



Presentation
on
Module 2: All about the Peer Reviewers
Reviewers' Training Manual
Issued by the Peer Review Board of ICMAI

MODULES COVERED SO FAR

Module 1: Overview of the Peer Review Process: Covered the term Peer Review, all definitions, Scope of Peer Review, Peer Review Process, Time Schedule and Steps in the Peer Review.

EMPANELMENT OF REVIEWERS

Reviewer - means any individual from a panel of Reviewers engaged to carry out peer review of a Firm under review.

- The Board shall maintain a region wise panel of Reviewers. Each year, applications will be invited from the members to register themselves to empanel as Reviewers. The Board prescribes a pre-determined form in which the potential Reviewers can apply.
- The Board while selecting the panel of Reviewers for the PUs will ensure that the Reviewer profile in terms of qualifications and experience is commensurate to the requirements and scope of the review for the corresponding PU.
- In case the PU desires to have Reviewers from another State/ Region (and agrees to bear the additional TA/DA costs), the same should be intimated to the Board within a period of 15 days. The Board, accordingly, shall consider the request, and if agreed, shall suggest a fresh panel of Reviewers to the PU.

QUALIFICATION OF REVIEWERS

The Peer Review Board maintains a panel of Reviewers having the **following qualifications:**

- a. Be a member of the Institute; and
- b. Be currently in the practice and possess at least ten years' experience in practice; and
- c. Furnish a declaration as may be prescribed by the Board, at the time of acceptance of Peer Review appointment; and
- d. Sign the declaration of confidentiality as prescribed by Board.

DISQUALIFICATION

Reviewer should not have been suffering from any of the **following disqualifications:**

- a) Been found guilty by the Council or the Disciplinary Board or Committee in the matter of professional misconduct at any time;
- b) Been convicted by a Court;
- c) Any conflict of interest with the Firm or its Partners/ Personnel.

A “Conflict of Interest” occurs when a reviewer’s private interest or consideration interferes, or appears to interfere or has a likelihood of interference, with the interest of the PU. Conflicts of interest are manifest in those instances where the actions or activities of a reviewer also involve the reviewer’s obtaining of an improper personal gain or advantage or an adverse effect upon the interest of the PU; or the obtaining by a third party of an improper or illegal gain or advantage to the detriment of the PU or a competitor of such third party.

DECLARATION OF NO CONFLICT OF INTERESTS

(By Reviewer)

To
The Chairman, Peer Review Board,
The Institute of Cost Accountants of India
4th Floor, "CMA Bhawan", 3 Institutional Area
Lodhi Road, New Delhi- 110003

Dear Sir,

I, _____ hereby declare that I have no pecuniary or other personal interest, in any form or in any capacity, directly or indirectly, in any matter related with M/s _____ (PU) that raises or may raise a conflict with my nomination as a Reviewer to carry out the Peer Review of the PU in terms of the definition of the Conflict of Interest as prescribed in the Peer Review System of the Institute of Cost Accountants of India.

I also acknowledge that I shall duly inform about the change in any matter contained in this declaration till the close of the above mentioned Peer Review and shall provide further information on the particulars contained in this declaration if so required by the Peer Review Board of the Institute of Cost Accountants of India.

(Signature)

Reviewer Name: Reviewer No.: Date: Place: Contact No: Email ID:

RESTRICTIONS ON PEER REVIEWERS

- Reviewer shall not be eligible for taking up peer review of any firm if he had **taken up any assignment** in any form or in any capacity, **directly or indirectly**, from the PU for a **period of three years** prior to the date of appointment as a Reviewer.
- Reviewer **not to take up any assignment or employment from a PU for the next one year** from the date of Peer Review of that PU.
- **Existing members on the Council, Regional Council and Managing Committee of the Chapter(s)** of the Institute shall not act as Reviewers.
- Reviewer **should not be having more than 2** peer review assignments at any point of time and not more than **20** assignments in a FY.

DECLARATION FOR NOT BEING AN ELECTED MEMBER

Existing members on the Council, Regional Council and Managing Committee of the Chapter(s) of the Institute shall not act as Reviewers. Following declaration is to be given by the reviewers at the time of empanelment.

To,
The Secretary, Peer Review Board,
The Institute of Cost Accountants of India
4th Floor, CMA Bhawan, 3, Institutional Area,
Lodhi Road, New Delhi- 110003

Dear Sir,

I hereby declare that I am not an existing member on the Council, Regional Council and Managing Committee of any Chapter of the Institute of Cost Accountants of India.

I hereby acknowledge that I shall duly inform the Board in case my status in terms of this declaration undergoes any change during my empanelment as a Reviewer with the Peer Review Board of the Institute.

I understand that any breach of this declaration shall immediately revoke my empanelment as a Reviewer with the Peer Review Board of the Institute.

(Signature of Reviewer)

Reviewer Name: Membership No.: Date: Place: Contact No: Email ID:

DECLARATION OF CONFIDENTIALITY

Reviewer shall furnish a declaration of confidentiality as prescribed hereunder at the time of acceptance of Peer Review assignment. Copy of the declaration shall also be shared with the PU.

To,
The Secretary, Peer Review Board,
The Institute of Cost Accountants of India
4th Floor, CMA Bhawan, 3, Institutional Area, Lodhi Road, New Delhi- 110003

Dear Sir,

I hereby declare that I shall at all times abide by the confidentiality policy during the conduct of peer review. Under the confidentiality policy, I further declare that, I:

- Shall at all times preserve and aid in preserving secrecy with regards to any matter arising in the process followed for Review or performance or in assisting in the performance of any function, directly or indirectly related to the process, conduct, report and point of dispute (if any) of peer reviews;
- Shall not make use of or disclose the contents of Review working papers, report or any confidential information about the process of peer review unless as required by the Board, Disciplinary Committee of the Institute or the Council;
- Shall by all means ensure that the privacy of the functionality or/ and transactions or/and clients of the Practicing Unit remain intact;
- Shall by all means restrict any kind of unauthorized access to any record(s) and/or document(s) that I am a custodian of, by virtue of being the Reviewer of a Practicing Unit.

I understand that any breach or non-compliance with the confidentiality policy of the Peer Review Board of the Institute shall amount to professional misconduct as defined under the Cost Accountants Act, 1959 and shall make me liable for appropriate disciplinary action.

(Signature of Reviewer)

Reviewer Name: Membership No.: Date: Place: Contact No: Email ID:

ENGAGEMENT OF ASSISTANT

In case a Reviewer wants to engage an assistant to help him carrying out the review assignment, such an assistant must be a partner or employed as a paid assistant in the reviewer's firm who shall have undergone practical training as prescribed by the ICAI. He shall also be signing the declaration of confidentiality as prescribed by the Board. The Reviewer should inform the Board about such an engagement.

DECLINING THE ASSIGNMENT

In case the Reviewer is not able to take up or carry on with an assignment due to some unavoidable circumstances or professional compulsions like conflict of interest etc., he may decline the assignment by responding to the communication of the Board seeking his consent.

FORMAT OF SEEKING CONSENT FROM REVIEWER

Letter No.:

Date:

Name and address of the Reviewer Selected to conduct the peer review

Dear Sir,

On behalf of the Peer Review Board (PRB) of the Institute we are pleased to inform you that with reference to the written consent received from M/s **(Name of PU)** for conducting its Peer Review in terms of the provisions of the Peer Review System of the Institute of Cost Accountants of India, the PRB of the Institute seeks your consent to be the Reviewer to carry out Peer Review of the M/s **(Name of PU)** for the period **(Years)**.

We also wish to inform you that you are eligible to receive remuneration of INR _____ for carrying out this review as per the prescribed norms of the PRB of the Institute.

If you are willing to accept this offer, please send your consent in this regard to the PRB of the Institute within 5 days of this communication. In case you are unable to accept this offer, please so inform us about the same immediately.

Thanking you,

Yours faithfully,

Chairman, Peer Review Board

The Institute of Cost Accountants of India

REQUIRED SKILLS

- (i) In order to carry out the Peer Review, the reviewer should have good understanding of the Technical & Professional Standards and Code of Ethics of the Institute which include Standards on Cost Auditing, Cost Accounting Standards & GACAP issued by the Institute, wherever mandatory; Cost Reporting Framework for the Preparation and presentation of cost statements, and notifications/Directions issued by the Council of Institute.
- (ii) The Reviewer should have an attitude of professional diligence wherein he makes a practical assessment of the evidence with an inquisitive approach during the assignment. An attitude of professional diligence requires the Reviewer critically assess, with a questioning mind, the validity of evidence obtained with an eye for any evidence that contradicts or brings into question the reliability of documents and responses to queries and other information obtained from the PU.

REQUIRED SKILLS

(iii) In order to proceed further to carry out the assignment successfully and fruitfully, the Reviewer should:

- a) Project himself as a consultant and a mentor engaged to make helpful and positive suggestions in the areas of quality improvement of the PU;
- b) Follow the approach to add value to the systems and procedures of the PU;
- c) Have knowledge about the industry best practices in the field of cost and management accountancy and should be capable of recommending and implementing the same in PUs to the extent possible;
- d) Have effective communication Skill to provide assurance about adherence to statutory and regulatory requirements while carrying out the Peer Review;
- e) Understand and respect the scope of the engagement in hand;
- f) Have good writing and drafting skills for effective reporting; and
- g) Be courteous while dealing with PU during the engagement tenure.

Thanks