Report, make submissions or representations, in writing concerning the Preliminary Report to the Reviewer,

(ii) Final Report of Reviewer

- (a) The Reviewer will submit Final Report to the Board (the Reviewer's Report), incorporating the findings as discussed with the Practice Unit. The final report will be examined / inspected by the Board in terms of the degree of compliance with the Technical Standards by the reviewed Practice Unit. The model forms of final Reports shall be communicated to the Reviewer by the Board.

- (b) The Board shall consider the Reviewer's final report and the Practice Unit's submissions. Thereafter, the Board may issue recommendations, if considered appropriate, to the Practice Unit and / or instruct the Reviewer to perform any follow-up action. The Board may, if deemed fit, issue Peer Review Certificate to the Practice Unit.

The Reviewer shall not communicate any Report(s) unless the examination of such Report(s) and related records has been made by him and / or his Qualified Assistant(s).

Office Systems and Procedures

The Peer Review is expected to examine the Office systems and procedures with regard to compliance of professional services.

The Reviewer shall verify whether the Practice Unit has adequate office systems and procedures in place. However, the extent and scale of these systems may vary from one Practice Unit to another, depending upon the size and scale of practice of the Practice Unit.

The Reviewer shall particularly examine the following aspects, besides forming his own judgment during the Review:

1. Whether the Practice Unit has a document management system which should ideally include the filing system, record storage and retrieval system (whether in hard copy or soft copy),
2. Whether allocation of assignments among the Staff / Trainees are commensurate with their capability, whether the assignments are properly carried out and the services are verified by the Proprietor or Partner of the Practice Unit or a Qualified Assistant in the office of the Practice Unit before authentication.

Training Programs for staff (including trainees) concerned, including appropriate infrastructure.

Proper training and capacity development of the staff (including trainees) in the office of the Practice Unit is very essential to maintain the quality of professional services. As it may become difficult for Company Secretary(ies) in Practice / Partner(s) of the Practice Unit to attend all the

services rendered by their Practice Unit, most Practice Units generally rely on the Trainees for execution of the professional services. In this context, the Peer Reviewer may examine whether:

1. The Trainees are maintaining a Training Diary to record the work done every day and whether the Dairy is being examined by the Proprietor/Partner/Qualified Assistant of the Practice Unit periodically.
2. Whether any Staff Induction Process is in place.
3. Whether the Staff are periodically encouraged to attend Training Programmes or any other Capacity Building Programmes, including any in-house mechanism for their professional development.
4. Whether the office of the Practice Unit is equipped with library or reference material relating to professional services.
5. Whether the overall décor/appearance of the office of the Practice Unit is satisfactory.

The list furnished above is only illustrative. The Peer Reviewer may like to examine other matters also. However, in doing so, the Peer Reviewer shall keep in mind the size of the Practice Unit and its scale of operations.

The illustrative reporting format is placed as **Annexure** to the chapter. Peer Reviewers are advised to submit a reasoned and speaking report.

Annexure**Illustrative Final Report**

Report No.

Date

Peer Review Board.

As per your letter no. / e-mail reference no. dated, I have carried out the peer review of *{name of the practice unit}* for the period(s) *{mention the periods reviewed}*. The review was conducted in accordance with the Peer Review Guidelines issued by the Institute of Company Secretaries of India.

The major focus of the review was on:

- Compliance with Technical Standards;
- Quality of Reporting;
- Office systems and procedures with regard to compliance of certification and audit services; and
- Training Programme for staff (including trainees) concerned, including appropriate infrastructure.

I am expressing an opinion on the implementation of quality control policies and procedures designed to ensure the compliance of Technical Standards and maintenance of quality of Attestation and Audit Services and its implementation.

Review would not necessarily disclose all weaknesses in the quality of attestation and audit work or all instances of lack of compliance with Technical Standards, since it is based on selective tests. As there are inherent limitations in the effectiveness of any system of quality control, departure from the system may occur and not be detected. Also, projection of any evaluation of system of quality control to future periods is subject to the risk that the system of quality controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies and procedures may deteriorate.

In my opinion the system of quality control for the Attestation and Audit Services of *{name of practice unit}* for the period under review has been

designed so as to carry out professional assignments in a manner that ensures compliance with technical standards laid down by the Institute and maintenance of the quality of attestation and audit work they perform.

Signature of the Reviewer

(Name of the Reviewer)

Membership No.

C. P. No.

Reviewer's Code No.

Place:

Appendix

Annexure to the Final Report of M/s.

General instructions: Tick 'Yes' / 'No', wherever applicable.

Sl. No.	Particulars	Observations
1	Date on which questionnaire is received	
2	Number of initial samples selected for review	
3	(a) Was there any change made in initial sample selected by the Reviewer? (b) If 'Yes', specify the number selected, after change	
4	Name of the person (if any) who helped in the conduct of review	
5	(a) Whether general controls are in existence and operating effectively during the period under review? (b) If 'No', please specify areas: (i) Independence (ii) Professional Skills and Standards (iii) Outside Consultation (iv) Staff Supervision and Development (v) Office Administration	Yes / No
6	Whether attestation and audit work administration is satisfactory?	
7	Whether engagement diary / working papers are properly maintained?	Yes No
8	Whether review of internal control systems was carried out properly in performing attestation and audit engagement?	Yes / No
9	(a) Whether proper systems and procedures exist within the PU to ensure compliance with technical standards? (b) If 'No', specify areas: (i) Guidance Notes of ICSI (ii) Institute's Notifications/ Directions (iii) Relevant Statutes &/or Regulations	Yes / No

10	Whether the quality of reports in respect of format and content found proper?	Yes / No
11	(a) Whether the Reviewer has issued preliminary report? (b) Whether the preliminary report issued by the Reviewer contained any deficiencies? (c) If 'Yes', please specify the areas of deficiencies	Yes / No Yes / No / NA
12	(a) Whether PU has responded to the preliminary report? (b) Whether the Reviewer is satisfied with the response received from the PU?	Yes / No / NA Yes / No / NA
13	If the Reviewer is not satisfied with the response of the PU, whether qualified report has been issued?	Yes / No / NA
14	(a) Is the Final Report qualified? Yes No NA (b) If 'Yes', specify the reasons	
15	Whether the Reviewer received full co-operation from the PU during review?	Yes / No
16	Is there any point which the Reviewer wants to bring to the notice of the Board? If yes, please elaborate separately.	

Signature

Date:

Name of the Reviewer

Membership No.

C.P. No:

Reviewer Code No:

CHAPTER 6

DISPUTE RESOLUTION

Manner, time and procedure for referring any disagreement between Reviewee and the Peer Reviewer

A disagreement may said to have arisen between the Reviewee and the Peer Reviewer when any or all of the following circumstances is alleged to exist:

- i. The Peer Reviewer has submitted qualified report but has not exercised the desired competence in undertaking the Peer Review.
- ii. Proper procedure was not followed in the Peer Review Process.
- iii. Additional information has not become available, which either because it was not available at the time of the Peer Review or for some good and sufficient cause was not presented to the Peer Reviewer or was not considered by him.
- iv. The observations of the Peer Reviewer are at variance with the information presented.

Procedure for resolving a disagreement between the Peer Reviewee and the Peer Reviewer

- i. If the Reviewee is dissatisfied with the Peer Review, he may make a written request to the Peer Review Board, setting out the grounds on which the disagreement has arisen and requesting a resolution of the same.
- ii. The Written Request shall be forwarded to the Peer Review Board within 15 days of the date of the disagreement or the date of receipt of the Preliminary Report, whichever is earlier.
- iii. On receipt of the written request, a copy of the request shall be forwarded to the Peer Reviewer for his comments. The comments

shall be sent to the Peer Review Board within 15 days of the date of receipt of the request by the Peer Reviewer.

- iv. The Peer Review Board shall examine the written request and the comments, if any received from the Peer Reviewer and may do any one or all of the following:
 - i. Provide an opportunity to the Peer Reviewer and the Reviewee for personal appearance;
 - ii. Call for any additional written statement from the Reviewee or clarification from the Peer Reviewer which it considers appropriate or necessary for further examination of the case;
 - iii. On completion of the actions specified in para above, the Peer Review Board shall pass any one or more of the following Orders:
 - a) Reject the request with reasons.
 - b) Admit the request and appoint some other Peer Reviewer to undertake a re-examination of the case.
 - c) Pass such Order as it deems fit.
- iv. The Order of the Peer Review Board shall be communicated to the Peer Reviewer and Reviewee within 30 days of the date of the decision of the Board.
- v. A copy of the Order shall be forwarded to the Council.

Appeal against the Order of the Peer Review Board

1. A Peer Reviewee may appeal against the Order of the Peer Review Board to the Central Council of the Institute.
2. The Appeal shall be filed with the Secretary, ICSI within 30 days of the Receipt of the Order of the Peer Review Board.
3. The Appeal shall be in writing and shall clearly spell out the reasons for the appeal and the relief sought.
4. On receipt of the Appeal, the Council may for reasons to be recorded in writing, pass any or all of the following orders:

- i. Dismiss the appeal with reasons to be stated in writing.
 - ii. Admit the Appeal and remand the case back to the Peer Review Board for reconsideration with reasons for the same;
 - iii. Pass such other Orders as it may deem fit.
5. The Order of the Council shall be made within 60 days of the date of receipt of the Appeal.

If an Appeal has been filed by the Reviewee against the Order of the Peer Review Board, all Peer Review Proceedings in respect of the Reviewee shall be kept in abeyance until final disposal of the Appeal by the Council.

APPENDICES

*Appendix I***FAQs on Peer Review****1. What is Peer Review?**

Ans. Peer Review is a process used for examining the work performed by one's equals (peers) and to understand the systems, practices and procedures followed by the Practice Unit and to give suggestions, if any, for further improvement.

2. What is the meaning of Practice Unit?

Ans. Practice Unit means members in practice, whether practicing individually in own name, or as a sole proprietorship, or as a partner of a firm/LLP of Company Secretaries..

3. What are the main objectives of Peer Review?

Ans: The main objectives of Peer Review is to ensure that while rendering Professional Services, the members in practice would: (a) comply with the Technical Standards laid down by the Institute; and (b) have in place proper systems (including documentation systems) for maintaining the quality of services they perform.

Peer Review is directed towards enhancement of quality of professional services by providing guidance to members to improve their performance and adhere to various statutory and other regulatory requirements.

4. What is the focus of Peer Review?

Ans: The focus of Peer Review is on Professional development of members, Enhancing the quality of reporting by keeping a review check on office systems and Procedures pertaining to services rendered by themselves, to keep a review system in place for time and staff management, Compliance with Technical Standards, organizing training programmes for staff (including articles/trainees), including appropriate infrastructure etc.

5. Who has the authority to administrate the Peer Review?

Ans: The Council of the Institute of Companies Secretaries of

India has issued guidelines on Peer Review, which lays down the framework for conduct of Peer Reviews by setting up the Peer Review Board (the Board). The duty of carrying out the provisions of the Guidelines is vested with the Board.

6. **What is the composition of the Peer Review Board?**

Ans: The Board shall consist of not less than seven members to be appointed by the Council, of whom at least four shall be from amongst the Members of the Council.

7. **What are the duties of the Peer Review Board?**

The duties of the Board shall include:

- To call for information from Practice Units in such form, as it deems fit.
- To maintain a panel of Peer Reviewers.
- To define the terms of appointment of the Reviewers.
- To send a Panel of Peer Reviewers to the Practice Unit and allow them to choose any one Reviewer from the panel so forwarded.
- To examine the aspects of basis of selection of records pertaining to the services in terms of the appropriate Technical Standards.
- To arrange for such training programs for Reviewers and orientation programmes for practice unit as may be deemed appropriate;
- To prescribe the system, practice and procedure to be observed in relation to Peer Review; and on considering the Report of a Reviewer, to do any or all of the following:
 - To issue recommendations to the Practice Unit;
 - To order a further Peer Review to be carried out;
- After considering the report of the Reviewer and compliance of recommendations by the Practice Unit, wherever deemed appropriate by the Board, to issue Peer Review Certificate.

- To guide the members on best practices on Peer Review.
- Such other action(s) as may be necessary for the fulfilment of these Guidelines.

8. **What are the practice areas covered under the scope of Peer Review?**

Ans. The Review would be in respect of the following services:

- 1) Annual Returns Certified/Signed under Companies Act, 2013
- 2) Certificates Issued under Regulation 40 (9) of SEBI (LODR) Regulations, 2015
- 3) Secretarial Audit Reports issued Section 204 of the Companies Act, 2013 / Regulation 24A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015
- 4) Annual Secretarial Compliance Reports under SEBI (LODR) Regulations, 2015
- 5) Internal Audits under Section 138 of the Companies Act, 2013
- 6) Audit Reports issued under Clause 76 of SEBI (Depositories & Participant Regulations) 2018
- 7) Certificate issued under Regulation 56 of LODR Regulation 34(3) read with Schedule V, Para C, Clause (b) (i)
- 8) Compliance Certificates issued under Clause E, Schedule V of SEBI (LODR) Regulations, 2015
- 9) Internal Audit of Registrar and Share Transfer Agent (RTA) under SEBI Circular No. SEBI/HO/MIRSD/CIR/P/2018/73
- 10) Internal Audit of Credit Rating Agencies under SEBI Circular No. SEBI/MIRSD/CRA/Cir-01/2010
- 11) Issuance of Internal Audit Certificate for operations of the Depository Participants
- 12) Half yearly bank due diligence certificates issued

9. **Records of how many years are subject to Peer Review by the Reviewer?**

Ans: The Engagement records of immediately preceding financial Years shall be subject to peer review.

10. **What do Technical Standards mean?**

Ans. Technical Standards - Mean and include:

- Auditing Standards issued by the Institute of Company Secretaries of India
- Compliance of the Guidance Notes issued by the Institute of Company Secretaries of India which are applicable in the context of the specific engagements being reviewed.
- Compliance of the provisions of the various relevant Statutes and/or Regulations, which are applicable in the context of the specific engagements being reviewed; and
- Notifications/Directions issued by the Council of Institute of Company Secretaries of India

11. **What are the advantages of the Peer Review to the Practice Unit (PU)?**

Ans. It is expected to

- A) enhance the quality of Attestation and Audit Services.
- B) enhance credibility and provide competitive advantage.
- C) provide a forum for Guidance and knowledge sharing.

Apart from this, a Peer Reviewed Unit is entitled to get additional of 5 Secretarial Audits / Annual Secretarial Compliance Reports, per partner / PCS.

12. **(A) How are the Practice Units to be Peer Reviewed, selected?**

Ans. The Practice Units for Peer Review are selected on the following basis:

- Random selection from software designed for the purpose;
- Voluntarily request by the Practice Unit;

- Mandated on the Instructions of Government / Regulators / Statutory Bodies;
- Recommendation of the Board of discipline or Disciplinary Committee of ICSI / Quality Review Board / Council of ICSI.

Any other criteria as may be decided by Peer Review Board / Council of ICSI.

(B) Can I apply on voluntary basis to get my firm Peer Reviewed?

Ans. Yes.

(C) Can any of my clients ask the Institute to get me peer reviewed? If yes who would bear the cost of Peer Review in this case.

Ans. Yes, the client can ask Board to get the Practice Unit Peer Reviewed and the cost of Peer Review shall be borne by the client in this case.

13. How much will it cost me to get Peer Reviewed?

Ans. You shall pay to the Peer Reviewer, a fee of Rs. 10,000/- (inclusive of GST, TA/DA and any out of pocket expenses) or an amount as may be prescribed by the Peer Review Board from time to time. In case Reviewer has to conduct second review, the same rate would apply to the second review also. Each Branch/office under Review would be considered separately.

14. To whom shall the fee for Peer Review be paid?

Ans. The cost of Peer Review shall be paid by the PU directly to the Reviewer within 30 days from the receipt of Invoice raised by the Peer Reviewer. The said payment of Honorarium shall be paid to the Reviewer by crossed account payee cheque/Demand Draft/ NEFT/RTGS/IMPS or any other electronic mode.

15. If I have been Peer Reviewed can I disclose this on my website?

Ans. Only the fact of being Peer Reviewed can be stated. However, neither the Certificate nor the Peer Review Report may be display on the website.

16. Who can become a Peer Reviewer?

Ans. Any member of the Institute who fulfills the following criterion may apply to be empanelled as a Peer Reviewer-

- (a) possesses at least 10 years of post membership experience
- (b) is currently in practice as a Company Secretary.

Members who are willing to get themselves empanelled as a reviewer may, after fulfilling the above criteria apply at any time in the prescribed form. The Empanelment form can be downloaded from the Institute's website i.e., www.icsi.edu or below mentioned link can also be followed for the same: <https://www.icsi.edu/media/webmodules/Peer%20Reviewers%20Empanelment%20form.pdf>

17. Does getting empanelled as a Reviewer with Institute ensure the allotment of Peer Review work?

Ans: No, because selection of Reviewer also depends on various other factors like experience, choices made by the PU, etc.

18. Can a Reviewer refuse to accept/perform any Peer Review assignment allotted to him/her?

Ans: Yes, the Reviewer can refuse to accept / perform the Peer Review assignment after giving a valid reason to the Board.

The refusal of assignments can be made on the following grounds:

- Conflict of Interest between the Reviewer and PU
- Ill Health
- Other work or pre-occupations
- Reviewer feels that he cannot act independently in that Firm/ or with Reviewee due to past connections or so.

19. Is Reviewer allowed to get assisted in the conduct of review?

Ans: Yes. Reviewer is allowed to take assistance from any one Qualified Assistant. The Qualified Assistant should be member of the Institute and has undergone adequate training in the manner considered appropriate by the Board in terms of clause 15.1 of the Guidelines.

20. **What should be the basis of selection of the Number of service engagements to be reviewed?**

Ans: The Reviewer should select the initial sample size for Review on random basis from the complete list of service engagements of the PU. He can also select the sample on the basis of information given in the questionnaire of PU.

Number of services to be reviewed depends upon the size of the PU, Total number of service engagements of PU during the period under review etc., as larger samples are not advisable and therefore, a balanced sample should be selected from the variety of samples in a way that overall performance of the PU can be marked.

21. **Will the information disclosed by me be kept confidential by the Reviewer?**

Ans. The Peer Reviewer is bound by Confidentiality Agreement with the Peer Review Board. If the Reviewer misuses the information disclosed by PU, he may be subject to disciplinary action by the Institute.

22. **On what matters should a Reviewer maintain working papers.**

Ans. The working papers should be maintained for:

- Working paper of the Review performed and his findings
- Deficiencies, if any, found in the policies and procedures of the PU or
- Any non-compliance prevailing in the PU

The aforesaid working papers must be preserved for a period as stipulated by the Board.

23. **Is the Peer Reviewer exposed to any liability?**

Ans. The reviewer, by virtue of carrying out the peer review shall not incur any liability other than the liability arising out of his own conduct under the Code of Conduct under the Company Secretaries Act, 1980 and Regulations framed thereunder as well as under the relevant clauses of these Guidelines.

24. **After the Peer Review, is there any protection from disciplinary proceedings under the Code of Conduct?**

Ans. No. Peer Review is only a broad examination of the systems and procedures followed by the Practice Unit. The fact that you have been Peer Reviewed does not provide immunity from Disciplinary Action.

25. **If I am selected for Peer Review, is it mandatory for me to offer myself for Peer Review?**

Ans. Yes

26. **What are the Duties/Obligations of a Practicing Unit?**

Ans: The PU shall:

- Produce or give access to any records, documents considered relevant
- Provide full cooperation and assistance while the conduct of Peer Review
- Provide Explanation or any other information asked by the Reviewer
- Provide Accurate information in legible form and if Information provided is in any other language, then it should be translated in English, if requested by the Reviewer
- In case Reviewee has more than one office, and Reviewer has asked for Information kept/available at some other office or Branch office, he should be given access to those records also, without any delay or denial.
- Reviewer has all right to examine, inspect or take abstract from documents or records.

27. **Do I need to disclose the records of my clients to the Reviewers or the Reviewer is allowed to visit the client(s)?**

Ans. No, you need not disclose the records of clients and the Reviewer cannot visit or communicate to any of the clients of the PU.

28. **What are the basic components of a Reviewer's Report?**

Ans: The basic components of a Reviewer's Report are:

- Scope of Peer Review
- Reference to the quality control standards
- A statement indicating that the quality control is the responsibility of the reviewed firm
- Limitations if any on the review conducted
- A reference to the preliminary report
- Description of why modified report is required, instead of clean report

29. **What does clean Report mean?**

Ans: Clean Report is a report that states that Reviewer is of the opinion that the PU is conducting its affairs in adherence to the Technical Standards as applicable to it.

30. **Can a Reviewer give qualifications in his Review Report?**

Ans: Yes. Under following situations, a Reviewer can qualify the report:

- Non-compliance with quality control policies and procedures.
- Any deficiency found in quality control procedures
- Non-adherence to Technical Standards
- No internal control systems prevail in the PU
- Current and permanent files were not maintained as per standards laid down
- No adequate training programmes were organized for staff

31. **What can be done if Reviewer wants to take the extracts of records or documents of the PU?**

Ans: Firstly, Reviewer in no circumstances, is allowed to take extracts or make copies of any document or records from the client's files reviewed by him or of any client's records acquired by

him while conducting peer review, but he may have access to, or take the abstracts of the records and documents in order to carry out the Review work at PU's office.

In case, if Reviewer wants to take any document or record alongwith, PU should be aware that Reviewer is not permitted to do so and can deny the same.

32. What is the process of Reporting in Peer Review?

Ans: The process of Reporting is as follows:

- Communication of Preliminary Report stating non-compliances, deficiency (if any) to PU for submissions or representations within a period of 15 days
- Reviewer submits the Final Report to the Board incorporating the findings with a copy to PU.
- The Board after it deems fit, issue Peer Review Certificate to the PU ,or, can make recommendations to PU concerned to adhere the Technical Standards; issue instructions to the Reviewer to carry out, within such period (not earlier then 6 months), a further Peer Review; may specify in the instructions issued the matters that needs to be reviewed.

33. Will a Certificate be issued after Peer review?

Ans. Yes.

34. What will the validity of Peer Review Certificate issued?

Ans. The validity of the Peer Review Certificate is five years from the date of its issue.

However, in case the PU is being reviewed within two year of its incorporation, the validity shall be two years.

35. Will ICSI put up the names of the PU which have undergone PR on ICSI website?

Ans. Yes

36. **I have been Peer Reviewed once, will I be Peer Reviewed again?**

Ans. Yes, if the Peer Review Board so decides or upon expiring validity of the Certificate issued.

37. **Can I choose my Peer Reviewer?**

Ans. The Peer Review Board would send you a panel of atleast three reviewers and you may choose any one name out of the panel sent to you.

38. **If I want a Peer Reviewer from outside my State or region what should I do?**

Ans. You may make a special request to the Peer Review Board to provide names of Reviewers from outside the State/Region of place of business of Practice Unit. However, in such a case you would have to bear the extra cost that would be incurred for TA / DA etc.

39. **What do I do if I am not satisfied with the Report of the Peer Reviewer?**

Ans. You may refer your case to the Peer Review Board.

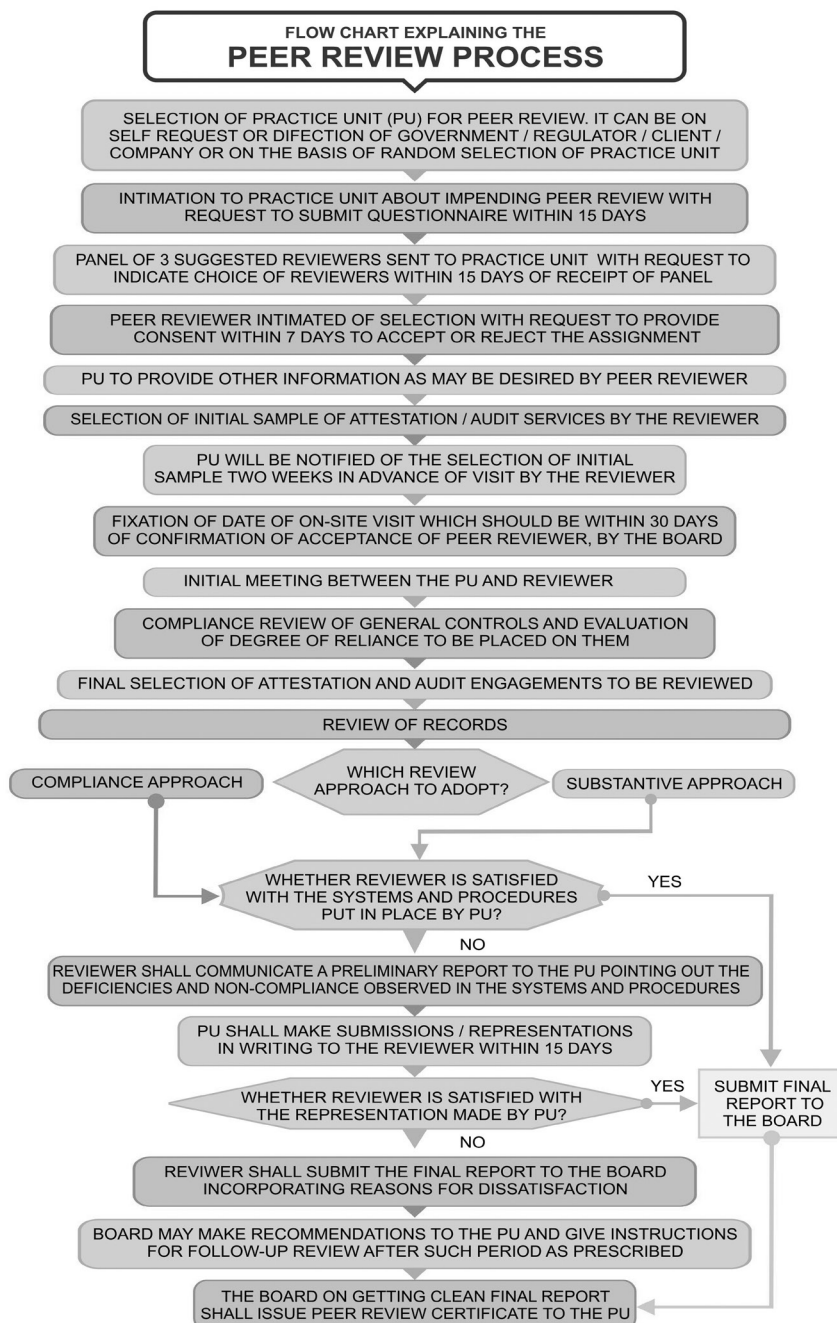
40. **If I am not satisfied with the order of the Peer Review Board can I appeal to the Council?**

Ans. Yes. You may appeal against the Order of the Peer Review Board to the Central Council of the Institute.

41. **Can I refuse to get myself Peer Reviewed?**

Ans. No. Any refusal to get Peer Reviewed shall be misconduct under the Code of Conduct.

Appendix II



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Motto

सत्यं वद। धर्मं चर।
इष्टवर्गं तेन जगतीति ब्रह्मैवेति ह्यु तेन ब्रह्म।

Vision

"To be a global leader in promoting
good corporate governance"

Mission

"To develop high calibre professionals
facilitating good corporate governance"



**THE INSTITUTE OF
Company Secretaries of India**

भारतीय कम्पनी सचिव संस्थान

IN PURSUIT OF PROFESSIONAL EXCELLENCE

Statutory body under an Act of Parliament

(Under the jurisdiction of Ministry of Corporate Affairs)

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