

# **Subject-Review Procedures and Reporting by Peer Reviewer and importance of AQMM in Peer Review**

One day training programme organized by  
PEER REVIEW BOARD and hosted by  
**NAGPUR BRANCH** of WIRC of ICAI-  
20/05/2025,TUESDAY

Speaker-CA.Ramlaxman Nolakha 93221 40998

Disclaimer note- PPT for reference of speaker only please refer-  
presentation by CA RAMLAXMAN NOLAKHA  
9322140998

ICAI PRB website publications for all purposes

“Invest in books, seminar,  
good clothing and other  
things that will increase  
your confidence and  
sense of worth..”

Thanks..

CA Ramlaxman Nolakha, B.Com., F.C.A. 9322140998

# PEER REVIEW GUIDELINES 2022

- Clause 2- definitions
- clause 3-objective,
- Clause 4-coverage,
- clause 5- criteria,
- clause 6-procedure for initiating PR,
- clause 7 PR procedures to be followed by PR,
- clause 8- new unit review,
- clause 9 reporting by PR,
- clause 10- communication , clause 11- Joint intimation for extension, clause 12- fee

# PEER REVIEW PROCEDURES chapter 4-

## PR MANUAL VOL.1 –Points for attention-

- PEER REVIEW GUIDELINE 2022, PR MANUAL VOL. I, II, HANDBOOK, IG., AQMM v1.0, v2.0, IG, ICAI WEBSITE-CAQ Directorate, PRB , ESB, AASB, SQC1, ALL STANDARDS , CODE OF ETHICS ,other GNs, notifications, FAQ,s, announcements, Training guides, other publications etc.
- Note and remember review areas to be covered-clause4 chapter II, of guidelines, also services excluded for review clause 2 as per guidelines,
- Know the final output- reporting requirements- Model report, annexure I,II, and AQMM in annexure II,
- Study the form 1 and other annexures received from Practice Unit, specially validate if PU,s manual of the firm is in line with IG of SQC1,

# Continued---

- Go line by line instructions by board as sent in email, better take prints,
- Understand clearly duties and obligations, PU as well as RE, and disqualifications as referred in guidelines 2022, chapter V, VI clause 25 to 30,
- PU to correctly fill the form 1 and annexures and send to PRB and reviewer on filing form 2,
- Prepare detailed review program and document all, CC email to PRB time to time for notice,

# Continued....

- Your best friend is your library of books from PRB, CAQ, Audit and assurance standard board, publications at ICAI website-, other relevant video/audio/print/PPT /DLH supports,
- Read peer review board advisories as per manual vol. 1- page 282-287 appendix XVIII (35 Points)

Abbreviations: PRB - Peer Review Board, PU -Practice Unit, RE - Reviewer, HB - Hand book

Subject Heading	Peer Review procedures
Form 1 Contents: Application cum Questionnaire to be submitted by PU	1.Application - (page 3 to 6 of HB) 2.Questionnaire -(page 7 to 50 of HB) PART A - Profile of PU - (with Annexure A for assurance details ) PART B - General controls based on SQC1 (not applicable for new units) Part B(I) - Leadership responsibilities for quality control , B(II) - Ethical requirements, B(III) - Acceptance and continuation of client relationship, B(IV) - Human resources , B(V) - Engagement performance B(VI)- Monitoring PART C - AQMM(Scores obtained )v1.0 Section 1-Practice management operations( maximum score - 280), Section 2-Human resources management ( maximum score -240), Section 3-Practice management strategic/functional ( maximum score- 80) Total maximum score 600

## Important clause – Peer Review Guidelines 2022

### Chapter II : Clause 4 - Coverage of Peer Review

- (1) The Peer Review process shall apply to ***all the assurance engagements signed*** by a Practice Unit during the period under review.
- (2) Once a Practice Unit is subjected to Peer Review, its assurance engagement records pertaining to the Peer Review Period shall be subject to examination and review by the Peer Reviewer.
- (3) A Practice Unit having one or more branches at various locations in India may opt to get the Peer Review of any branch or branches conducted by a Branch Peer Reviewer. The Reviewer conducting the Peer Review of the Head Office shall consider the report of the Branch Peer Reviewer and shall issue a consolidated report for the Practice Unit.
- (4) **The Peer Review shall cover:**
  - (i) Compliance with Technical, Professional and Ethical Standards.
  - (ii) Quality of reporting.
  - (iii) Systems and procedures for carrying out assurance services.
  - (iv) Self evaluation under Audit Quality Maturity Model or any other guideline issued by the Centre for Audit Quality.
  - (v) Training programmes for staff (including article and audit assistants) concerned with assurance functions, including availability of appropriate infrastructure.
  - (vi) Compliance with directions and / or guidelines issued by the Council to its Members, including fees to be charged, number of audits undertaken, register for Assurance Engagements conducted during the year and such other related records.
  - (vii) Compliance with directions and / or guidelines issued by the Council in relation to article assistants and / or audit assistants, including attendance register, work diaries, stipend payments, and such other related records

# Steps for review procedures

## 1- OFF SITE PROCEDURE-steps

1-RE declares confidentiality and acceptance in form 2 to PU-

2-PU sends form 1 and all annexures to RE-

3-RE evaluates the responses to the questionnaire in form 1-

4-RE further writes for additional information if required-form 6-

5-RE selects samples from list of assurances , informs PU in form 5.plan of visit

# Methodology of arriving at fair population

1

- Study PU,s response in questionnaire,( form 1 and annexures ) understand quality controls put into assurance services,-SQC1-6 elements, profile, assurances list, AQMM ,

2

- Determine list of services provided by PU in form 1 is exhaustive one and no service is omitted,

3

- List to mapped with list of UDINs and register of assurances of PU , apply Sample selection criteria,

## 2-Onsite procedures- steps

1-RE to plan on site review in consultation with PU- Form 5 /or personal meet ➡

2-At least 2 working days to give to PU to keep ready ➡

3-RE may revise samples-form 5 ➡

4-Visit at HO/BO or any other location ➡

5-On site review not to exceed 6 working days, (1 for NU) ➡

6-RE to adopt compliance/substantive approach ↓

# On site continued-

7-If extension required  
use form 7

- To be signed by PU and RE with reasons, and expected date of completion to board by email,

8-If no extension  
required- report to  
Board in form 9

- Send preliminary report to PU if required,
- RE to prepare satisfaction report,
- RE to draft/finalize all reports,
- then send to board form 9 with all reporting details through email only,
- Copy of report to PU too with fee bill.
- Assemble all working papers,

# Methods to obtain sufficient appropriate audit evidence on site- page 77 of PRM vol. 1

## INSPECTION

Examination of documents, other records, maintained by PU

## ENQUIRY

Seeking information from partner, prop, or other knowledgeable person with in PU

## OBSERVATION

Witnessing a procedure or process being performed,

# Comparison of audit program with work flow of SAMPLE selected-page 76 PRM vol-1

1-PLANNING-  
reviewer to  
collect audit  
program as  
devised and  
compare  
with actual  
flow,

2-EXECUTION  
reviewer to  
check if the  
work of the  
executive and  
audit in charge  
are logged and  
time involved in  
line with audit  
program as  
devised,

3-CONCLUSION  
RE to check if  
the final  
discussion are  
made by the  
partner of the  
PU with those  
charged with  
governance and  
such discussions  
are logged for  
documentation,

# COMPLIANCE VS SUBSTANTIVE PROCEDURES-HOW

## Compliance procedure

- Test design, implementation of control
- Check effectiveness of controls and form opinion

## Substantive procedure

- Compliance with Technical, Professional and ethical standards- as defined

# COMPLIANCE REVIEW-FURTHER-5 POINTS

INDEPENDENCE

OFFICE  
ADMINISTRATION

STAFF  
SUPERVISION AND  
DEVELOPMENT

PROFESSIONAL  
SKILLS AND  
STANDARDS

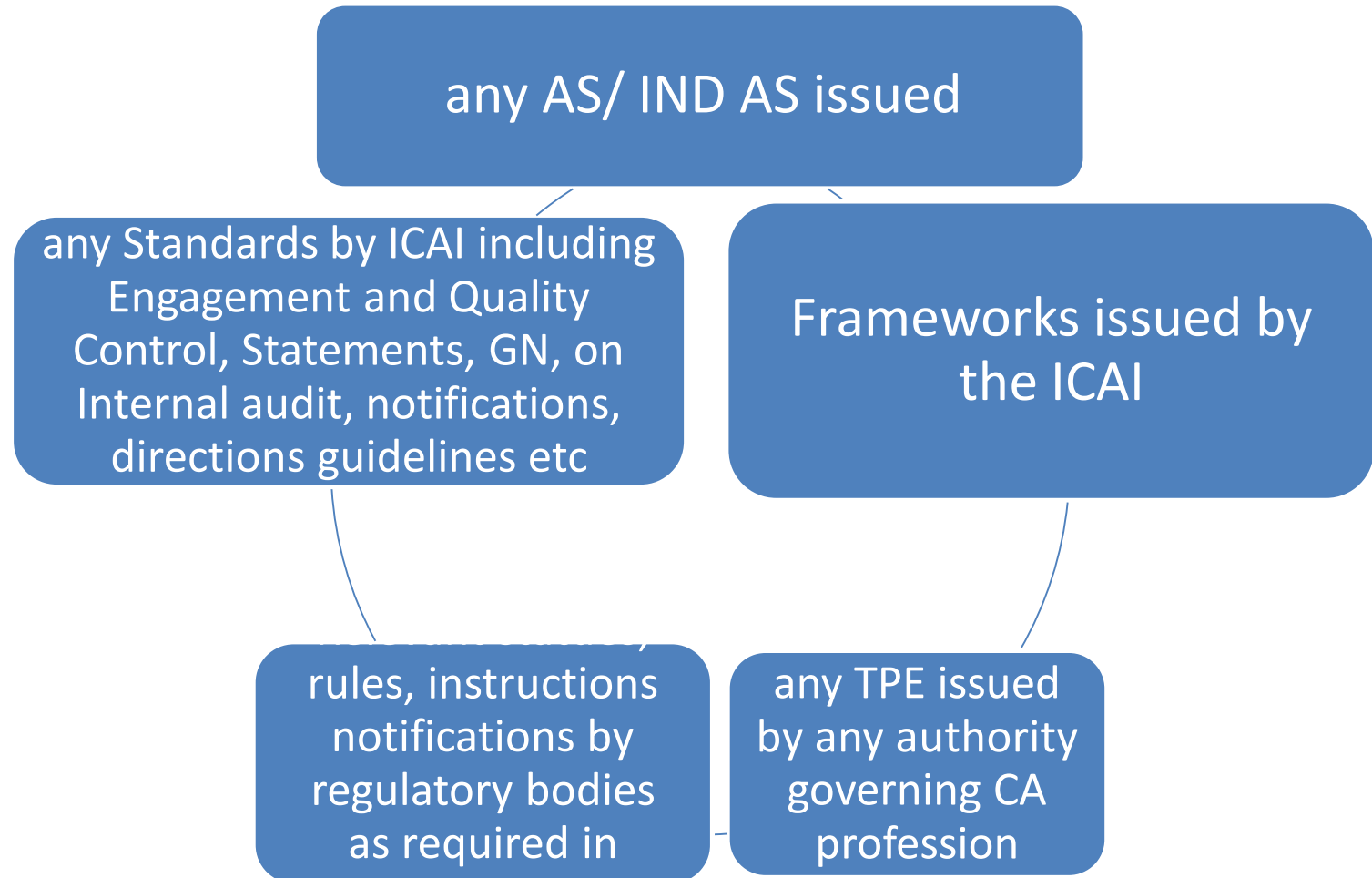
OUTSIDE  
CONSULTATION

## Sample selection Criteria

The Board has laid down the following criterion for selecting the samples for reckoning the minimum number of samples for review:

1. Sample selected should be representative of total population of assurance services
2. Sample chosen must include assurance engagement assignment which has the highest turnover among the statutory audit population.
3. At least 5 samples in total (in case less than 5 then 100% population) must be selected from the category 'Statutory Audit' of Listed entities, central/ State Public Sector Undertakings and Central Cooperative Societies
4. At least 1 sample each from CSA audit of banks and Insurance Company, (if any). CSA will be substituted by SBAs in case PU does not undertake CSA.
5. Sample must include each 'type of assurance engagement' (viz. Statutory/Internal/concurrent/Tax/GST etc.) including services provided on tender.
6. Sample must be picked from the assurance clients which contribute 15% or more to the total revenue of the firm (as mentioned under the concentration Clause 17 of Part A of the Questionnaire)
7. Sample must be selected from each of the locations where the PU is rendering Assurance services. However, in case branch has a listed client, then that is mandatorily required to be included in the sample.
8. There must be at least one sample from assurance service rendered by each partner of the PU.
9. Sample must be picked from each year under review.
10. Sample must necessarily include those clients in respect of whom advisory has been issued by FRRB or any regulator. (as mentioned under Clause 14(ii) &14(iii) of Part B

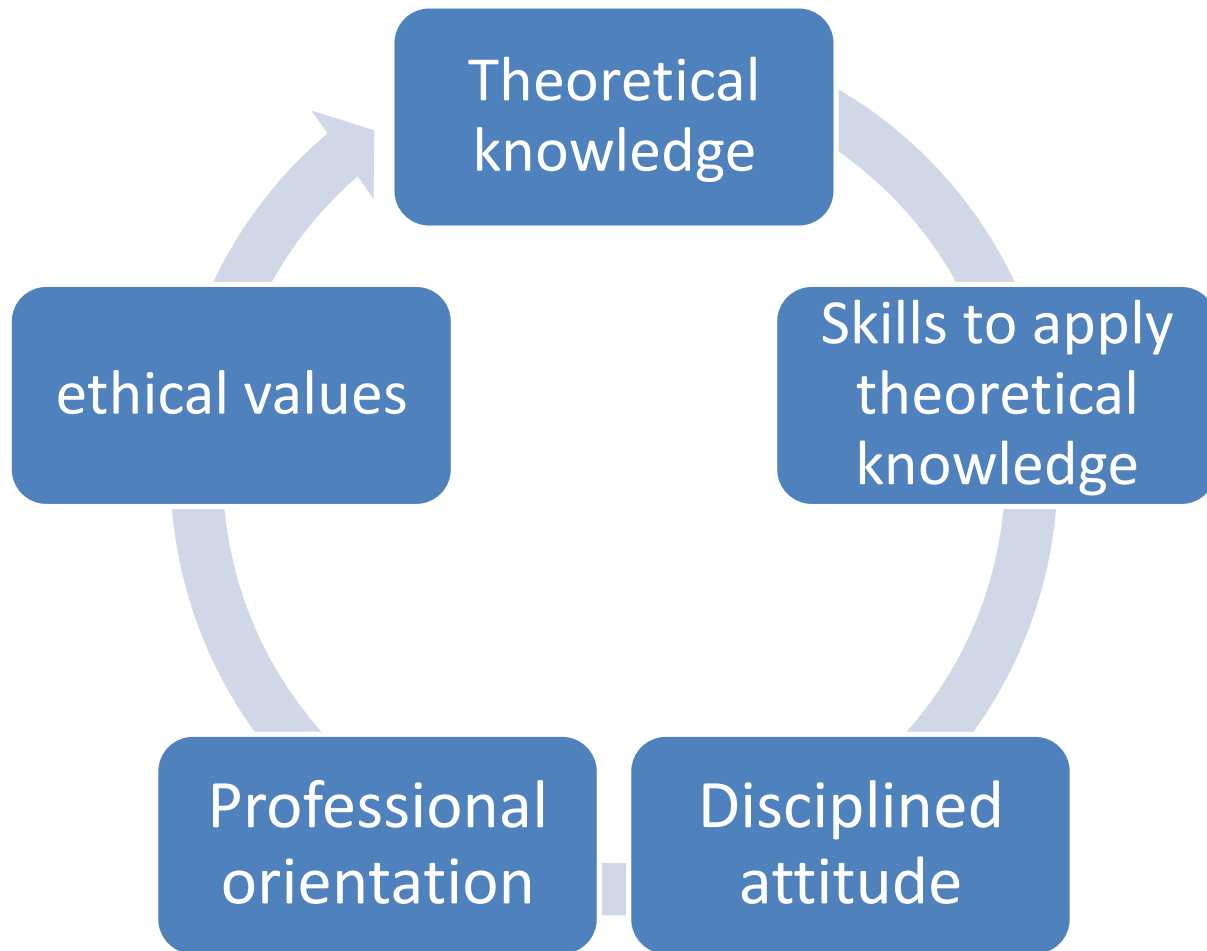
# Compliance with TECHNICAL PROFESIONAL AND ETHICAL STANDARDS- defined in clause 2(23) of PR guidelines -



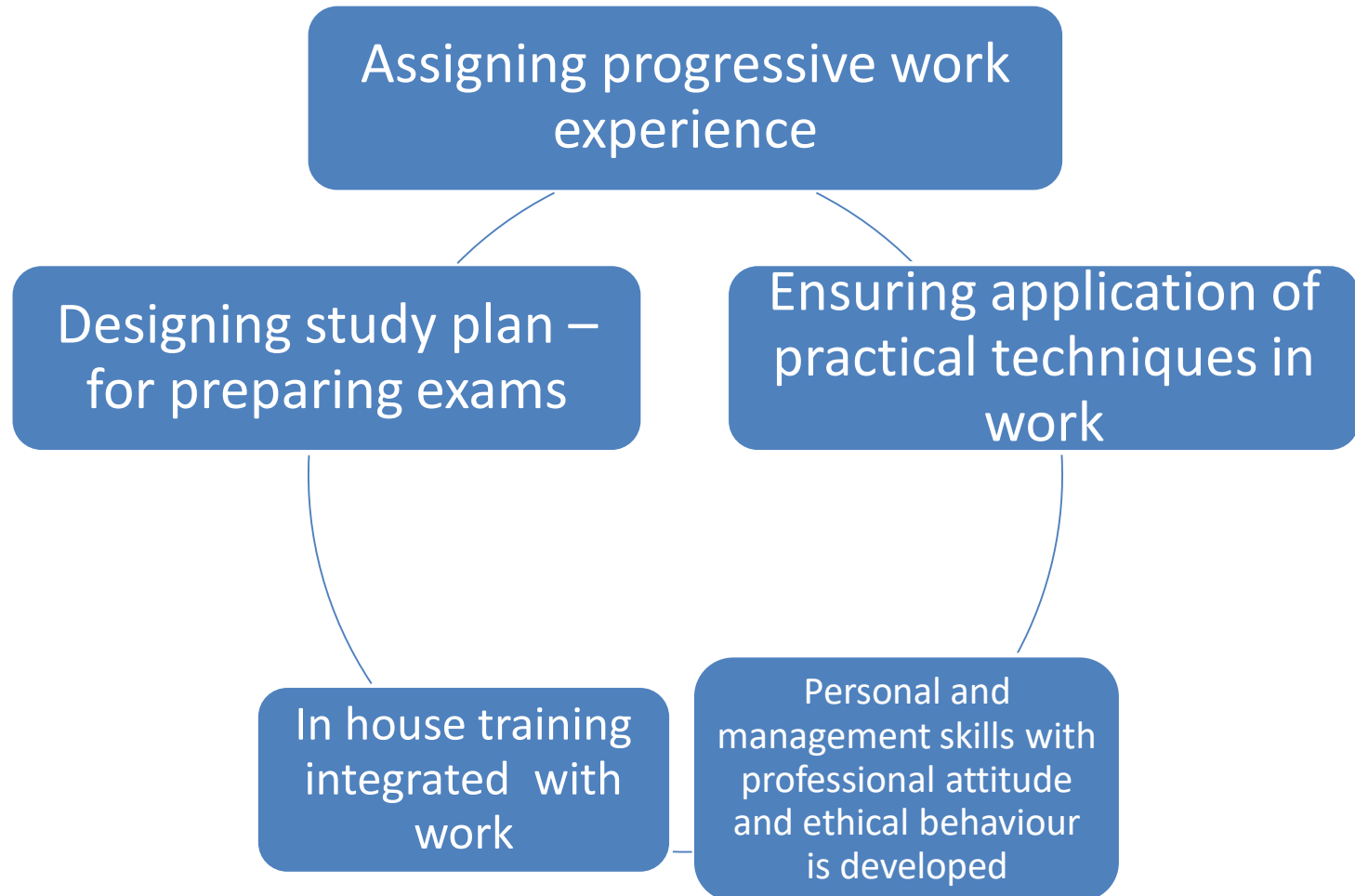
# Subjects further reviews

- Quality of reporting supervision in engagement,
- Working papers,(LOR, AUDIT PROGRAM,TEST CARRIED)
- Key audit matters,( KAM, EOM, GC, Limitations)
- Time budget,(Actual vs Budgeted time)
- Office procedures, (see flow)
- Staffing,(appraisal, orientation, appointments)
- Training and office administration, (see flow)

# Training and office administration- acquire, achieve



# Designing training program-review



# Office procedures-review steps



Sr. no.	Illustrative time schedule of peer Review process as per PRB manual vol1-page 18 to 21	Time schedule	Cumulative Days
1.	<p>Practice Unit (<i>falling under clause 2(17) of Peer Review Guidelines 2022</i>) shall make an <u>Application cum Questionnaire</u> to the Board in <u>Form 1</u>.</p> <p>OR</p> <p>Peer Review Board notifies the selection of Practice Unit (PU) (<i>falling under clause 6(2) of the Peer Review Guidelines 2022</i>) for Peer Review. The PU is requested to submit the duly filled <i>Application cum Questionnaire</i> to the Board in Form 1</p>	Counting starts after receipt of this document	Counting starts after receipt of this document  Day 1
2.	Panel of <u>three Reviewers</u> is sent to PU, along with Notification of Peer Review fees ( <i>refer to clause 6(4) of the Peer Review Guidelines 2022</i> ).	Within 3 working days	Day 4
3.	PU to give the <u>choice of the Reviewer</u> . ( <i>refer to clause 6(5) of the Peer Review Guidelines 2022</i> ).	Within 1 working Day	Day 5
4.	<p>As per the choice given by PU, the Board to notify the Reviewer to submit his <i>Acceptance cum Declaration of Confidentiality</i> in Form 2 to the PU. The Board would also mark a copy of the E-mail/ letter to Practice Unit confirming the appointment of reviewer.</p> <p>PU is also informed to send the <i>Application cum Questionnaire</i> (in Form 1) submitted by it to the Board to the Reviewer on receipt of Declaration of confidentiality in Form 2 from the Reviewer</p>	Within 2 working days	Day 7

Sr. no.	Review process	Time schedule	Cumulative Days
5.	Reviewer on receiving the Application cum Questionnaire in Form 1 from PU, shall intimate the PU and the Board, for proposed visit and proposed sample assurance services selected by him in Form 5. And accordingly, the Practice Unit to keep ready the necessary records of the selected assurance services for the purpose of review.	Within 2 days	Day 9
6.	Reviewer to seek further/ additional clarification in Form 6 from the Practice Unit on the information furnished/ not furnished by the PU in the Questionnaire. And PU to provide the additional information asked by the Reviewer. [Form 6]	Within 1 day	Day 10
7.	Reviewer to carry out the review by visiting the office of PU after fixing the date as per the mutual consent.	Within 6 Days After visiting PU's Office	Day 16
8.	Reviewer to send the Preliminary report, if any, to the PU for comments	Within 1 day after completion of Review.	Day 17
9.	Practice Unit to submit representation on Preliminary report to the Reviewer. The Reviewer should be satisfied with PU	Within 2 days	Day- 19

Sr. no .	Review process	Time schedule	Cumulative Days
10 .	<p>On completion of the Review, the Reviewer has to submit the under mentioned documents duly signed in individual capacity along with Form 9 (to be signed by the PU and the Reviewer)</p> <p>a. along with Form 9 (to be signed by the PU and the Reviewer)</p> <p>b. Annexure I (<a href="https://resource.cdn.icai.org/66199prb5_3446-6.pdf">https://resource.cdn.icai.org/66199prb5_3446-6.pdf</a> ),</p> <p>c. Annexure II (Mandatory for all firms) (<a href="https://resource.cdn.icai.org/72012prb5_7960-annex2.pdf">https://resource.cdn.icai.org/72012prb5_7960-annex2.pdf</a> )</p> <p>d. Annexure III (<a href="https://resource.cdn.icai.org/72013prb5_7960-annex3.pdf">https://resource.cdn.icai.org/72013prb5_7960-annex3.pdf</a>)- (Mandatory for firms carrying out audit of listed entity or Banks other than co-operative banks (except multi-state co-operative banks); or Insurance Companies. However firms doing only branch audit are not covered)</p> <p>e. List of sample selected and basis of sample selection and sample selection criteria as laid down by the Board.*( <a href="https://resource.cdn.icai.org/72066prb57_994.pdf">https://resource.cdn.icai.org/72066prb57_994.pdf</a> )</p> <p>f. Preliminary Report, if issued, PU's submissions and Reviewers verification thereon</p> <p>g. Completed copy of PU Questionnaire received from Practice Unit.</p> <p><b><i>“Peer Review Board Reserves the right to ask for working papers as specified in the Peer Review Guidelines.”</i></b></p>	Within 1 day	Day- 20

Sr. no .	Review process	Time schedule	Cumulative Days
11 .	<p>Board to consider issuance of Peer Review Certificate in case of clear Report.</p> <p>In case of Qualified Report submitted by reviewer, the report to be considered by the Board. Board to give the recommendation to PU for rectifying the deficiencies observed by Reviewer.</p> <p><b>Reviewer to submit proof of receipt of Peer Review Fees in individual capacity.</b></p>	In the next Meeting of the Board.	

1. The time period mentioned includes the transit time for mailing/ sending the reports/ communication etc
2. The Time schedule is illustrative as per the Guidelines and accordingly the Reviewer and Practice Unit shall mutually co-operate and ensure that the entire review process is completed within twenty working days from the date of receipt of application in Form 1 from the Practice Unit
3. In case of delay in the Peer Review process beyond the timeframe prescribed under the Peer Review Guidelines, the Practice Unit and the Reviewer, shall make an intimation to the Board in Form 7 seeking extension of time giving reasons for the delay in the process and submission of report to the Secretariat

# Drafting PR reports-preparations

- -fill up reporting annexure I, II,III(APPENDIX XV,XVI, XVII) to the extent information obtained,
- Conclude deficiencies/from preliminary report and answers by PU,(conclude heading wise deficiencies of chronic/pervasive nature,)
- See if REASONABLE assurance by PU is affected with deficiencies determined,
- Overall as REVIEWER are you SATISFIED before determining type of report to draft, refer satisfaction report on preliminary findings,

# continued

- If clean report to issue, check that none of answer in annexures of reports have negative answers,
- If modified, qualified report-please evaluate on points as under,

# Peer review report –para headings -to be on individual LH—refer model report- chapter 6

- Scope of work,
- Limitation of work,
- Procedure for quality control,
- Responsibility of PU,
- Previous report findings and its implications,
- Compliances,
- Opinion,
- Best practices/suggestions,
- Reference to preliminary report,

RE to qualify report due to one or more  
(illustrative qualifications refer appendix-XIX)  
...chapter 6

- Non compliance with technical standards,
- Non compliance with professional standards,
- Non compliance with ethical standards,
- Deficiency in quality control,
- Non compliances with quality control policies and procedures,
- Non existence of adequate training programs for staff,

# Modifications in PR report –chapter 6

- In deciding on the type of report to be issued a reviewer should consider the evidences obtained and should document the overall conclusions with respect to the year being reviewed in respect of matters-
- Refer page 175,176 on PR manual vol 1,

## Extract from page 175, 176 of PR manual vol. 1 criteria-summary for type of report

- If system of quality control designed to provide REASONABLE ASSURANCES with complying TPE,s,
- If personnel of firm complied TPE and policies and procedures,
- If instituted adequate mechanism for training of staff,
- If availability of expertise, consultation with firm,
- If skills and competence of assistants are considered before assignment of AE,
- If progress of assurance is monitored, work of assistant reviewed, guidance given,

# Continued..

- If PU established procedure to record audit plan, NTE audit procedures performed, conclusions drawn,
- If PU maintains audit files as per ICAI standards
- PU verifies compliance with laws and regulations to the extent material effect on FS.
- PU internal control contribute for quality of reporting,
- Finding of last PRR implemented by PU,



# Model Final Report

To,

The Peer Review Board

As per your letter no. \_\_\_\_\_ dated \_\_\_\_\_, I have carried out the peer review of \_\_\_\_\_  
{name of the practice unit} \_\_\_\_\_ (FRN/MRN) having its registered Head Office/Branch Office at  
\_\_\_\_\_ {address of the practice unit HO/ Branch Office as the case may be} for the period(s)  
**{mention the periods reviewed}**. The review was conducted from ... to .... **(dates visited)** in  
accordance with the Peer Review Guidelines issued by the Institute of Chartered Accountants of India.

I have read and followed the guidance to review the information provided by the Practice Unit under various clauses of the Questionnaire. **My report is based on my verification of these facts as per the Board's guidelines. The Board may take such action in terms of power conferred to it under clause 21(6) of the Peer Review Guidelines 2022, in case if some discrepancies are noticed as per its records and the information furnished by the Practice Unit and verified by me.**

## Objective

The major focus of the review was on compliance with technical, professional and ethical Standards, Quality of Reporting, Office systems and procedures and the Training Programme for staff (including Articled and Audit Clerks) concerned with assurance function including appropriate infrastructure engaged in assurance services. I am expressing an opinion on the implementation of quality control policies and procedures designed to ensure the compliance of technical, professional & ethical Standards and maintenance of quality of assurance services and its implementation.

## Limitation

**This review was limited primarily to inquiries of the Practice Unit's personnel and an overall examination of the systems and procedures and a selection of engagement working papers and was therefore not intended to identify or discover all weaknesses. This review was also not intended to focus on isolated cases of control or engagement performance deficiencies but rather on weaknesses of a pervasive and chronic nature.** As there are inherent limitations in the

. 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.

### Opinion

In my opinion the system of quality control for the assurance services of \_\_\_\_\_  
**{name of practice unit}** for the period under review has been designed so as to carry out professional assurance services assignments in a manner that ensures compliance with technical, professional & ethical standards laid down by the Institute and Standards on Quality Controls mentioned by Practice Unit in Part B of the Questionnaire (SQC1) and maintenance of the quality of assurance service work they perform.

AQMM Level of Firm (As per Annexure III):

Name of the Reviewer:

Signature of the Reviewer:

Membership No.:

Place:

Date:

Encl. (1) Annexure – I

(2) Annexure - II

(3) Annexure – III – w.e.f. 01.04.2023 AQMM review is mandatory for the Practice Unit conducting statutory audits of Listed Entity or Banks other than co-operative banks (except multi-state co-operative banks); or Insurance Companies hence Practice Unit rendering assurance services to such clients should ensure to fill Part C of the Form-1.

**Annexure I to the Final Peer Review Report of M/s./CA. \_\_\_\_\_ for the peer review period \_\_\_\_\_** Tick 'Yes' / 'No', appropriate option.

Sr. No.	Particulars	Observations	
1. (a)	Date on which questionnaire received		
(b)	Total <u>number of assurance assignments handled</u> by the PU during the peer review period		
2. (a)	Number of initial samples selected for review		
(b)	Was the completeness of the PU clients list verified from assignment register maintained by PU?		
3.(a)	Was there any change made in initial sample selected by the Reviewer?	Yes	No
(b)	If 'Yes', please specify the number selected, after change		
4.	Name of the Qualified Assistant of the reviewer, who helped in the Peer Review. (Please also attach declaration of confidentiality duly signed by the qualified assistant.)		
5.	<u>Whether following general controls are in existence and operating effectively during the period under review?</u>		
	(i) Independence	Yes	No
	(ii) Professional Skills and Standards	Yes	No
	(iii) Outside Consultation	Yes	No
	(iv) Staff Supervision and Development	Yes	No
	(v) Office Administration	Yes	No
6.	Whether audit records/working papers administration is satisfactory?	Yes	No
7.	Whether the workings papers are maintained in soft copy or Hard copy?		
8.	Whether review of internal control systems was carried out properly in performing assurance engagement?	Yes	No

9.	Whether <u>proper systems and procedures exist within the PU to ensure compliance with technical, professional and ethical standards?</u>			
	(i) Accounting Standards including Interpretations thereof	Yes		No
	(ii) Standards on Auditing including General Clarifications thereof	Yes		No
	(iii) Statements	Yes		No
	(iv) Guidance Notes	Yes		No
	(v) Institute's Notifications/ Directions	Yes		No
	(vi) Self-Regulatory Measures	Yes		No
10.	Whether overall presentation of financial statements conforms to statutory requirements of presentation under various Statutes?	Yes		No
11.	Whether audit conclusions drawn are duly supported by audit queries/observations?	Yes		No
12.	Whether the quality of audit reports in respect of format and content found proper?	Yes		No
13.(a)	Whether the Reviewer has issued preliminary report?	Yes		No
	If 'Yes', please specify the areas of deficiencies			
(b)	.....			
14. (a)	Whether PU has responded to the preliminary report?	Yes	No	N.A.
(b)	Whether the Reviewer is satisfied with the response received from the PU?	Yes	No	N.A.
15.	If the Reviewer is not satisfied with the response of the PU, whether qualified report has been issued?	Yes	No	N.A.
16.	Is the Final Report qualified?	Yes	No	N.A.

18.	Is there any point which the Reviewer wants to bring to the notice of the Board?				
	If yes, please elaborate.				
	.....				
19 (a).	Whether the PU obtained/Procured any professional work including attest functions through process of tendering?		Yes	No	N.A.
19 (b)	If yes, the Reviewer to confirm whether PU has maintained cost sheet for procuring work through tender.		Yes	No	
20.(a)	Whether appointment letters are properly issued to staff recruited by the PU?		Yes	No	
(b)	If not , whether the fact, with response of PU has been incorporated in Preliminary Report (Point 13(a) mentioned above)?		Yes	No	N.A.
21.	Whether Reviewer has selected the samples as per the criteria as mentioned for Sample selection by the Board. ( <i>as per direction given in 'Reviewer selection letter'</i> ).		Yes		No
22.(a)	Whether PU has ever been reviewed by Quality Review Board?		Yes		No
(b)	If Yes, has the Reviewer verified for the necessary compliance as regards to the submission of Compliance Report to QRB by PU?				
23	Whether Reviewer has verified & satisfied himself with the quality of tax audit services rendered by partner/s, who have rendered in excess of limit prescribed by ICAI u/s 44AB of the Income-tax Act, 1961?		Yes	No	N.A.
24. (a)	Has the Practice Unit shared Quality Control Manual with Reviewer?		Yes		No
Date:	Signature		es		
M No.	Name		Y		No
(b)	Is the Quality Control Manual in compliance with the responses submitted by Practice Unit under Part B of the Questionnaire (SQC1)?		es		No
Email ID	Contact No				

# Reporting in annexure II-reviewers comments

- Refer PR manual vol 1 ...for full questionnaire and observations to provide by reviewer based on his views in compliance and substantive process of review carried,
- For clean reports non of question should be reported in negative,
- Better if in advance reply from PU is obtained and tallied with our observations,

# Continued-reviewer,s comments for subjects heading 6—(total 36 points)

- 1-Quality control, ethical requirements & independence
- 2-Engagement documentation
- 3-Audit planning and risk assessment
- 4-Audit sampling and other selective testing procedures, materiality,
- 5-Audit documentations
- 6-Audit evidence

# REPORTINGS FOR AQMM - ANNEXURE

## III –

- If PU,s application form 1 contain also self evaluation scores part C in v1.0 or v.2.0, its duty of reviewer to study publication IG. as applicable, available on PRB committee website, along scores awarded by PU and program.
- Along with peer review relevant 3 sections of AQMM report points to be noted during peer review itself for evaluation of scores awarded by PU,
- PU has to justify scores , and reviewer has to evaluate, if change, reviewer to put a note explanation for difference.
- Determine level of firm as suggested in IG. Maintain documentations.
- 6 head column reportings-1-competencies basis,2 scores basis, 3max score, 4scores by firm, 5 scores by PR, 6, explanation difference

# AUDIT QUALITY MATURITY MODEL (AQMM) IMPORTANCE in PEER REVIEW-

- Tool for self evaluation for increase operational efficiency,
- Amalgamation of well researched set of AQI,s
- Model encourages proactive approach,
- Leveraging technology and investing in the development of audit professionals,
- Mitigate risk,
- Cross functional evaluation model covering key areas of not only audit engagement but also audit practice at firm level,
- Ultimately PR and AQMM have close connections,

# SCHEME OF PEER REVIEW-OPTIONAL

- ADDRESSED TO PRB ONLY-OVER ALL SCHEME OF PEER REVIEW PERFORMED FROM BEGINNING TO END, SO THAT READER,S( PEER REVIEW BOARD TEAM) AT GLANCE UNDERSTAND HOW THE PROCEDURE FOLLOWED AND ALL OTHER EXECUTION FACTORS CONTRIBUTING THE FULL PERFORMANCE,
- Final checklist-A, B, C, as sent at time of intimation by PRB,

# CHALLENGES HANDLING-



# Continued...

- Time constraints,
- Judgmental issues,
- Huge Reporting responsibility on reviewer,
- Co- operation of PU team must and timely with proper record,
- Emotional and friendly courtesy,
- Influence by professionals and friends on positions,
- Maximum trust on personal enquiries,
- Clean report or higher AQMM level do not mean all is well as there is limitations, No immunity to firm-PU.

# Revision-fast-quiz

FUNDOO  
FRIDAY



# Revision- quiz---JUST AWAKENING

Sr.no.	Quiz particulars	Option-answers	remarks
1	Even two partner,s firm mandatorily required peer reviewed	A- yes wef. .01/01/2026 B- no such rule- C- yes if opting PSB audits wef. 01/01/2026	
2	SQC 1 is mandatory for all firms irrespective of size	A- true B- false C- big four only required	
3	Obtaining annual independence declaration FY wise is enough compliance	A- false B- true C- till date of report it should validate	
4	For enrolment as reviewer 3 years experience of practice is enough	A- false-B-true C- to check	
presentation by CA RAMLAXMAN NOLAKHA 9322140998			47

# Continued---

SR NO.	Quiz-	Option answers	
5	Assessment of going concern SA570 relevant	A- true, B- false C- SA 540	
6	Form no. 1 is sent by practice unit to reviewer once form 2 is furnished by RE,	A- trues B- false C- its sent by PRB to reviewer	
7	Peer review process days to complete prescribed are	A- 20 working days B- 30 working days	
8	Spouse of CA can assist in review process even not declared as CA to PRB	A- true B- false C- cannot say	
9	Using catch words eg. eminent, leading, highly etc. are allowed in website	A- members are free B- true C- Promotion not allowed,	

“You have to perform at a  
consistently higher level than  
others.

That’s the mark of a true  
professional.”

“Do your best and leave the  
rest to God.”

Thanks..

CA. Ramlaxman Nolakha-93221 40998, rlnolakha22@yahoo.com

presentation by CA RAMLAXMAN NOLAKHA  
9322140998

Thanks NAGPUR BRANCH OF WIRC-PEER REVIEW BAORD ICAI for  
opportunity

welcome- CA. R. L.Nolakha -9322140998

[www.nolakhaassociates.com](http://www.nolakhaassociates.com)

