

FORM 1

**APPLICATION CUM QUESTIONNAIRE TO BE SUBMITTED BY
PRACTICE UNIT**

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

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

APPLICATION

Dear Sir,

-

1. Our Firm
(Name of practice unit as per ICAI Records); FRN/ M. No
(Firm Registration Number/ Mem. No.) would like to apply for Peer Review for the period from to (three preceding financial years from the date of application). We have gone through the Peer Review Guidelines 2022 hosted at <https://resource.cdn.icai.org/72010prb57960-peer-review-guidelines2022.pdf> and undertake to abide by the same.
2. I/We hereby declare that my/our firm is applying for Peer Review (Tick the applicable clause):
 - i. ☐ As it is Mandatory by: ICAI Any other Regulator (please specify)
 - ii. ☐ Voluntarily.
 - iii. ☐ As a special case Review initiated by the Board:
 - iv. ☐ New Unit:
 - v. ☐ As per decision of the Board:
3. I/We hereby declare that my/our firm has signed reports pertaining

to the following assurance services during the period under review:

S. No.	Type of Assurance service rendered	Major type of Client (<u>please specify</u>) (e.g.: Banks; Insurance Company; Manufacturing; Individuals; Trading ; any other)
1	Central Statutory Audit	
2	Statutory Audit	
3	Internal Audit	
4	Tax Audit	
5	Concurrent Audit	
6	Certification work	
7	Any other, please specify <input type="checkbox"/>	

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

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

- i. ☐ Same City
- ii. ☐ From outside City
- iii. ☐ Either option (i) or (ii)
- iv. ☐ Preferred City in case of option (ii)

6. Mail Id for communication with the Practice unit

.....

7. Address for sending the Peer Review Certificate

Further Information to be submitted by New Unit

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

1.
 - o CA _____
 , M.No. [_____] , partner of my firm is/was a partner/proprietor of the firm

 (name and FRN of firm as per ICAI records) having a Peer Review Certificate No. (_____) that is valid from _____ till _____.
 - o I am/was a partner/proprietor of the firm

 (name and FRN of firm as per ICAI records) having a Peer Review Certificate No. (_____) that is valid from _____ till _____.
 - o CA _____
 , (M.No. _____), an employee of my firm who is a Chartered Accountant, is/was a partner/proprietor of the firm

 (name and FRN of firm as per ICAI records) having a Peer Review Certificate No. (_____) that is valid from _____ till _____.
 - o CA _____
 , M.No. [_____] , partner of my firm _____, is an Empanelled Peer Reviewer who has qualified the test organised by the Board.
 - o I, CA _____
 M.No. _____, am an Empanelled Peer Reviewer who has qualified the test organised by the Board.
2. Policies, procedures, and infrastructure of my firm are in conformity with the Standards on Quality Control (SQC-1).
3. I wish to undertake audit of listed entity and further declare that: (Fill as applicable or else mention N.A.)

<input checked="" type="checkbox"/> YES
<input type="checkbox"/> NO

 - o CA _____
 M.No. [_____] , partner of my firm has carried out audit of Listed company in last three years.
 - o I, CA _____
 M.No. _____ (in case of proprietorship firm) have carried out audit of Listed company in last three years.
4. The Practice Unit nominates its Partner CA _____ for Peer Review process. His Mobile No. is _____ and E-MAIL id is _____

.....

5. Annexure: Questionnaire

- I hereby Declare that the details furnished above are true and correct

as borne out by the facts to the best of my knowledge and belief.

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

Place:

Date:

Signature of the Proprietor/Partner Name:

Membership No.:

Annexure
QUESTIONNAIRE

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

1. Name of the Practice Unit:

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2. Peer Review of: ☐ HO ☐ Branch

3. Address (As per ICAI records):

.....

4. Email ID of PU:

.....

Website of PU:

.....

5. Status:

- ☐ Partnership ☐ Proprietorship ☐ Limited Liability Partnership
☐ Practicing in individual name

6. Date of establishment of the PU:

.....

7. Firm Registration Number:

..... (Membership
No. in case of an individual practicing in own name)

8. Is there any networking firm? No

(i) Name of network:

.....

(ii) Since when the Networking is entered into:

.....

(iii) Is there any exit from the Networking recently: No

Reason for such exit:

.....

9. Period of assurance service under review

From: To:

.....

**10. Contact person of PU for Peer Review (along with Mobile No. and
Email id):**

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

Name of sole-practitioner/sole-proprietor/partner	Membership no. of sole-practitioner/sole-proprietor/partner	Association with Practice unit (in years)	Any Post Qualification or Certificate course pursued within or outside ICAI.	Professional experience in practice	Particulars of assurance service

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

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

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

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

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

S.No	Member in Charge	No. of staff	Membership No	Address	Whether assurance services rendered
1					
2					
3					

15. (i). How is the control procedure followed by the Branch/es ?

(ii). And whether any periodic sample testing of clients handled by branch/es is done by HO?

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

Financial Year	Head Office	Branch 1	Branch 2	Branch 3

OR

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

Financial Year	Head Office	Branch 1	Branch 2	Branch 3

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

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

18. Whether PU has ever undertaken self-evaluation as per 'Digital Competency Maturity Model-2'?

☐ Yes ☐ No

19. Has the PU been subjected to a Peer Review in the past?

☐ Yes ☐ No

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

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

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

☐ Yes ☐ No

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

ANNEXURE A

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

Sr. No.	Category of Client (Name or code of client)	Name of Branch/HO of PU	Name of Signing Partner	Type of Engagement*			Whether Engagement Quality review done?
				FY....	FY....	FY....	
				FY....	FY....	FY....	
A	Any Bank or Insurance Company						
A1							Yes
A2							Yes
A3							Yes
B	Non Banking Financial Companies having public deposits of Rs.10						
B1							Yes
B2							Yes
B3							Yes
C	Central or State Public Sector Undertakings and Central Cooperat turnover exceeding Rs.250 crore or net worth exceeding Rs.5 cro						
C1							Yes
C2							Yes
C3							Yes
D	Enterprise which is listed in India or Abroad as defined under SEBI Disclosure Requirements) Regulations, 2015.						
D1							Yes
D2							Yes
D3							Yes
E	Asset Management Companies or Mutual Funds.						
E1							Yes
E2							Yes
E3							Yes

K2										
K3										

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

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

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

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

PART B

GENERAL CONTROLS (Based on SQC 1)

(Not applicable for New Units)

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

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

[Notes:

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

PART B (I)

LEADERSHIP RESPONSIBILITIES FOR QUALITY WITHIN THE FIRM

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

	emphasizes the importance of quality?	
4	Whether the same has been formally documented and agreed upon by partners?	
5 (i)	Who evaluates the client relationships and specific engagements to ensure that commercial considerations do not override the objectives of the system of QC?	
5 (ii)	How often is this evaluation carried out?	
6	What is the procedure followed by firm to ensure that fee considerations and scope of services do not infringe upon the quality of work and proper documentation as envisaged in SQC 1 is maintained?	
7 (i)	How and when are the Firm's QC policies and procedures shared with the personnel working in the Firm?	
7 (ii)	Whether refresher sessions are taken periodically?	
8	Does the firm's compensation system provide incentives and advancement to the personnel who demonstrate quality of work and compliance with professional standards?	
9	Has the PU come across any instances where the QC was overridden?	

10	Which of the following resources have the firm deployed for developing, implementing and maintaining Firm's QC policies and procedures:	
(i)	<input type="checkbox"/> Manpower	
(ii)	<input type="checkbox"/> IT tools	
(iii)	<input type="checkbox"/> library	
(iv)	<input type="checkbox"/> Regular review mechanism etc.	

PART B (II)

ETHICAL REQUIREMENTS

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

	personnel:	
(i)	Does the PU maintain a list of entities with which PU personnel and others, if any, are prohibited from having a financial or business relationship?	
(ii)	Does the PU make the list available to the concerned personnel so that they evaluate their independence?	
(iii)	Are the changes in the list notified to the personnel as soon as such changes occur?	
(iv)	Does the PU provide frequent reminders of professional responsibilities to personnel?	
3.	Which of the following policies, procedures and safeguards the PU has in place to mitigate threats to its independence?	
(i)	Do the Engagement Partners provide the PU with relevant information about client engagement to enable it to evaluate the overall impact on independence requirements?	
(ii)	Does the PU provide training to partners and professional staff on what constitutes threat to independence and the safeguards that may be taken to reduce the threats to an acceptable level?	
(iii)	Accumulating and communicating relevant information to appropriate personnel	
(iv)	How and to whom the personnel notify of circumstances and relationships that cause threat to independence?	
(v)	What are the steps taken by PU so that the self-interest threat to independence is	

	mitigated?	
(vi)a	How the PU is mitigating the self-review threats.	
(vi)b	Is there any checklist where the steps have been outlined?	
(vii)a.	How the PU is mitigating the risk of advocacy threats.	
(vii)b.	Can the PU demonstrate the same?	
(viii)a.	How the PU is mitigating the familiarity threats.	
(viii)b.	Can PU demonstrate the same?	
(viii)c.	Is the relationship with client personal disclosed in the Independence form?	
(ix)a.	Can the PU demonstrate that professional skepticism was used in the entire assignment?	
(ix)b.	What measures are taken to mitigate the same?	
4.	What policies, processes and safeguards has the PU established with regard to threats to its independence:	
(i)	Is it ensured that the PU does not have any financial interests in audit clients, their owners	

	and officials?	
(ii)	Does the ethics policy of the PU emphasize that the members of PU must not have other than business relationships in audit clients, their owners and officials?	
(iii)a.	Does the PU have the policy of rotating out senior personnel from the assurance engagements after a certain length of service at a particular engagement?	
(iii)b.	If yes what is the length of service?	
(iv)	Whether there is a policy that the personnel declares - the acceptance of gifts & hospitality from clients/owners	
(v)	Does the PU have the policy to obtain annual independence declaration from all personnel?	
(vi)	As a step in the engagement program, is the Engagement Partner required to sign a compliance with independence requirements?	
(vii)	In case professional service is conducted jointly with other auditor, is the annual independence confirmed for the other auditor?	
5	Are the number of audit assignments held by the PU, at any time, more than the specified number of audit assignments:	
(i)	Under the prevailing Companies Act and/or the limit prescribed by the ICAI.	

(ii)	Tax audit assignments as per ICAI notification	
6(i)	Has the PU accepted appointment as Statutory Auditor of – PSU(s)/Government Company (ies) Listed company(ies) and other Public Company(ies) having turnover of more than Rs. 50 crores or more in a year and accepted other work or assignment or service in regard to the same entity(ies) on a remuneration which in total exceeds the fee payable for carrying out statutory audit of the same entity.)	
6(ii)	If yes, specify reasons	
7(i)	Has the PU accepted appointment as an auditor of a concern while it/he is indebted to the concern or has given any guarantee or provided any security in connection with the indebtedness of any third person to the concern, for the limits fixed in the statute and in other cases for amount not exceeding Rs.1,00,000.	
7(ii)	If yes, specify reasons	
8.(i)	Has the PU received fees from a client below the minimum scale of fees recommended for audit assignments by the ICAI?	
8(ii)	If yes, reason for accepting fee below recommended scales	
9.(i)	Has the PU, being statutory auditor of a client rendered any services to the same client, as mentioned in section 144 of Companies Act 2013	
9.(ii)	(if yes, specify reason with name of the entities and year in which such service was rendered)	

10.(i)	Has the PU, as incoming auditor for an entity, followed the direction given by the ICAI not to accept an appointment as auditor in the case of unjustified removal of earlier auditor?									
10.(ii)	If no, reasons for non-adherence to the direction									
11.(i)	Does the PU or a Network, as a good and healthy practice, make a disclosure of the payment received by it for other services through the medium of a different firm or firms in which the said PU or Network or its partners may have an ownership interest.									
11.(ii)	(If no, specify reasons)									
12	Has the PU followed the Guidelines issued by the ICAI in respect of engagement(s) procured through Tender?									
13	Is the website of the PU in conformity with Institute's guidelines/ directions issued on posting of particulars on website by Practice Unit(s)?									
14.	Whether your firm has been reviewed by:									
(i)	The Quality Review Board (QRB)									
(ii)	Financial Reporting Review Board (FRRB)									
(iii)	Any regulator (Pls. specify)									
(iv)	If yes, details as under:									
	<table border="1"> <thead> <tr> <th>Yr. of Review</th> <th>Name of entity</th> <th>Broad description of</th> <th>Dt. Of Submission of</th> </tr> </thead> <tbody> <tr> <td></td> <td></td> <td></td> <td></td> </tr> </tbody> </table>	Yr. of Review	Name of entity	Broad description of	Dt. Of Submission of					
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			deficiencies	compliance report (where ever reqd.)	
15.	Have any Government Bodies/ Authorities evaluated the performance of the firm to the extent of debarment/ blacklisting?				

PART B (III)

Acceptance and Continuance of Client Relationships and Specific Engagements

S.No.	Policies and Procedures	Remarks/Yes/No/Na
1(i)	Whether PU documents the decisions taken relating to acceptance and continuance of client relationships/ engagements?	
1(ii)	Does PU maintain a client engagement/ acceptance and continuance form?	
1(iii)	Who is responsible for completing the client engagement/acceptance and continuance form?	
1(iv)	If No, how has the client engagement/acceptance been documented Pls. elaborate.	
2.	Which of the following processes does the PU have in place when accepting or deciding to continue a client relationship:	
(i)	Informing Firm personnel of the policies and procedures for accepting and continuing clients	
(ii)	Usage of Client Acceptance/engagement acceptance checklists listing down:	
a	Obtaining and evaluating relevant information before accepting or continuing clients	
b	Performing Background checks for the business, KMP, sister concerns, and other person(s) in questions	
c	Considering the integrity of the client	
d	Communicating with previous auditor	

	when required or recommended by professional standards	
e	Evaluating the risk of providing services to clients for which the firm's objectivity or independence may be impaired	
f	Whether all KYC norms issued by ICAI are fulfilled?	
3.	Who evaluates the information about the client and gives final approval for acceptance/continuance of client engagement?	
4.	Which of the following procedures the firm has in place for assessing its capability before taking up new engagements/continuance of existing clients:	

(i)	Evaluating whether the firm has sufficient personnel with necessary capabilities and competence	undefined
		undefined
(ii)	Specialists in terms of specific industry experience or certain skill sets are available, if needed	undefined
		undefined
(iii)	Individuals meeting the criteria and eligibility requirements to perform an engagement QC review are available, when needed, whether internally or externally	undefined
		undefined
(iv)	Assessment that the firm would be able to complete the engagement within agreed deadline	undefined
5. (i)	Does the PU prepare engagement letter documenting the understanding with the client?	undefined
		undefined
5.	Is the engagement letter signed by the client?	undefined

(ii)		undefined						
6.	Has the PU withdrawn from an engagement and/or from client relationship during the period of review?							
a)	If yes, has the reason for withdrawal been documented	undefined						
b)	If yes, please mention the Names /Codes of the clients alongwith the year and the reason for withdrawal- (Pls. use extra sheet, if required)							
	<table border="1"> <thead> <tr> <th>Client Name/ Code</th> <th>Year Of Withdrawal</th> <th>Reason Of Withdrawal</th> </tr> </thead> <tbody> <tr> <td></td> <td></td> <td></td> </tr> </tbody> </table>	Client Name/ Code	Year Of Withdrawal	Reason Of Withdrawal				
Client Name/ Code	Year Of Withdrawal	Reason Of Withdrawal						
7	Did the PU face any issues relating to acceptance or continuance of client relationships and specific engagements during the period of review?	undefined						
		undefined						
a)	If yes, how was it resolved?	undefined						
b)	Who has the custody of such documents?	undefined						

PART B (IV)

Human Resources

S.No.	Policies and Procedures	Remarks/Yes/No/Na
1.	Which of the procedures does the PU have in place for managing the Human Resource function:	
(i)	Does the PU have a designated individual to be responsible for managing Human Resource function?	

(ii)	How frequently the designated person/ PU evaluate the PUs personnel needs?	undefined
(iii)	Is there a formal documented process for hiring by the PU, covering:	
a)	Does the PU have an established criterion for determining which individuals would be involved in hiring process?	
b)	Has the PU laid down any qualification, experiences, attributes required for the entry level and experienced personnel to be hired?	
c)	Additional procedures like performing background checks etc. been put in place?	
d)	Whether joining check-list is maintained?	
2.	Does the firm maintain and monitor the employee turnover ratio and identify measures to keep it minimal?	

S.No.	Policies and procedure	Remarks/Yes/No/NA
3.	Does the firm maintain a minimum Staff to Partner Ratio, Partner to Manager, Manager to Articles, Client to Staff ratio, etc.	
4.	Which of the following considerations does the PU have in place to select the engagement partner & team required for an engagement:	
a)	Understanding the role of PUs Quality Control and Code of Ethics issued by the Institute in ensuring the integrity of	

	the accounting, auditing and attest functions to user of reports	
b)	Performance, supervision and reporting aspects of the engagement, which ordinarily are gained through training or participation in similar engagements	
c)	The industry in which the client operates, including its organization and operating characteristics, sufficient to identify areas of high or unusual risk associated with engagement	
d)	The skills that contribute to sound professional judgment, including the ability to exercise professional skepticism	
e)	Adequate mix of different level personnel in the team	
f)	How the auditee uses information technology and the manner in which information systems are used to record and maintain financial information	
5.	Which of the following procedures does the PU follow to determine the capabilities and competencies possessed by personnel:	
(i)	Does the PU have an established criterion for evaluating personal characteristics such as integrity, competence and motivation?	
(ii)a.	Does the PU evaluate the personnel at least annually to determine their capabilities and competencies?	
(ii)b.	If yes, whether this is documented?	
6.	Does the PU have any policy for assigning responsibility for engagements to an engagement partner?	

7.	Does the PU have following parameters in place to ensure that the knowledge of its personnel get updated on an ongoing process:	
(i)	Requires personnel (including articulated trainees) to participate in the CPED programs in accordance with firm guidelines to keep them updated on the current developments	
(ii)	Maintains/tracks record of CPE status of its professional personnel as per the requirements of the ICAI	
(iii)	Provides CPED course materials / access to digital content on the latest changes in accounting, auditing, independence requirement	
(iv)	Provides orientation and training programs for new hires	
(v)	Employees are equipped with technological skill sets – like AI, Blockchain, Audit & Data analytical tools, etc.	
(vi)	Does the PU sponsor any of skill development tools?	
(vii)	Does the PU provide access to technology, infrastructure and methodology for better enablement of day to day work?	
(viii)	Does the PU organize self-developed programs like group discussions, mock presentation, short reviews by Team Leader etc.?	
8.	Does the PU have policies and procedures for career advancement of its personnel?	
9.	Is there a system for evaluating the performances on timely basis with the individual being evaluated?	
10.	Is there a fast track advancement	

	policy for star performers?	
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PART B (V)

Engagement Performance

undefined

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

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

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

	encryption to restrict access to electronic engagement documentation to authorized users	

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



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

(iv)	Required by law or regulation (quote the law/regulation)	

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

	'Engagement Quality Assurance Reviewers':	
(i)	Selected by QC partner or the Managing Partner	

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

PART B (VI)

Monitoring

S.No.	Policies and Procedures	Remarks/Yes/No/Na
1.(i)	Does the PU have Policies and Procedures to confirm on the adequacy and relevance of Quality Control procedures adopted?	
1.(ii)	If yes, what document is in place to establish the procedure	
2.	Who is responsible to evaluate the Quality and Control policies and procedures to ensure the relevance, adequacy, effectiveness and appropriateness with current trends?	

3.	How frequently are the processes and the procedures related to QC revised?	
4.	When was the last revision to the Quality Control policies and procedures carried out?	
5.(i)	Did the PU follow ongoing consideration and evaluation system of quality controls?	
5.(ii)	If yes , what document is in place to establish the same	

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

Signature

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

.....

Membership No. of the Signatory

.....

Date:

PART C

Scores obtained by self-evaluation using AQMMv1.0

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

Section 1: Practice Management – Operation

Competency Basis		Score Basis	Max Scores	Scores obtained
1.1 Practice Areas of the Firm				
I	Revenue from audit and assurance services	(i) 50% to 75% – 5 Points (ii) Above 75% – 8 Points	8	0
ii	Does the firm have a vision and mission statement? Does it address Forward looking practice statements/Plans?	For Yes – 4 Points For No – 0 Point	4	0
Total			12	0

Competency Basis		Score Basis	Max Scores	Scores obtained
1.2 Work Flow - Practice Manuals				
i.	Presence of Audit manuals containing the firm's methodology that ensures compliance with	For Yes –	8	0

	auditing standards and implementation thereof.	8 Points For No – 0 Point		
ii.	Availability of standard formats relevant for audit quality like: - LOE - Representation letter - Significant working papers - Reports and implementation thereof	For Yes – 8 Points For No – 0 Point	8	0
	Total		16	0

Quality Review Manuals Section

1.3 Quality Review Manuals or Audit Tool

S.No.	Competency Basics	Score Basis	Max Scores	Scores Obtained
i.	Usage of Client Acceptance/engagement acceptance checklists and adequate documentation thereof.	For Yes – 4 Points For No – 0 Point	4	0
ii.	Evaluation of Independence for all engagements (partners, managers, staff, trainees) based on the extent required. The firm must identify self-interest threat, familiarity threat, intimidation threat, self-review threat, advocacy threat and conflict of interest.	For Yes – 4 Points For No – 0 Point	4	0

iii.	Does the Firm maintain and use the engagement withdrawal/rejection policy, templates, etc.	For Yes – 4 Points For No – 0 Point	4	0
iv.	Availability and use of standard checklists in performance of an Audit for Compliance with Accounting and Auditing Standards	For Yes – 4 Points For No – 0 Point	4	0
v.	Availability and use of standard formats for audit documentation of Business Understanding, Sampling basis, Materiality determination, Data analysis, and Control Evaluation	For Yes – 4 Points For No – 0 Point	4	0
vi.	Are the documents related to Quality control mentioned from (i) to (v) above reviewed and updated on a frequent basis (say annually) or with each change in the respective regulation or statute and remedial action taken?	For Yes – 4 Points For No – 0 Point	4	0
	Total		24	0

1.4 Service Delivery - Effort Monitoring

S.No.	Competency Basis	Score Basis	Max Scores	Scores Obtained
i.	Does the firm carry out a Capacity planning for each engagement?	For Yes – 4 Points For No – 0 Point	4	0
ii.	Is a process of Budgeting & Planning of efforts required maintained (hours/days/weeks)?	For Yes – 4 Points For No – 0 Point	4	0
iii.	Are Budget vs Actual analysis of time and effort spent carried out to identify the costing and pricing?	Up to 10% – 0 Point More than 10% and up to 30% – 4 Points More than 30% and up to 50% – 8 Points More than 50% and up to 70% – 12 Points More than 70% and up to 90% – 16 Points More than 90% – 20 Points	20	Up to 10% (0 Points)
iv.	Does the firm deploy technology for monitoring	For Yes – 8	8	0

	efforts spent - Utilisation of tools to track each activity (similar to Project management - Say timesheets, task management, etc.)?	Points For No – 0 Point		
	Total		36	0

Quality Control Assessment Report

1.5 Quality Control for Engagements

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

	significant improvements	30% and up to 50% – 8 Points More than 50% and up to 70% – 12 Points More than 70% and up to 90% – 16 Points More than 90% – 20 Points		
	Total		36	0 Points

S.No.	Competency Basis	Score Basis	Max Scores	Scores Obtained
iv.	Documentation of the firm in accordance with SQC 1	<p>For the presence of documentation in the critical areas of Ethical requirements, Acceptance and continuance of client relationships and specific engagements, and Engagement performance – 6 Points</p> <p>For the presence of documentation in the areas of Leadership responsibilities for quality within the firm, Human resources, and Monitoring – 6 Points</p>	12	N/A
v.	Does the firm have Accounting and Auditing Resources in the form of soft copies of archives Q&As, firm thought leadership, a dedicated/ Shared Technical desk?	<p>For Yes – 8 Points</p> <p>For No – 0 Point</p>	8	N/A
vi.	Is appropriate time spent on understanding the	For Yes – 12 Points	12	

	business, risk assessment and planning an engagement?Have risks been mitigated through performance of audit procedures?	For No – 0 Point		
	Total		36	0

S.No.	Competency Basis	Score Basis	Max Scores	Scores Obtained
i.	Does the firm follow/implement Standard delivery methodology – the adoption of audit manuals, adherence to practice standards and tools?	For No - 0 Points	12	N/A (Score: -1)
ii.	The number of statutory audit engagements re-worked (filing errors, information insufficiency, wrong interpretation of provisions, etc.)	Less than 5% - 0 Point More than 5% to 15% (-1) Point More than 15% to 30% to 50% (-3) Points More than 50% (-4) Points	0	(Score: 0)
iii.	Number of client disputes (other than fees disputes) and how they are addressed.	Less than 5% – 0 Point More than 5% to 15%: (-1) Point More than 15% to 30%: (-2) Points More than 30% to 50%: (-3) Points More than 50%: (-4) Points	12	(Score: 0)

iv.	Is the timing of audit interactions with management planned in such a way that integrates with the auditor's requirements so that audit timelines can be met?	For Yes – 12 Points For No – 0 Point	12	No - 0 Point (Score: 0)
	Total		36	-1

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

	Office -			
	• Internal communication - chats	For Yes - 4 Points For No - 0 Point	4	No (Score: 0)
	• Has the firm automated its office with automated Attendance System and Leave management?	For Yes - 4 Points For No - 0 Point	4	No (Score: 0)
	• Project or activity management/ Timesheet management	For Yes - 4 Points For No - 0 Point	4	No (Score: 0)
	• Digital storage of records (scan, etc.)	For Yes - 4 Points For No - 0 Point	4	No (Score: 0)
	• Centralised server/ Cloud	For Yes - 4 Points For No - 0 Point	4	No (Score: 0)
	• Digital Library (Own or ICAI)	For Yes - 4 Points For No - 0 Point	4	No (Score: 0)
	• Client interaction (Alerts, updates, availability of information in website, etc.)	For Yes - 4 Points For No - 0 Point	4	No (Score: 0)
		For Yes - 4	4	No

	• Video conferencing facilities adopted	Points For Yes - 0 Point		(Score: 0)
	• Does the firm use only licensed operating system, software etc.?	For Yes - 4 Points For No - 0 Point	4	No (Score: 0)
	• Own E-mail domains, E-mail usage policies, etc.	For Yes - 4 Points For No - 0 Point	4	No (Score: 0)
	• Use of anti-virus and malware protection tools	For Yes - 4 Points For No - 0 Point	4	No (Score: 0)
	• Data security, etc.	For Yes - 4 Points For No - 0 Point	4	No (Score: 0)
	• Cyber security measures	For Yes - 4 Points For No - 0 Point	4	No (Score: 0)
ii.	Awareness and Adoption of Technology for Service delivery - Say, use of Audit tools, usage of analytical tools, use of data visualisation tools or adoption of an audit tool. Note: DCMM version 2 may be referred to arrive at the	For Yes - 12 Points For No - 0 Point	12	(Score: 0)

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

Total of Section 1	280	0
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S.No.	Competency Basis	Score Basis	Max	Score
2. Human Resource Management				
2.1. Resource Planning & Monitoring as per the firm's policy				
2.1.i	Does the firm have a process of Employee/ Resource Planning for the engagements based on skill set requirement, experience, etc.?	Yes=4, No=0	4	0
2.1.ii	Methods/Tools used by the firm for Resource Allocation (use of spreadsheets, work flow tools, etc.)	Yes=4, No=0	4	0
2.1.iii	Is there a method of tracking the employee activity, to identify resource productivity (e.g., timesheet)?	Yes=4, No=0	4	0
2.1.iv	Does the firm maintain a minimum Staff to Partner Ratio, Partner to Manager, Manager to Articles, Client to Staff ratio, etc.	Yes=8, No=0	8	0
2.1.v	Does the firm monitor the Utilisation & Realisation rate per employee	Yes=4, No=0	4	0
2.1.vi	Does the firm document the resource plan for each engagement and file it for reference during the engagement?	Yes=4, No=0	4	0
Subtotal			28	0
2.2. Employee Training & Development				
2.2.i	Does the firm have an employee training policy?	Yes=4, No=0	4	0
2.2.ii	Number of Professional Development hours/days spent (Frequency) as a firm – per employee	Based on hours	24	0

2.2.iii	Employees are equipped with technological skill sets – AI, Blockchain, Audit & Data analytical tools, etc.	Yes=8, No=0	8	0
2.2.iv	Whether the firm has a performance management culture that rewards high performing employees?	Yes=8, No=0	8	0
Subtotal			44	0
2.3. Resources Turnover & Compensation Management				
2.3.i	Does the Firm evaluate a team composition overall to build the Team Strength?	Yes=8, No=0	8	0
2.3.ii	Does the firm maintain and monitor the employee turnover ratio?	Yes=8, No=0	8	0
2.3.iii	Qualified professionals retained by the firm (resources available to a partner)	Based on count	20	0
2.3.iv	Does the firm evaluate the Employee relation with the firm?	Yes=4, No=0	4	0
2.3.v	Statutory contributions, Health Insurance and other benefits	Yes=8, No=0	8	0
2.3.vi	Does the firm evaluate for which kind of audits does it have a revolving door?	Yes=4, No=0	4	0
2.3.vii	Progress of people through an established framework	Yes=8, No=0	8	0
2.3.viii	Access and use of technology, infrastructure	Yes=8, No=0	8	0
2.3.ix	Coaching and mentoring program investment	Yes=8, No=0	8	0
2.3.x	Special policies to provide time to rejuvenate	Yes=4, No=0	4	0

2.3.xi	Focused policies for staff well-being	Yes=8, No=0	8	0
2.3.xi	An established mechanism to listen to people	Yes=8, No=0	8	0
2.3.xiii	Standards of recruiting people	Yes=4, No=0	4	0
2.3.xiv	Are employees compensated as per defined approach?	Yes=4, No=0	4	0
Subtotal			104	0
2.4. Qualification Skill Set of employees and use of Experts				
2.4.i	Number of Professionally qualified members – ACA/FCA	Based on %	12	0
2.4.ii	Post Qualification Certifications (DISA, IP, etc.)	Applicable=8, NA=0	8	0
2.4.iii	Members with Specialisation courses or Certifications	Based on %	12	0
Subtotal			32	0
2.5. Performance evaluation measures carried out by the firm (KPI's)				
2.5.i	Does the firm have written KPIs for performance evaluation?	Yes=8, No=0	8	0
2.5.ii	Method for measurement and evaluation are determined/specific	Yes=8, No=0	8	0
2.5.iii	There is a decided frequency for the evaluation	Yes=8, No=0	8	0
2.5.iv	Are engagement partners reviewed based on review results?	Yes=8, No=0	8	0
Subtotal			32	0
Total Score			240	0

Ref	Competency Basis	Score Basis	Max Scores	Scores Obtained
3	Practice Management – Strategic/Functional			
3.1	Practice Management			
	Does the firm Manage the following attributes relating to Assurance partners to maintain the same at optimum levels as deemed fit for the respective organisations?			
i.	Does the firm have a balanced mix of experienced and new Assurance partners?	For average partner experience of partners > 5 years – 4 Points For average partner experience of partners > 10 years – 8 Points	8	0
ii.	Is the firm compliant with the ICAI Code of Ethics, Companies Act 2013 and other regulatory requirements in relation to Professional Independence and Conflict of Interest?	For Yes – 8 Points For No – 0 Point	8	0
iii.	Is there is a 'whistle blower' policy?	For Yes – 4 Points For No – 0 Point	4	0
	Total		20	0
3.2	Infrastructure – Physical & Others			

i.	Number of Branches & Associates and network firms and affiliates	Upto 3 – 2 Points 4 to 7 – 4 Points 8 to 15 – 6 Points More than 15 – 8 Points	8	0
ii.	Are branch level activities Centralised/ Decentralised in accounting, Invoicing, and Payroll processing	Centralised – 8 Points Decentralised – 4 Points	8	0
iii.	Physical & Logical Security of Information are extended and implemented across locations?	For Yes – 8 Points For No – 0 Point	8	0
iv.	Are there adequate DA tools and IT infrastructure available and are they being used for the relevant assignment?	For Yes – 12 Points For No – 0 Point	12	0
v.	Is the infrastructure adequate in terms of internet/intranet network bandwidth/ VPN/Wi-Fi etc. for remote working?	For Yes – 12 Points For No – 0 Point	12	0
	Total		48	0
3.3	Practice Credentials			
	What are the credentials of the firm that distinguish the firm or stands as testimony to the quality of the firm?			
i.	Is the firm ICAI Peer Review certified?	For Yes – 4 Points For No – 0	4	0

		Point		
ii.	Empanelment with RBI / C&AG	For Yes – 8 Points For No – 0 Point	8	0
iii.	Is there an advisory as well as a decision, to not allot work due to unsatisfactory performance by the CAG office?	For Yes – (-5) Points For No – 0 Point	0	0
iv.	Have any Government Bodies/ Authorities evaluated the performance of the firm to the extent of debarment/ blacklisting?	For Yes – (-10) Points For No – 0 Point	0	0
v.	Any negative assessment in the report of the Quality Review Board?	For Yes – (-5) Points For No – 0 Point	0	0
vi.	Has there been a case of professional misconduct on the part of a member of the firm where he has been proved guilty?	For Yes – (-5) Points For No – 0 Point	0	0
	Total		12	0
Total of Section 3			80	0
Grand Total			600	0