FAQs on limits of Secretarial Audit

1. What is the limit for the issue of Secretarial Audit Reports for financial year 2016-17?

The Council of the Institute at its 235th meeting held on February 11, 2016 reviewed the existing limits for the issue of Secretarial Audit Reports and decided as below:

- 10 Secretarial Audits per partner/ PCS, and
- an additional limit of 5 secretarial audits per partner/PCS in case the unit is peer reviewed.

These limits will be applicable for the Secretarial Audit Reports to be issued for the financial year 2016-17 onwards.

2. **To whom is the peer reviewed certificate is granted - Individual or Practicing Unit?**

The peer review certificate is issued to the Peer Reviewed Practice Unit. Practice unit means, "members in practice, whether practicing individually or as a firm of Company Secretaries." Accordingly, peer review certificate may be granted to an individual or to a firm, as the case may be.

3. What is the date on which Peer Reviewed Unit (PRU) can say, I am Peer Reviewed?

A Practice Unit (PU) is said to have been peer reviewed from the date of issue of peer review certificate by the Peer Review Board of the Institute. Accordingly, PRU can take up additional 5 Secretarial Audits on the basis of being peer reviewed, only from date of issue of the certificate.

4. What is the period for which Practice Unit is certified as PRU?

In terms of para 13 of the Guidelines for Peer Review of Attestation Services by Practicing Company Secretaries (Peer Review Guidelines), the peer review of every practice unit should be mandatorily carried out atleast once in a block of five years.

Accordingly, for the purposes of taking up additional five secretarial audits, the validity of peer review certificate should be five years from the date of issue of certificate.

5. How can it be identified whether a practicing unit is peer reviewed?

The list of peer reviewed practice units is available on the ICSI website at the link: www.icsi.edu/prb/ListofPeerReviewedUnits.aspx.

6. To whom is the issue of 5 additional secretarial audit reports allowed: individual partners or the practice unit as a whole (on the basis of certification of peer reviewed firm)?

The limit of 5 additional secretarial audits of Peer Reviewed Unit is to be considered as 5 secretarial audits for each individual partner, subject to overall limit of 15 secretarial audits per individual.

7A. If a person is a partner in two firms out of which one is not peer reviewed and another is peer reviewed, what should be the limit?

The limit per individual is 10 secretarial audits in each year. He may carry out 5 additional secretarial audits in respect of the firm which is peer reviewed.

7B. If the partner of peer reviewed firm is also practicing in individual capacity/ partner of another firm then whether eligibility of 5 additional Secretarial Audits can be used as a partner of peer reviewed firm or in individual capacity/partner of firm?

The additional limit of 5 secretarial audits can be used in the capacity of partner of peer reviewed firm only.

7C. Whether the answer to the above will be different if the individual is partner of another firm which is also peer reviewed?

Since, the overall limit for each individual/ partner is 15 Secretarial Audits (10 +5). The individual can utilise the additional 5 audits in the capacity of partner of any of the peer reviewed firm.

8. Can this additional limit of 5 secretarial audits be transferred from one peer reviewed firm to another firm on the basis of common partners?

No.

9. If new partner joins a peer reviewed firm, then whether such partner be allowed for such 5 additional audits?

Yes.

10. In case the firm/ individual has applied for peer review, then whether he will be eligible for additional 5 Secretarial Audits.

No, the benefit of additional 5 secretarial audits will accrue to a firm/individual only after issue of peer review certificate by the Peer Review Board.