



ICSI Guideline No. 1 of 2011 - Guidelines for Peer Review of Attestation Services by Practicing Company Secretaries

FAQs on Peer Review

1. What is Peer Review?

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

2. When will Peer Review start ?

Ans. The Peer Review Board proposes to start the process of Peer Review from December 2011.

3. To whom all would Peer Review be applicable?

Ans. Peer Review is applicable to all Practicing Company Secretaries.

4. What is the meaning of Practice Unit?

Ans. Practice Unit means members in practice, whether practicing individually or a firm of Company Secretaries.

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

Ans. To begin with, the Review would only be in respect of the following services::

- a. Signing of Annual Return pursuant to Section 161(1) of the Companies Act, 1956
- b. Issue of Compliance Certificate pursuant to Section 383A(1) of the Companies Act, 1956
- c. Issue of certificate of Securities Transfers in compliance with the Listing Agreement with Stock Exchanges
- d. Certificate of reconciliation of Capital as per SEBI Circular dated Dec. 31, 2002
- e. Conduct of Internal Audit of Operations of Depository Participants
- f. Certification under Clause 49 of Listing Agreement

6. Whether the concept of Peer Review exists for CWA's and CA's?

Ans. The Institute of Chartered Accountants of India has a mechanism of Peer Review of their Members in Practice.

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

Ans. It is expected to

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

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

Ans. You shall pay to the Peer Reviewer the fee of Rs. 10,000/- to the Peer Reviewer (inclusive of TA/DA and any out of pocket expenses) as may be prescribed by the Peer Review Board from time to time.

9. What is the frequency of Peer Review?

Ans. Initially, each Practice Unit would be required to be peer reviewed at least once in every five years.

10. How will I be selected for Peer Review?

Ans. You may apply to be peer reviewed or it may be done through random selection by the Peer Review Board.

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

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

12. Can I become a Peer Reviewer?

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

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

13. Will the information disclosed by me be kept confidential by the reviewer?

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

14. If I am Peer Reviewed and it is found that I have not maintained adequate records will I be liable for any disciplinary action?

Ans. No.

15. Is the Peer Reviewer exposed to any liability?

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

16. After the Peer review of my records do I get any protection from disciplinary proceedings under the Code of Conduct?

Ans. No. Peer Review is only a broad examination of the systems and procedures followed by the Practice Unit. The fact that you have been Peer Reviewed does not provide immunity from Disciplinary Action. However, neither Institute nor the Reviewer can file any complaint in respect of deficiencies observed during the course of Peer Review. (Refer Cl. 18 of the Guidelines for details)

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

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

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

Ans. Yes

19. Do I need to disclose the records of my clients to the reviewers?

Ans. No

20. A) Can any of my clients ask the Institute to get me peer reviewed?

Ans. Yes

B) Who will pay the cost of such Peer Review?

Ans. The client shall pay the cost of such Peer Review.

21. Will ICSI be issuing any Certificate after Peer review?

Ans. Yes.

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

Ans. Yes

23. What are my obligations as a Practice Unit?

Ans. Refer Cl. 12 of the Guidelines

24. Can I volunteer to get Peer Reviewed?

Ans. Yes

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

Ans. Yes, if the Peer Review Board so decides.

26. Can I choose my Peer Reviewer?

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

27. Can I reject all the reviewers mentioned in the panel and ask for another reviewer from the same State or region?

Ans. No.

28. If I want a Peer Reviewer from out side my State or region what should I do?

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

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

Ans. Yes. You may appeal against the Order of the Peer Review Board to the Central Council of the Institute. (Refer cl. 17.3 of the Guidelines)

30. Can I refuse to get myself Peer Reviewed?

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