

PRESENTATION

# One Day Training Programme for Peer Reviewers

## Eastern India Regional Council (EIRC)

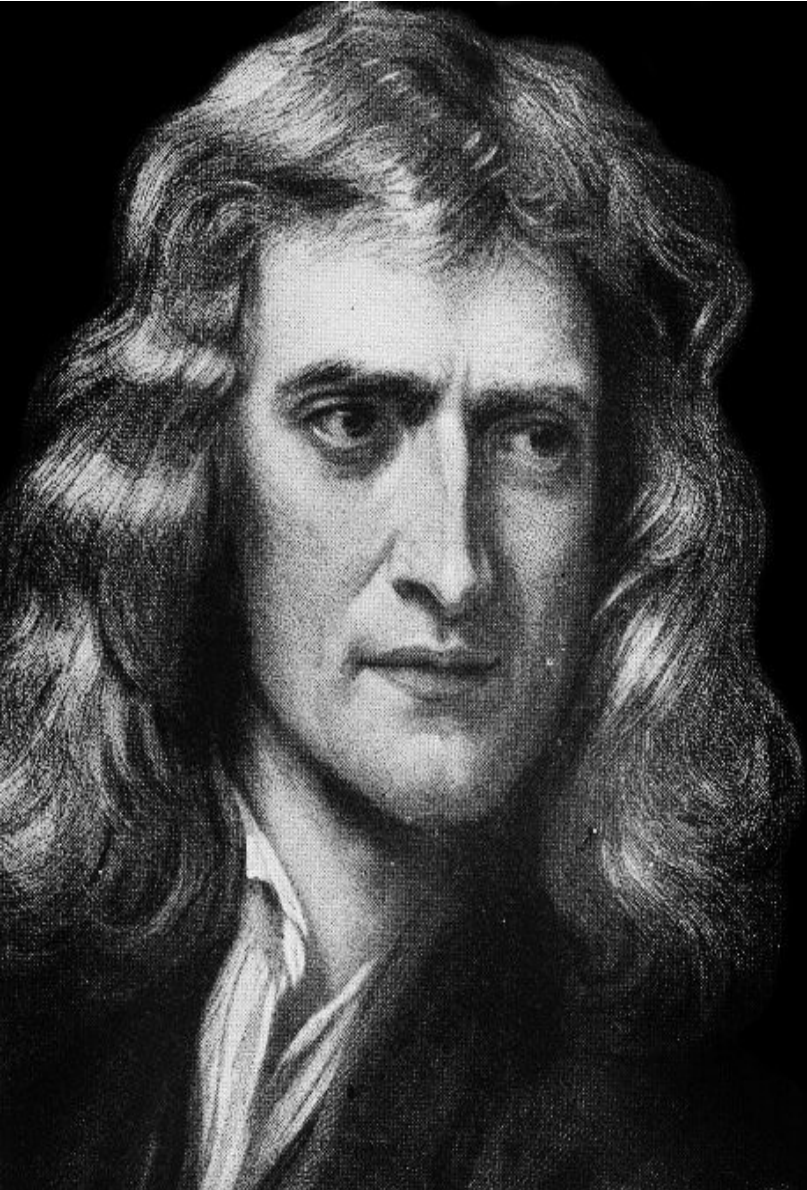
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**RKP Associates · Chartered Accountants**

**Head Office**  
**Kolkata**

**Branches**  
Guwahati · Silchar · Siliguri · Bhubaneswar · Cuttack · Patna  
Ranchi · Kharsia · Indore · Paradip



What we know is a **drop**,  
what we don't know is an **ocean**.

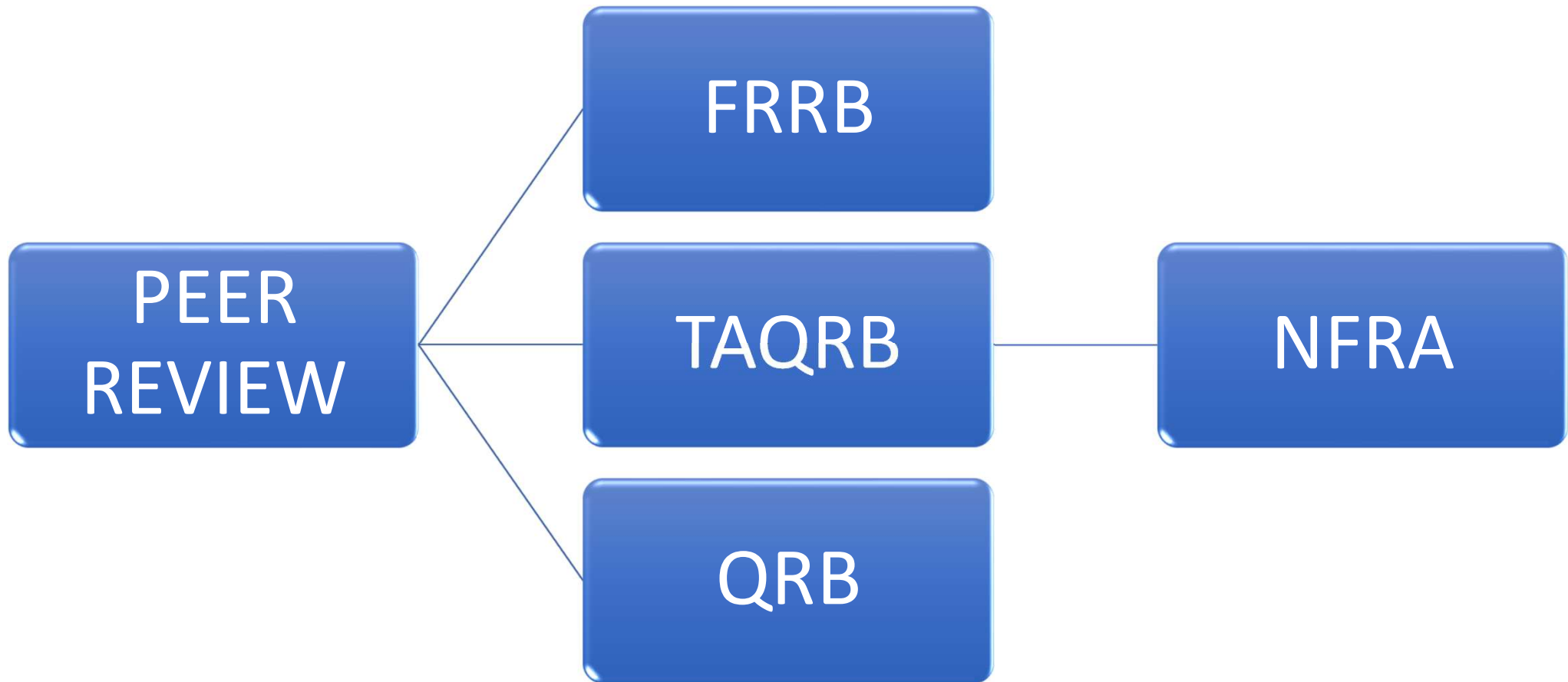
*– Isaac Newton*

## **Agenda for the Session**

**Rationale &  
Significance of Peer  
Review**

**Compliance with  
Technical and  
Professional Standards**

## REVIEWS FOR CHARTERED ACCOUNTANTS & FIRMS





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## About Peer Review Board of ICAI



Peer Review Board, ICAI



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## Inception of Peer Review

The Institute of Chartered Accountants of India, in 1998 conceptualised a system of review of work of professionals.

In the beginning of 21<sup>st</sup> Century, the council of Institute of Chartered Accountants of India introduced the Peer Review Mechanism. This resulted in constitution of Peer Review Board in early 2002.



## Elements of Peer Review

### Board :

- Board shall be constituted by the Council.

### Practice Unit :

- means a firm of Chartered Accountants or a member in Practice, practicing whether in an individual name or a trade name or such other entity as recognized by the ICAI from time to time.

### Reviewer :

- means a member duly approved and empanelled by the Board on fulfilling the qualifications prescribed for a Reviewer as per Peer Review Guidelines.



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## Peer Review - Meaning

### What is Peer Review?

Peer Review means an examination and review of the **systems and procedures** to determine whether the same have been put in place by the Practice Unit for ensuring the quality of assurance services as envisaged by the Technical, Professional and Ethical Standards as applicable including Audit Quality Maturity Model wherever applicable or any other regulatory requirements as may be prescribed by the Council or any Committee and whether the same were consistently applied during the period under review.



Peer Review Board, ICAI



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## Object of Peer Review

Peer Review aims to ensure that the assurance services rendered by the members:

- comply with Technical, Professional and Ethical Standards as applicable including other regulatory requirements.
- have in place proper systems including documentation thereof, to amply demonstrate the quality of the assurance services.



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## Peer Review Guidelines, 2022

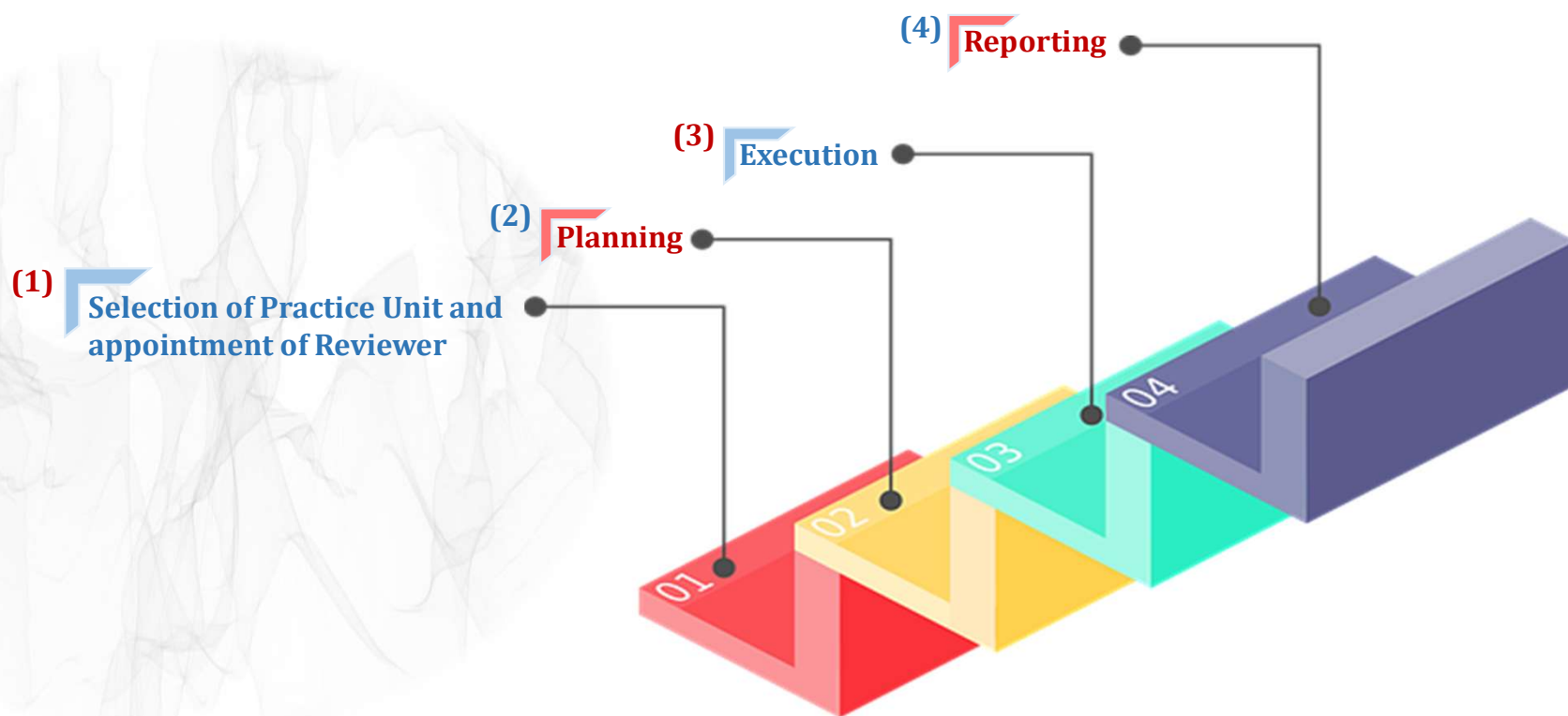
### Peer Review Guidelines 2022



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

- *In exercise of the powers conferred by Section 15(2)(fa) of the Chartered Accountants Act, 1949, the Council issued the Peer Review Guidelines, 2022.*
- *These Guidelines contain complete code relating to Peer Review process, including the terms of reference of such reviews, role & responsibilities of all the parties concerned, role and functions of the Board etc.*
- *The Council also introduced AQMM Review alongside peer review for statutory auditors of listed entities, banks and insurance companies.*

## Peer Review Process





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## Eligibility to become a Peer Reviewer

### A member in practice

- a) having experience of at least 7 years of assurance practice  
OR
- b) having experience of at least 10 years in the employment  
+  
at least 3 years audit experience  
+  
he is in whole time practice at the time of enrollment  
and
- c) has undergone One day training for Peer Reviewers, apply in Form 3 and cleared the online test conducted by the Board.

## Region wise No. of Peer Reviewers





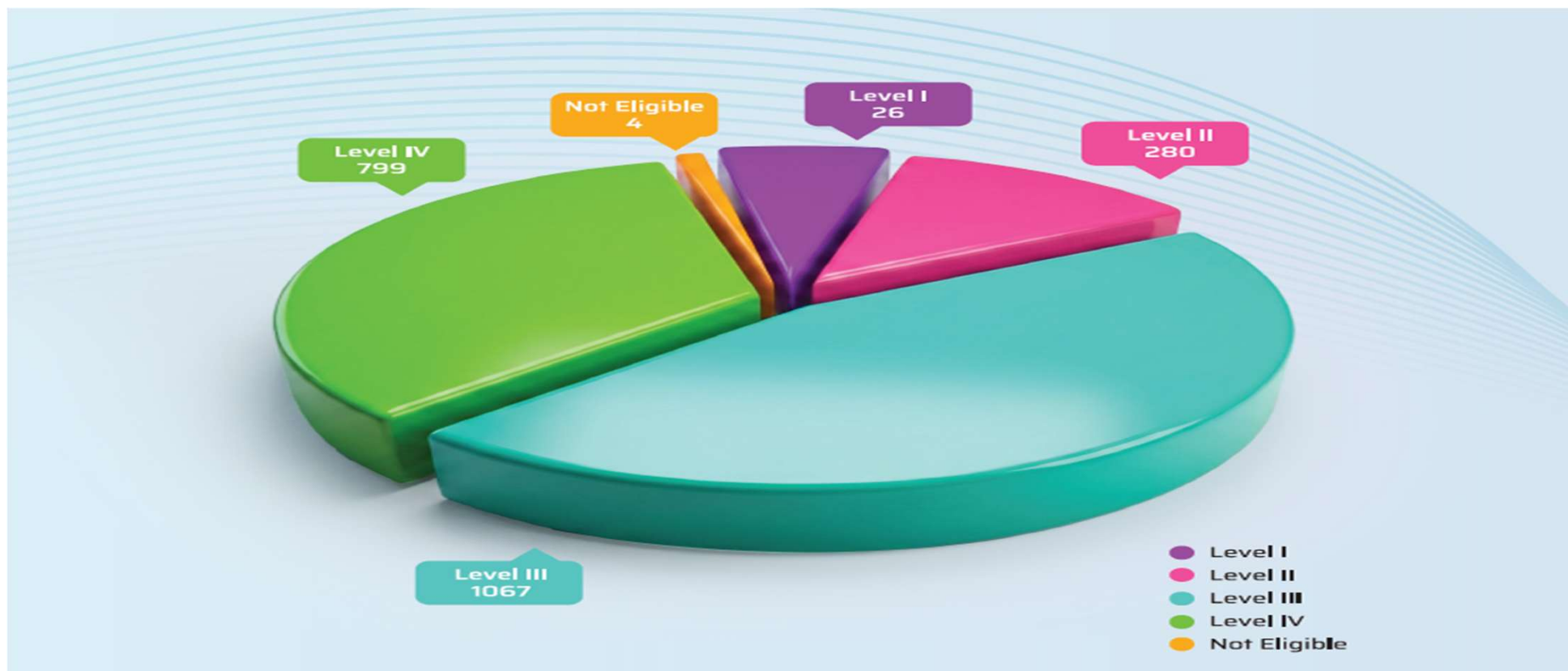
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### Year wise No. of Peer Review Certificates issued (As on 29.01.2026)

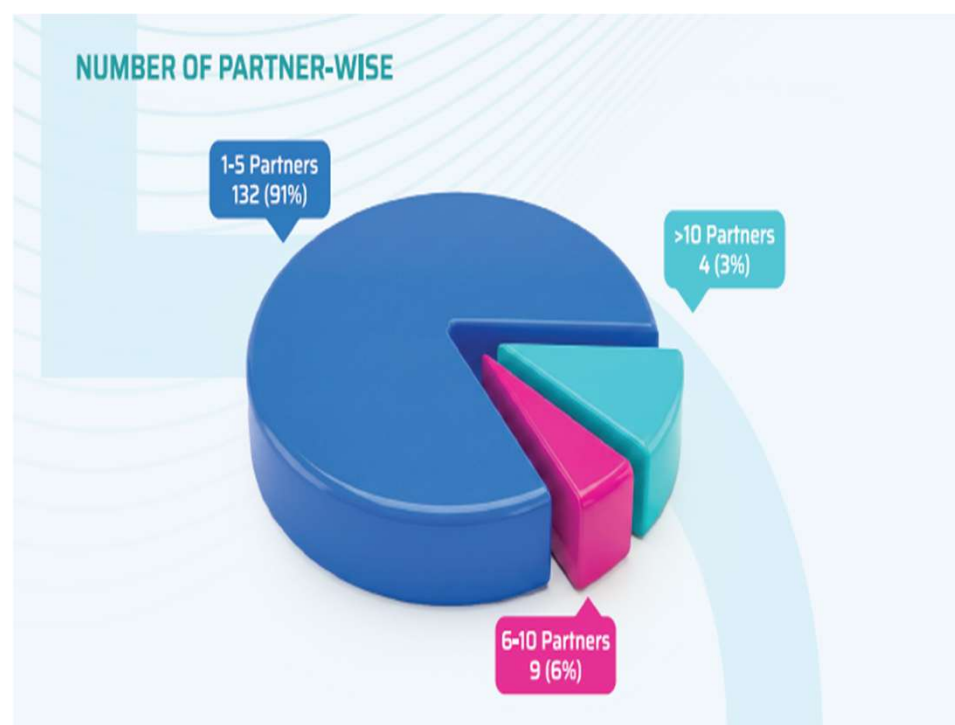
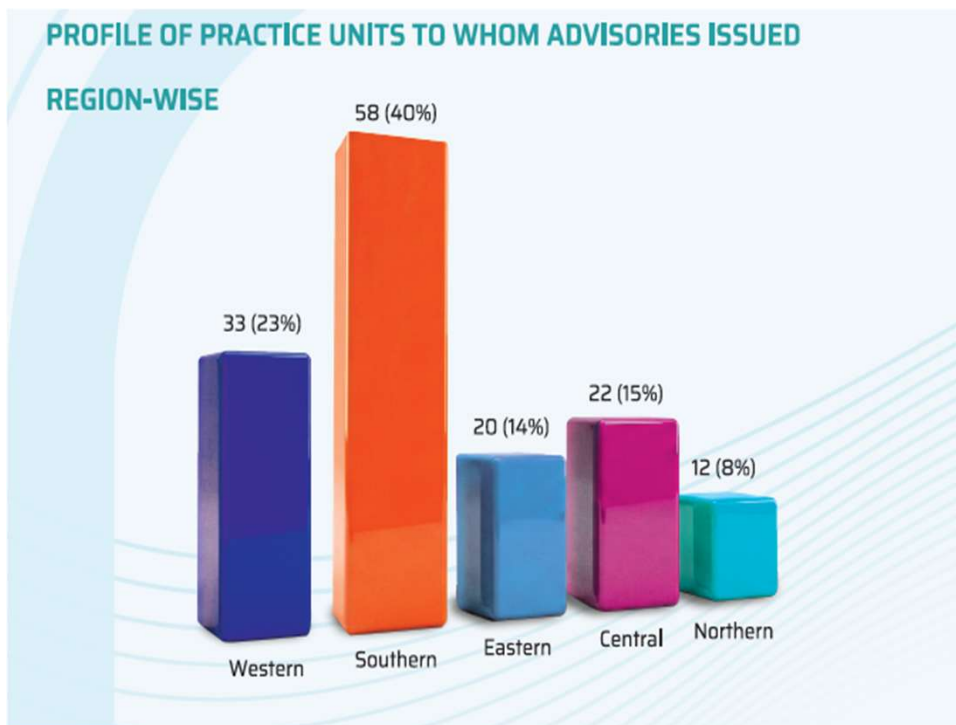


## Number of Practice Units as per AQMM Level



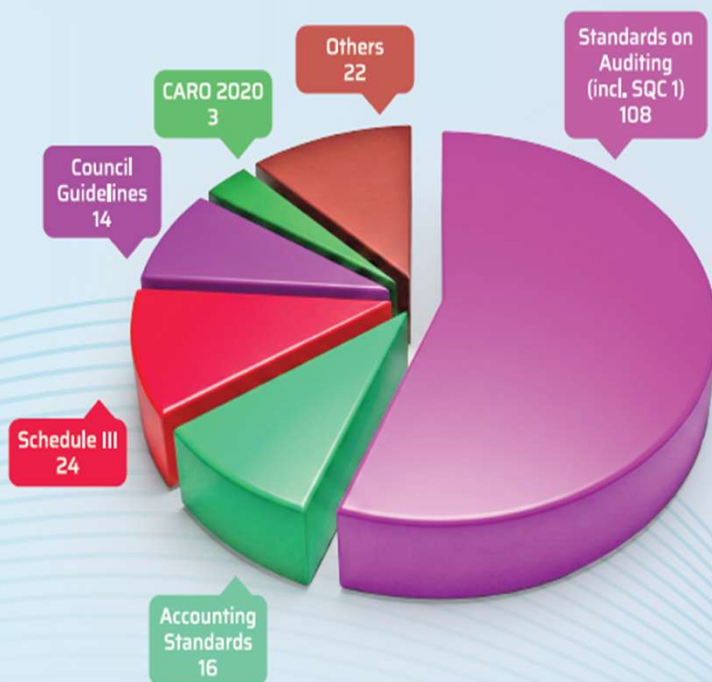


## Advisories issued to 145 Practice Units during the Council Year 2025-26



## Category of Advisories issued to Practice Units

CATEGORY OF ADVISORIES ISSUED TO PRACTICE UNITS



NUMBER OF PRACTICE UNITS HAVING OBSERVATIONS ON STANDARDS ON AUDITING (SA)





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## Peer Review Recognition by Regulators

Securities & Exchange Board of India (SEBI)



- *With effect from April 1, 2010, SEBI mandated that the Limited Review/Statutory Audit reports submitted to the concerned stock exchanges by the Listed Entities shall be given only by those **auditors** who have been **subjected to peer review process** and hold a **valid certificate issued by the 'Peer Review Board'** of the ICAI.*



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## Peer Review Recognition by Regulators

### Comptroller & Auditor General of India (C&AG)



- *The Comptroller & Auditor General of India (C & AG) has revised the Policy of Empanelment of CA Firms/LLPs and appointment of auditors of Companies under Section 139(5) and 139(7) of the Companies Act 2013 and of Statutory Corporations/Autonomous Bodies as per the provisions of their respective Acts.*
- *A maximum of 25 points have been allotted to firms which hold a Peer Review Certificate for empanelment.*



## Peer Review Mandate-Roll Out Implementation

Phase I applicable with effect  
from 01.04.2022

- Practice Units which propose to undertake Statutory Audit of enterprises whose equity or debt securities are listed in India or abroad as defined under SEBI (Listing Obligations and Disclosure Requirements) Regulations,

Phase II applicable with effect  
from 01.07.2024

- Practice Units which propose to undertake Statutory Audit of unlisted public companies having paid-up capital of not less than rupees five hundred crores or having annual turnover of not less than rupees one thousand crores or having, in aggregate, outstanding loans, debentures and deposits of not less than rupees five hundred crores as on the 31st March of immediately preceding financial year: For these Practice Units, there is a pre-requisite of having Peer Review Certificate.

OR

- Practice Units rendering attestation services and having 5 or more partners: For these Practice Units, there is a pre-requisite of having Peer Review Certificate before accepting any Statutory audit.

Phase III applicable with effect  
from 01.07.2025

- Practice Units which propose to undertake the Statutory Audit of entities which have raised funds from public or banks or financial institutions of over Fifty Crores rupees during the period under review or of any body corporate including trusts which are covered under public interest entities: For these Practice Units, there is a pre-requisite of having Peer Review Certificate.

OR

- Practice Units rendering attestation services and having 4 or more partners: For these Practice Units, there is a pre-requisite of having Peer Review Certificate before accepting any Statutory audit.

Phase IV applicable with effect  
from 31.12.2026

- Practice Units which propose to undertake audits of branches of Public Sector banks : For these Practice Units, there is a pre-requisite of having Peer Review Certificate

OR

- Practice Units rendering attestation services and having 3 or more partners: For these Practice Units, there is a pre-requisite of having Peer Review Certificate before accepting any Statutory audit.

## CLARIFICATION/FAQ ON ISSUES ARISING OUT OF PEER REVIEW MANDATE -24-12-2024

- At which stage should a Practice Unit have a valid Peer Review Certificate as per various phases of the Peer Review Mandate?
- A Practice unit should have a valid Peer Review Certificate before accepting statutory audit and at the time of signing the audit report for the statutory audit. **However, in respect of statutory audits already accepted before mandatory applicability of respective phase of peer review mandate, practice units should ensure that they have a valid peer review certificate at the time of signing.**

## CLARIFICATION/FAQ ON ISSUES ARISING OUT OF PEER REVIEW MANDATE -24-12-2024

- What is the meaning of ‘raised funds from public or banks or financial institutions of over fifty crore rupees’ under 1st criteria of Phase III of the Peer Review Mandate?

“Raised Funds” means:

- (i) The maximum amount outstanding in respect of cash credit/working capital loan/running loan account etc. during the period under review; and
- (ii) In respect of term loan, amount disbursed by the lenders during the period under review.

The funds raised from all sources taken together shall be considered.

## CLARIFICATION/FAQ ON ISSUES ARISING OUT OF PEER REVIEW MANDATE -24-12-2024

- Which type of audits of branches of Public sector banks are covered under Phase IV of the Peer Review Mandate? And whether it covers statutory audits of branches of co-operative banks?
- Statutory Branch Audits of Public Sector Banks would be covered under Phase IV of the Mandate. Statutory Branch Audits of co-operative banks are not covered under Phase IV of the Peer Review Mandate.

## CLARIFICATION/FAQ ON ISSUES ARISING OUT OF PEER REVIEW MANDATE -24-12-2024

- If Practice Unit does not render attestation services whether Peer Review Certificate is required as per mandate?
- Peer Review Certificate is not required as per Peer Review Mandate if Practice Unit is not rendering attestation services/assurance engagements.

## CLARIFICATION/FAQ ON ISSUES ARISING OUT OF PEER REVIEW MANDATE -24-12-2024

- What are 'assurance engagements'?

..... does not include:

- (i) Management Consultancy Engagements;
- (ii) Representation before various Authorities;
- (iii) Engagements to prepare tax returns or advising clients in taxation matters;
- (iv) Engagements for the compilation of financial statements;
- (v) Engagements solely to assist the client in preparing, compiling or collating information other than financial statements;
- (vi) Testifying as an expert witness;
- (vii) Providing expert opinion on points of principle, such as Accounting Standards or the applicability of certain laws, on the basis of facts provided by the client;

## CLARIFICATION/FAQ ON ISSUES ARISING OUT OF PEER REVIEW MANDATE -24-12-2024

- As on which date should the number of having 5 or 4 or 3 or more Partners be reckoned for the purpose of determining applicability under different phases of Peer Review Mandate?
- It would be reckoned as on the date of mandatory applicability of the particular phase of the Peer Review Mandate and onwards.

## CLARIFICATION/FAQ ON ISSUES ARISING OUT OF PEER REVIEW MANDATE -24-12-2024

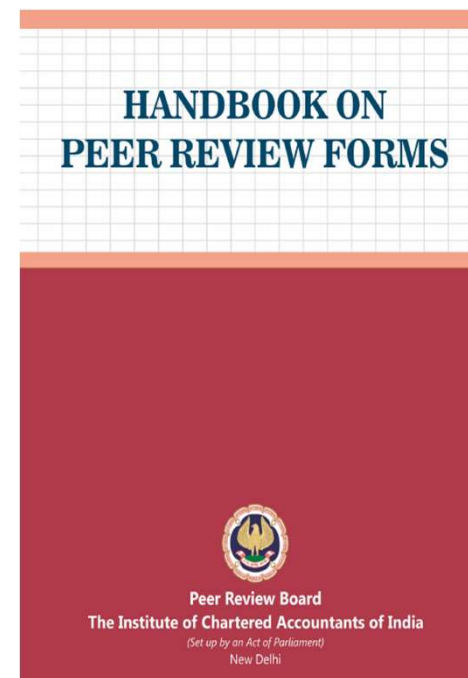
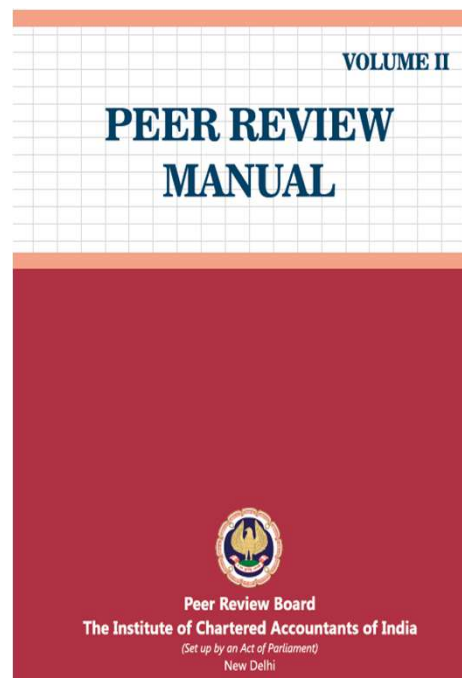
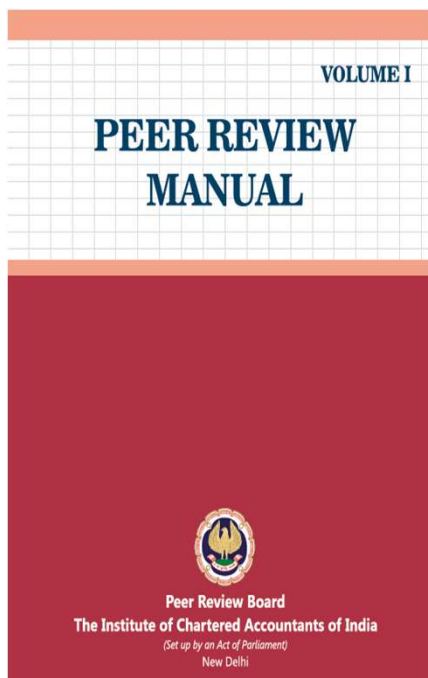
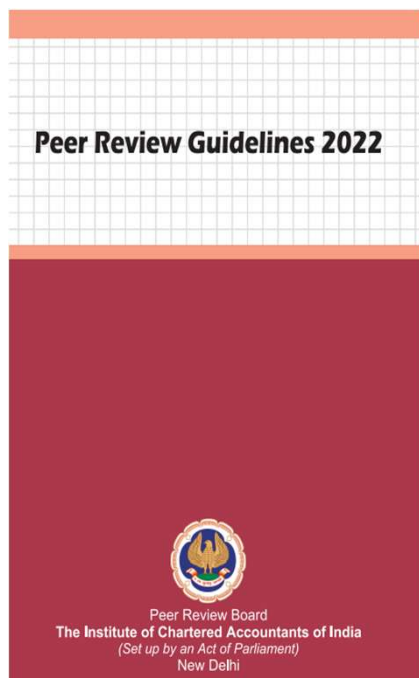
- Can the Practice unit, established for less than 12 months immediately preceding the date of receipt of application for peer review, apply for Peer review on mandatory basis if they do not satisfy additional conditions specified for a New unit? Can they apply for peer review on voluntary basis?
- A Practice unit, established for less than 12 months immediately preceding the date of receipt of application for peer review, can apply for peer review as a “New unit” defined under clause 5(iv) of Peer Review Guidelines, 2022 and would have to satisfy additional conditions prescribed for new units.
- Such practice units can also not apply on voluntary basis for peer review as they are established for less than 12 months immediately preceding the date of receipt of application for which there is a specific category ‘New unit’ under Peer Review Guidelines, 2022.



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## Publications of Peer Review Board





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**Thank you..!!!**

**Peer Review Board  
The Institute of Chartered Accountants of India**