



Presentation
on
Module 4: Understanding the Practice Unit
Reviewers' Training Manual
Issued by the Peer Review Board of the Institute

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.

Module 2: All about the Peer Reviewers: Covered Empanelment of Reviewers, Disqualifications, all Declarations, Restrictions on Reviewers, Limit of maximum assignments and Required Skills for undertaking successful Peer Review.

Module 3: Overview of the Technical and Professional Standards: Covered the overview of Cost Accounting Standards, Cost Auditing Standards and Code of Ethics issued by the Institute and the check points to ensure that these Standards are compiled with or not by the Practice Unit..

MODULE 4: UNDERSTANDING THE PRACTICE UNIT

The PRS as approved by the Council of the Institute prescribes that each Practice Unit selected for Peer Review, shall be submitting certain information about its constitution, profile and assignments carried out in form of responses to the Questionnaire developed by the Board, within 15 days of receipt to the Board, which in turn will be shared with the reviewer by the Board.

1. The responses to the questionnaire provide the Reviewer necessary information to assess the viability of key controls as applied by the PU and enable the Reviewer to judge the degree of reliance that can be placed on the internal control mechanism and records maintained by the PU.
2. The questions appearing in the questionnaire are a mix of objective type and explanatory questions. It is expected that the PU has placed the internal control mechanism contained in the questionnaire as a measure of good practice. The PU should respond to the questions very carefully, since the Reviewer will rely on the responses provided by the PU in the questionnaire while designing review plan.
3. Apart from the information given in the Questionnaire, the Reviewer is entitled to seek such other information as he considers necessary to facilitate the selection of sample of audit and assurance services engagements, which appropriately represents the practice unit's client portfolio.

UNDERSTANDING THE PRACTICE UNIT

4. The responses to the questionnaire would be kept strictly confidential by the Reviewer and his team and no information contained therein would be shared with any third party.
5. The PU shall provide the list of clients specifying the following, along with the details of any disciplinary / legal proceedings against the PU, any of its partners or assistants. The PU shall also share the procedures and practices followed by the PU for executing such services to its clients. Other pertinent information sought by the Reviewer to do justice to the assignment shall be shared by PU.
 1. Client / file reference number
 2. Industry/Sector of the client
 3. Nature of assignment
 4. Turnover of Client (for the immediate preceding year)
6. The purpose of sharing relevant information and data with the Reviewer by the PU is to let the Reviewer have the knowledge about the PU and its control procedures. However a PU may or may not part with any information or data of proprietary nature in the questionnaire. This information or data, may be made available to the Reviewer during physical visit, as long as the Reviewer conveys in writing that such information is necessary for proper completion of the review assignment.

ANALYSIS OF THE QUESTIONNAIRE FOR PRACTICE UNIT

PART A - PROFILE OF PRACTICE UNIT (PU)

Question no 1 to 18 are self-explanatory and need no description.

The explanation appearing in *Red Italics* fonts is the intended answers from the PU.

The text appearing in *Blue Italics Bold* fonts is the suggestion for the Reviewers.

1.	Name of the Practice Unit (PU)			
2.	Status (Please tick)	Proprietorship	Partnership	LLP
3.	PU Registration No.	Date of establishment		
4.	Address of the PU			
	City:	State:		Pin:
5.	Telephone:	Mobile:		
6.	Website Address & Email ID			
7.	Permanent Account Number (PAN) of PU			
8.	GSTN of the PU			
9.	Contact Person for Peer Review (along with membership No., mobile number and e-mail)			
10.	Number of partners including self			

ANALYSIS OF THE QUESTIONNAIRE FOR PRACTICE UNIT

PART A - PROFILE OF PRACTICE UNIT (PU)

QUESTION NO 1 TO 18 ARE SELF-EXPLANATORY AND NEED NO DESCRIPTION.

11.	Details of Branches:			
	Address of Branch			
	a)			
	b)			
11a.	Particulars about the Constitution of the PU during the period under review (as on the last day of the financial year under review)			
	Name of the Partner	Membership No. of Partner	Association with PU (in years)	Professional Experience in Practice
11b.	Particulars of CMAs Employed			
	Name	Membership No.	Association with the PU (in years)	
12.	Details of Other Employees/ Trainees			
	a)	Semi-Qualified Assistants (pursuing CMA course)		
	b)	CMA trainees		
	c)	Administrative Staff		
	d)	Others		
13.	Stipend being paid to CMA trainees (whether as per the Institute's standards) <i>If the answer is NO, reviewer should make a note of this and include in the suggestions to be given to the PU in his report.</i>			Yes/No

ANALYSIS OF THE QUESTIONNAIRE FOR PRACTICE UNIT

PART A - PROFILE OF PRACTICE UNIT (PU)

QUESTION NO 1 TO 18 ARE SELF-EXPLANATORY AND NEED NO DESCRIPTION.

14.	(a) Indicate the annual turnover of the PU.			
	Amount (Rs.)	Previous Year 1 2022-23	Previous Year 2 2021-22	Previous Year 3 2020-21
	Less than 25 Lakh			
	Between 25 to 50 Lakh			
	More than 50 Lakh			
	(b) Indicate percentage of fees earned from different services rendered by the PU. (Indicate in aggregate for the period under review)			
	Type of Service	% of Fees		
i)	Audit and Assurance Services			
ii)	Other Certification Services			
iii)	Consultancy Services			
iv)	Others, please specify			
	Total			
15.	If the PU renders cost audit services, does it provide any service specified under Section 144 of the Companies Act, 2013 to the same company? <i>If the answer is YES, reviewer should make a note of this and include in the suggestions to be given to the PU in his report.</i>			Yes / No

ANALYSIS OF THE QUESTIONNAIRE FOR PRACTICE UNIT

PART A - PROFILE OF PRACTICE UNIT (PU)

QUESTION NO 1 TO 18 ARE SELF-EXPLANATORY AND NEED NO DESCRIPTION.

16.	Industry/ Sector in which the PU is rendering services	
DISCIPLINARY PROCEEDINGS		
17.	Whether any proceedings relating to matters of professional or other misconduct referred to in any of the Schedules of the Cost Accountants Act, 1959 (as amended) are pending against any of the partners/proprietor of the PU.	Yes / No
18.	If disciplinary proceedings of the Institute have been initiated against any partner/employee of the PU, and remains unresolved, furnish details with case reference.	

ANALYSIS OF THE QUESTIONNAIRE FOR PRACTICE UNIT

PART B - LEADERSHIP RESPONSIBILITIES

(The PU should assign responsibility for each assignment to one of its partners or the team leader who shall be responsible for overall quality of such assignment.)

19.	<p>A) Has the PU assigned the responsibility for developing, implementing and operating its Quality Control system for each of its assignments?</p> <p><i>Quality Control System covers the policies, procedures and systems that are set in an audit firm (PU) to assure that it renders professional services consistently of high quality.</i></p> <p><i>If the answer is Yes, the PU has assigned this responsibility to one of the partners, employees or other staff members. If the answer is NO, reviewer should make a note of this and include in the suggestions to be given to the PU in his report.</i></p>	Yes	No
	<p>B) Describe how the authorised person has sufficient appropriate experience, ability and authority within the PU to assume the above responsibility?</p> <p><i>Details of the person responsible for developing, implementing and operating its Quality Control System is given in response to this question.</i></p> <p><i>The Reviewer can get in touch with this person for more information in the matter.</i></p>		

ANALYSIS OF THE QUESTIONNAIRE FOR PRACTICE UNIT

PART B - LEADERSHIP RESPONSIBILITIES

(The PU should assign responsibility for each assignment to one of its partners or the team leader who shall be responsible for overall quality of such assignment.)

20.	<p>A) Are the quality control policies and procedures well communicated to all team members/ relevant personnel in the PU?</p> <p><i>The PU is responsible for communicating the quality control policies and procedures to all the team members and staff.</i></p> <p><i>If the answer is YES, the PU has communicated the quality control policies and procedures to all the team members. The reviewer may look for such a communication. If the answer is NO, reviewer should make a note of this and include in the suggestions to be given to the PU in his report.</i></p>	Yes	No
	<p>B) What are the methods used for this communication?</p> <p><i>The mode of communication used by the PU will be mentioned herein.</i></p>		
	<p>C) What is the frequency of sending this communication?</p> <p><i>The frequency of sending the communication by the PU will be given herein such as monthly, quarterly, yearly or any other periodicity.</i></p>		
	<p>D) What is the scope of this communication?</p> <p><i>Response to this question will define the scope of such communication. Ideally it should be to educate all the team members and staff about the quality control policies and procedures adopted by the PU. Reviewer should go through the response and may like to comment on its effectiveness in its report.</i></p>		

ANALYSIS OF THE QUESTIONNAIRE FOR PRACTICE UNIT

PART B - LEADERSHIP RESPONSIBILITIES

(The PU should assign responsibility for each assignment to one of its partners or the team leader who shall be responsible for overall quality of such assignment.)

21.	<p>A) Are the quality control policies and procedures of the PU documented?</p> <p><i>In order to ensure & achieve the quality control, it is necessary to set a procedure for documentation covering quality control policies and procedures of the PU and its circulation to all relevant personnel.</i></p> <p><i>If the answer is NO, reviewer should make a note of this and include in the suggestions to be given to the PU in his report.</i></p>	Yes	No
	<p>B) Are the same circulated amongst all relevant personnel?</p> <p><i>If the answer to the Q 21(A) is yes, It means it is circulated amongst all the team members.</i></p> <p><i>If the answer is NO, reviewer should make a note of this and include in the suggestions to be given to the PU in his report.</i></p>	Yes	No
22.	<p>Is there an established process in the system that encourages the personnel to communicate their views or concerns on quality control matters?</p> <p><i>Quality Control System covers establishing a process that encourages team members and staff to communicate their views or concerns on quality control matters.</i></p> <p><i>If the response is YES it means that the process is established within the PU. If the answer is NO, reviewer should make a note of this and include in the suggestions to be given to the PU in his report.</i></p>	Yes	No

ANALYSIS OF THE QUESTIONNAIRE FOR PRACTICE UNIT

PART B - LEADERSHIP RESPONSIBILITIES

(The PU should assign responsibility for each assignment to one of its partners or the team leader who shall be responsible for overall quality of such assignment.)

23.	<p>A) Does there exist clear responsibilities of the proprietor/ partners of the firm and other senior personnel for quality control?</p> <p><i>Quality Control System covers establishing responsibilities of the proprietor of the entity or partners of the firm and other senior personnel for quality control.</i></p> <p><i>If the response is YES it means that the responsibilities are established within the PU. If the answer is NO, reviewer should make a note of this and include in the suggestions to be given to the PU in his report.</i></p>	Yes	No
	<p>B) Are these responsibilities adequately documented?</p> <p><i>If the response is YES it means that the same is well documented. If the answer is NO, reviewer should make a note of this and include in the suggestions to be given to the PU in his report.</i></p>	Yes	No
	<p>C) Is this responsibility document circulated amongst concerned personnel?</p> <p><i>If the response is YES it means that the same is circulated to all the team members and staff. If the answer is NO, reviewer should make a note of this and include in the suggestions to be given to the PU in his report.</i></p>	Yes	No

ANALYSIS OF THE QUESTIONNAIRE FOR PRACTICE UNIT

PART B - LEADERSHIP RESPONSIBILITIES

(The PU should assign responsibility for each assignment to one of its partners or the team leader who shall be responsible for overall quality of such assignment.)

24.	<p>Does your PU provide practical guidance in quality control and also covering professional development programs? If yes, enlist the initiatives</p> <p><i>Quality Control System covers provisions of related practical guidance to all the team members including coverage in professional development programs.</i></p> <p><i>The initiatives should be evaluated by the Reviewer for their effectiveness. If the answer is NO, reviewer should make a note of this and include in the suggestions to be given to the PU in his report.</i></p>	Yes	No
25.	<p>Does your PU promote an internal culture of quality? If yes, enlist the initiatives.</p> <p><i>The firm, its partner or the team leader should promote an internal culture for quality and impress on the team members that quality is essential in performing any audit assignment.</i></p> <p><i>If the response is YES it means that the process is established within the PU. If the answer is NO, reviewer should make a note of this and include in the suggestions to be given to the PU in his report.</i></p>	Yes	No

ANALYSIS OF THE QUESTIONNAIRE FOR PRACTICE UNIT

PART B - ETHICAL REQUIREMENTS

(The PU, its partner or the team leader responsible for the assignment should ensure whether members of the audit team have complied with relevant ethical requirements.)

26.	Does the PU, its partners or the team leaders responsible for the assignment ensure that the team members comply with relevant ethical practices? <i>If the response is YES it means that such a system is in place within the PU. If the answer is NO, reviewer should make a note of this and include in the suggestions to be given to the PU in his report.</i>	Yes	No
27.	Are there methods and processes for establishing, promoting and monitoring ethical conduct among all personnel? If yes, kindly elaborate. <i>Ethical requirements cover methods and processes for establishing, promoting, and monitoring ethical conduct among the team members.</i> <i>If the response is YES it means that a system is in place within the PU. If the answer is NO, reviewer should make a note of this and include in the suggestions to be given to the PU in his report.</i>	Yes	No

ANALYSIS OF THE QUESTIONNAIRE FOR PRACTICE UNIT

PART B - ETHICAL REQUIREMENTS

(The PU, its partner or the team leader responsible for the assignment should ensure whether members of the audit team have complied with relevant ethical requirements.)

28.	A) Are there policies and procedures to identify non-compliance with ethical requirements and also to resolve any issues of conflict? <i>It is essential to establish policies and procedures to identify non-compliance with ethical requirements within the PU.</i> <i>If the response is YES it means that policies and procedures have been established within the PU. If the answer is NO, reviewer should make a note of this and include in the suggestions to be given to the PU in his report.</i>	Yes	No
	B) If yes, are these policies and procedures adequately documented? <i>If the answer to the Q 28(A) is yes, please write YES in case the same is well documented, else write NO.</i> <i>If the response is YES it means that these policies and procedures adequately documented. If the answer is NO, reviewer should make a note of this and include in the suggestions to be given to the PU in his report.</i>	Yes	No

ANALYSIS OF THE QUESTIONNAIRE FOR PRACTICE UNIT

PART B - ETHICAL REQUIREMENTS

(The PU, its partner or the team leader responsible for the assignment should ensure whether members of the audit team have complied with relevant ethical requirements.)

29.	<p>Are there policies and procedures to ensure that the PU partners and professionals comply with the following professional ethics: Independence, Integrity, Objectivity, Professional competence and due care, Confidentiality, Professional conduct, Technical standards</p> <p><i>The PU will write YES, if the policies and procedures established within the PU ensure the compliance with all the given Ethics, otherwise it will write NO and will explain the reasons.</i></p> <p><i>Reviewer should go through the response and may like to comment on its effectiveness in its report. If the answer is NO, reviewer should make a note of this and include in the suggestions to be given to the PU in his report.</i></p>	Yes	No
30.	<p>Are there policies, processes and safeguards established by the PU to mitigate the familiarity threat to its independence? <i>Familiarity threat refers to the personal closeness or familiarity of PU or any of its partners with employees, officers, or directors of the client company.</i></p> <p><i>The PU will write YES, if the policies, processes and safeguards are established within the PU, else will write NO and explain the reasons.</i></p> <p><i>Reviewer should go through the response and may like to comment on its effectiveness in its report. If the answer is NO, reviewer should make a note of this and include in the suggestions to be given to the PU in his report.</i></p>	Yes	No

ANALYSIS OF THE QUESTIONNAIRE FOR PRACTICE UNIT

PART B - HUMAN RESOURCES

(In case of a PU, human resources are the prime assets responsible for its success or failure. The constitution of the team and members which make the team is the major determinant in rendering the quality professional services.)

31.	<p>What steps has the PU taken to ensure that the personnel it hires have the desired capability, competence and commitment to ethical principles to perform as per the professional standards, regulatory and legal requirements?</p> <p><i>The quality of Human Resources plays the most significant role in providing and assuring quality in professional services by PU. An excellence in quality services can only be achieved if there are corresponding excellent personnel. The firm should continuously assess its manpower requirement at various levels, with different skills sets.</i></p> <p><i>Reviewer should go through the response and may like to comment on its effectiveness in its report. If the answer is NA, reviewer should make a note of this and include in the suggestions to be given to the PU in his report.</i></p>
32.	<p>What process does the PU follow for determining the appropriateness of an engagement team?</p> <p><i>The PU should establish policies and procedures regarding assigning appropriate staff with the necessary capabilities, competence and time to perform engagements.</i></p> <p><i>Reviewer should go through the response and may like to comment on its effectiveness in its report. If the answer is NA, reviewer should make a note of this and include in the suggestions to be given to the PU in his report.</i></p>

ANALYSIS OF THE QUESTIONNAIRE FOR PRACTICE UNIT

PART B - HUMAN RESOURCES

(In case of a PU, human resources are the prime assets responsible for its success or failure. The constitution of the team and members which make the team is the major determinant in rendering the quality professional services.)

33.	<p>What are the considerations for assigning responsibility for an engagement to a particular partner?</p> <p><i>The PU should establish policies and procedures for assigning the responsibility for each engagement to an engagement partner and communicating this information to the client.</i></p> <p><i>Reviewer should go through the response and may like to comment on its effectiveness in its report. If the answer is NA, reviewer should make a note of this and include in the suggestions to be given to the PU in his report.</i></p>
34.	<p>What steps has the PU taken to ensure that its partners participate in CPD & Professional Development programmes that enable them to accomplish assigned responsibilities?</p> <p><i>The PU should provide effective training for the partners. Continuous education is the buzzword and in this era of competition, the team members must update and upgrade their knowledge and skill. The ICMAI has taken a lead in this direction and has also introduced a scheme for continuous education program as a mandatory requirement for its professionals.</i></p> <p><i>Reviewer should go through the response and may like to comment on its effectiveness in its report. If the answer is NA, reviewer should make a note of this and include in the suggestions to be given to the PU in his report.</i></p>

ANALYSIS OF THE QUESTIONNAIRE FOR PRACTICE UNIT

PART B - HUMAN RESOURCES

(In case of a PU, human resources are the prime assets responsible for its success or failure. The constitution of the team and members which make the team is the major determinant in rendering the quality professional services.)

35.	<p>What steps has the PU taken to ensure that its employees participate in CPD& Professional Development programmes that enable them to accomplish assigned responsibilities?</p> <p><i>The PU should provide effective training for the staff members. Various types of training should be imparted to the staff, e.g. introductory and induction training to the newly employed, technical and skill enhancement training to the existing staff, managerial training for the higher level staff and so on.</i></p> <p><i>Reviewer should go through the response and may like to comment on its effectiveness in its report. If the answer is NA, reviewer should make a note of this and include in the suggestions to be given to the PU in his report.</i></p>
36.	<p>How does the PU ensure that personnel selected for advancement have the qualifications to fulfil the responsibilities they will be called upon to assume?</p> <p><i>Advancement or promotion to next level in the PU depends upon performance quality.</i></p> <p><i>Reviewer should go through the response and may like to comment on its effectiveness in its report. If the answer is NA, reviewer should make a note of this and include in the suggestions to be given to the PU in his report.</i></p>

ANALYSIS OF THE QUESTIONNAIRE FOR PRACTICE UNIT

PART B - PERFORMANCE EVALUATION

(Performance Evaluation is necessary for developing and maintaining competence & commitment to ethical principles.)

37.	Has your PU taken steps for:		
	a) Making personnel aware of the PU's expectations regarding their performance?	Yes	No
	b) Providing performance evaluation reports with the personnel?	Yes	No
	c) Helping personnel understand that advancement to positions of greater responsibility depends, amongst other things, upon performance quality?	Yes	No
	d) Explaining personnel in clear terms that the failure to comply with the PU's policies and procedures may result in disciplinary action?	Yes	No
	Kindly elaborate:		
	<i>PU will write YES or NO depending upon the Performance Evaluation policy of the PU and elaborate any point if required.</i>		
	<i>Reviewer should go through the response and may like to comment on its effectiveness in its report. If the answer is NO, reviewer should make a note of this and include in the suggestions to be given to the PU in his report.</i>		

ANALYSIS OF THE QUESTIONNAIRE FOR PRACTICE UNIT

PART B - PERFORMANCE EVALUATION

(Performance Evaluation is necessary for developing and maintaining competence & commitment to ethical principles.)

38.	In order to evaluate the performance are the following documented in your PU:		
	a) Overall quality standards set for an assignment	Yes	No
	b) Responsibility of engagement partner to ensure quality standards	Yes	No
	c) Mapping of engagement quality and consistency through use of manuals and/or software tools or other forms of standardized documentation and industry/ subject-matter specific guidance	Yes	No
	d) Supervision, quality control & documentation of work during the engagement	Yes	No
	e) SOPs for the assembly of final engagement files	Yes	No
	<p><i>The PU will write YES or NO depending upon the documentation policy of the PU with regard to the Performance Evaluation of the team members.</i></p> <p><i>Reviewer should go through the response and may like to comment on its effectiveness in its report. If the answer is NO, reviewer should make a note of this and include in the suggestions to be given to the PU in his report.</i></p>		

ANALYSIS OF THE QUESTIONNAIRE FOR PRACTICE UNIT

PART B - MONITORING

(Monitoring refers to a process which is an ongoing exercise for evaluation of PU's quality control systems which also includes periodic inspection of completed assignments on sample basis to provide the PU with reasonable assurance that its quality control systems are operating effectively.)

39.	Is the work done by the less experienced team members in the engagement team reviewed by more experienced personnel prior to the issue of auditor's report? <i>The PU will write YES if such a convention / policy exists in the PU, else write NO.</i> <i>If the answer is NO, reviewer should make a note of this and include in the suggestions to be given to the PU in his report.</i>	Yes	No
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ANALYSIS OF THE QUESTIONNAIRE FOR PRACTICE UNIT

PART B - PERFORMANCE EVALUATION

(Performance Evaluation is necessary for developing and maintaining competence & commitment to ethical principles.)

40.	A) Do you have well documented SOPs for monitoring the PU's quality controls in terms of:		
	a) Its personnel and human resources	Yes	No
	b) Assignment performance	Yes	No
	c) Professional development of personnel	Yes	No
	B) Please elaborate: <i>The PU will write YES or NO on the basis of the Monitoring Policy of the PU and elaborate any point if required.</i> <i>Reviewer should go through the response and may like to comment on its effectiveness in its report. If the answer is NO, reviewer should make a note of this and include in the suggestions to be given to the PU in his report.</i>		
41.	Do the engagement team members discuss their findings with the appropriate management personnel? <i>Reporting & Corrective Measures provide for reporting the findings to the appropriate management levels, for monitoring actions taken or planned, and for overall review of the firm's quality control system.</i> <i>If the answer is NO, reviewer should make a note of this and include in the suggestions to be given to the PU in his report.</i>	Yes	No

ANALYSIS OF THE QUESTIONNAIRE FOR PRACTICE UNIT

PART B - PERFORMANCE EVALUATION

(Performance Evaluation is necessary for developing and maintaining competence & commitment to ethical principles.)

42.	<p>While reporting, do the engagement team members discuss the corrective actions taken or planned discussed with the appropriate management personnel?</p> <p><i>Reporting & Corrective Measures also provide for discussing the reports with the appropriate management levels, for taking any corrective actions.</i></p> <p><i>If the answer is NO, reviewer should make a note of this and include in the suggestions to be given to the PU in his report.</i></p>	Yes	No
43.	<p>In your PU, what is the scope for the modification of quality control policies and procedures in view of the monitoring reports? Please elaborate:</p> <p><i>Reviewer should go through the response and may like to comment on its effectiveness in its report.</i></p>		

ANALYSIS OF THE QUESTIONNAIRE FOR PRACTICE UNIT

PART B - REPORTING UNDER COST AUDIT MECHANISM

(Cost Audit is the major avenue for Cost Accountants in Practice, and hence maintaining the quality of the Cost Audit Report ensures its usefulness to the client, Government, Regulators and other stakeholders.)

44.	Does the PU follow a system of discussion with the management in connection with the following alike issues before finalizing the report in case of cost audit:		
	a) Abnormal expenditure pertaining to idle capacity, idle machine hours, strike, lock out etc.	Yes	No
	b) Variation in raw material consumption as compared to norms.	Yes	No
	c) Valuation of inventory and its impact on overall profitability.	Yes	No
	d) Way forward for optimum Capacity Utilization	Yes	No
<p><i>Please write YES or NO appropriately.</i></p> <p><i>Reviewer should go through the response and may like to comment on its effectiveness in its report. If the answer is NO, reviewer should make a note of this and include in the suggestions to be given to the PU in his report.</i></p>			
45.	<p>Does the PU submit signed Cost Audit Report in form CRA-3 with annexures, duly authenticated by the persons authorised to sign on behalf of the company and addressed to the Board of Directors?</p> <p><i>Please write YES or NO appropriately.</i></p> <p><i>If the answer is NO, reviewer should make a note of this and include in the suggestions to be given to the PU in his report.</i></p>	Yes	No

ANALYSIS OF THE QUESTIONNAIRE FOR PRACTICE UNIT

PART B - REPORTING UNDER COST AUDIT MECHANISM

(Cost Audit is the major avenue for Cost Accountants in Practice, and hence maintaining the quality of the Cost Audit Report ensures its usefulness to the client, Government, Regulators and other stakeholders.)

46.	Has the PU visited the company and its different locations for conducting the Cost Audit? <i>Please write YES or NO appropriately.</i> <i>If the answer is NO, reviewer should make a note of this and include in the suggestions to be given to the PU in his report.</i>	Yes	No
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ANALYSIS OF THE QUESTIONNAIRE FOR PRACTICE UNIT

PART B - QUALITY WITH RESPECT TO CUSTOMER & CUSTOMER RELATIONSHIP

PU shall establish policies and procedures for the acceptance and continuance of client relationships and specific engagements which will provide reasonable assurance to the PU that it will undertake or continue relationship with client only when it satisfies that the PU has competence, capability, time & resources to carry out the assignment, PU complies with the relevant ethical requirements and PU has considered the integrity of the client and ensured the same at an acceptable level.

The PU will answer YES or NO, on the basis of PU's established policies as per the above.

Reviewer should review the response and accordingly include his recommendations to the PU in his report.

47.	While establishing and continuing relationships with its clients, do there exist clear SOPs in the PU that ensure:		
	a) The PU has competence, capability, time and resources to carry out the assignment.	Yes	No
	a) The PU complies with the relevant ethical requirements?	Yes	No
48.	Is there a complaint against the client or any pending proceedings for violation of statute or other irregularities? If yes, please specify.	Yes	No
49.	Does the PU have clear SOPs for evaluation of prospective clients and for their approval as clients?	Yes	No
50.	Who evaluates the information obtained regarding the prospective clients and to make the acceptance decision in your PU? Kindly mention with the designation of the official.		



Thanks