ICAI PEER REVIEW BOARD · ICAI NATIONAL LEVEL WEBINAR

Timelines & Process of Peer Review

How to Fill Form-1 and Other Requirements

A practitioner's walkthrough for Practice Units — proprietors, partnership firms & LLPs

Aligned to the Peer Review Guidelines, 2022 and the new Peer Review Board online portal

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SESSION ROADMAP

What we will cover today

The Why & What
01

Objective, philosophy and statutory mandate of Peer Review

Applicability
02

Four phases, thresholds and the latest deferment dates

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03

End-to-end flow — Form 1 to Peer Review Certificate

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Form-1 Deep Dive
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Part A & Part B, clause-by-clause, with common errors

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Registering and running the review online on prb.icai.org

Documentation & QC
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Checklists, Top-25 practical tips, Q&A

01

SECTION 01

Foundations

Why Peer Review exists — and what it actually is

INTRODUCTION

What is Peer Review?

Peer Review is an examination and review of the systems and procedures of a Practice Unit — carried out by **another chartered accountant (a peer)** empanelled and appointed by the Peer Review Board.

It is defined under Clause 2(14) of the Peer Review Guidelines, 2022.

The reviewer independently forms an opinion on TWO things:

Compliance

Whether the PU complies with Technical, Professional & Ethical Standards and other regulatory requirements

Systems

Whether the PU has proper systems — including documentation — to demonstrate the quality of assurance services

A QUICK MYTH-BUSTER

Peer Review is NOT...

- an investigation or a fault-finding inquiry into the PU
- a review of the correctness of financial statements audited
- a tool to rank or grade firms publicly
- a disciplinary proceeding — it is educative and corrective

*It looks at the **process** behind the opinion — not the opinion itself.*

THE PHILOSOPHY

Objectives — and why the Board asks what it asks

Assurance of Quality

Give the public, regulators and users confidence that attest work rests on sound systems.

Standards Adherence

Confirm engagements follow SAs, SQC-1/SQM-1, ethical standards and applicable law.

Systems, not Verdicts

Check that quality controls exist and operate — planning, supervision, review, documentation.

Educative & Corrective

Deficiencies become guidance for improvement, not punishment.

Continuous Improvement

Raise the baseline of the profession, firm by firm, cycle by cycle.

Public Interest

Protect stakeholders relying on audited information and certificates.

THE ECOSYSTEM

Three parties, one objective

Peer Review Board

Constituted by the ICAI Council under Clause 17. Empanels reviewers, selects PUs, allocates panels, approves reports and issues certificates.

The Peer Reviewer

An empanelled CA in practice who has cleared the PRB test. Independent of the PU; bound by confidentiality; conducts the review and reports.

The Practice Unit

The firm / proprietor / LLP under review. Files Form-1, furnishes records, hosts the visit and remedies observations.

Reviewer independence is the cornerstone: no professional relationship with the PU for 2 years before and during the review.

02

SECTION 02

The Mandate

When is Peer Review compulsory — and by when?

MANDATORY APPLICABILITY

The four phases of the Peer Review Mandate

Phase	Applicability	Status
Phase I 01 Apr 2022	PUs auditing enterprises whose equity / debt is LISTED in India or abroad (SEBI LODR).	LIVE
Phase II 01 Jul 2024	PUs auditing unlisted public companies above prescribed capital / turnover / borrowing thresholds. PUs with 5+ partners rendering attestation services.	LIVE
Phase III 01 Jul 2025	PUs auditing entities that raised funds > ₹50 cr from public / banks / FIs, and all Public Interest Entities. PUs with 4+ partners rendering attestation services.	LIVE
Phase IV 31 Dec 2026	PUs auditing branches of Public Sector Banks, and PUs with 3+ partners rendering attestation services.	DEFERRED

Latest update: By notification dated 31 Dec 2025, the Board deferred Phase IV from 01 Jan 2026 to **31 December 2026** — giving mid-sized firms more time to prepare.

MANDATORY APPLICABILITY

Widening the Scope of Mandatory AQMM Applicability

Phase I 01 Apr 2026	Firms auditing the Holding / Subsidiary / Associate / Joint Venture entities of a Listed Entity, Bank (other than co-op banks) or Insurance Company. Branch-audit-only firms excluded.	LIVE
Phase II 01 Apr 2026	Firms undertaking statutory audit of unlisted public companies with (as on preceding 31st March). paid-up capital ≥ Rs. 500/- crore, turnover ≥ Rs. 1,000/- crore, or aggregate loans/debentures/deposits ≥ Rs. 500/- crore	LIVE
Phase III 1 Apr 2027	Firms undertaking statutory audit of entities that raised funds of over ₹50 crore from public / banks / financial institutions during the period under review, or any body corporate (incl. trusts) classified as a public interest entity.	DEFERRED

GETTING THE BASICS RIGHT

Four definitions that decide your review

Practice Unit (PU)

A firm of chartered accountants or a member in practice — individual, trade name or other ICAI-recognised entity. [Cl. 2(17)]

Peer Review Period

The THREE financial years immediately preceding the year in which the PU is selected/applies — unless the Board prescribes otherwise. [Cl. 2(15)]

Assurance Engagement

Per the Framework for Assurance Engagements. Excludes tax return prep, compilation, consultancy, due diligence and pure advisory. [Cl. 2(2)]

New Unit

Established < 12 months before applying, OR older than 12 months but not rendering assurance services — subject to special conditions. [Cl. 5(iv)]

03

SECTION 03

The Process

From application to certificate — the full journey

END-TO-END PROCESS

The Peer Review lifecycle at a glance

1. Apply

PU submits Form-1 (application + questionnaire) to the Board via the portal.

2. Allot

Board offers a panel of reviewers; PU selects one (up to 3 panels).

3. Accept

Reviewer accepts & signs confidentiality — Form 2 to Board & PU.

4. Plan

Reviewer calls for questionnaire, selects sample, fixes visit — Form 3 / Form 5.

5. Execute

On-site review (≤ 6 working days); clarifications via Form 6.

6. Report & Certify

Reviewer files report (Form 8/Form 9); Board issues Certificate.

Down-arrow: after step 3, the flow continues to steps 4–6 on the lower row.

THE TOOLKIT

Forms prescribed under the Guidelines, 2022

Form 1	Application cum Questionnaire — filed by the PU
Form 2	Reviewer's acceptance + declaration of confidentiality
Form 3	Application for empanelment as a Peer Reviewer
Form 4	Declaration by Board members / Secretariat
Form 5	Reviewer's notice for visiting the PU's office
Form 6	Reviewer seeks additional information from PU
Form 7	PU seeks extension of validity of certificate
Form 8	Reviewer's report — covering letter to the Board
Form 9	Preliminary / final report of the reviewer
Form 10	Board's communication / revocation to the PU

Form-1 is where it all begins — and where most avoidable delays are created. We now zoom in.

04

SECTION 04

The Timelines

The day-wise clock the Board runs on

PRESCRIBED TIMELINES

Who must act, and within how many days

Trigger / Stage	Action & responsible party	Time limit
Board → PU	Board offers panel of reviewers on receipt of Form-1	**On processing**
PU selects reviewer	PU chooses from panel (max 3 panels can be sought)	**Promptly**
Reviewer → Board & PU	Acceptance + confidentiality (Form 2)	**Within timeline**
Reviewer → PU	Intimates proposed visit dates & sample selected (Form 5)	**≈ 5 days**
PU → Reviewer	Furnishes duly-filled questionnaire / records	**As called for**
Reviewer → PU	Seeks additional clarification / information (Form 6)	**PU replies ~1–2 days**
On-site review	Conduct of review at PU's office	**≤ 6 working days**
Reviewer → Board	Submits report (Form 8 covering + Form 9)	**Within prescribed days**
PU → Board	Payment of Peer Review fee	**Within 7 days**
Board → PU	Issue of Peer Review Certificate	**After Board approval**

Illustrative of the Board's schedule under the Guidelines, 2022 & Handbook on Peer Review Forms. Reduced/updated timelines apply — always confirm the current SOP on the portal.

Illustrative Time Schedule of the Peer Review Process

Sequence of steps from PU notification to issuance of the Peer Review Certificate • cumulative day count shown per step

1. **Day 1** — PRB notifies PU; PU submits declaration under **Form 1** (Application cum Questionnaire)
2. **Day 4** — Board selects panel of 3 reviewers
3. **Day 5** — PU to give the choice of the reviewer
4. **Day 5** — Board notify reviewer to submit his acceptance cum Declaration of confidentiality in **Form 2**
5. **Day 7** — PU sends the Application cum Questionnaire (Form 1) to reviewer
6. **Day 9** — Reviewer intimates PU and Board about the proposed visit and proposed initial sample in **Form 5**
7. **Day 10** — Reviewer seeks additional information and clarification **Form 6**
8. **Day 16** — Reviewer carry out review by visiting the office of PU on date fixed by mutual consent
9. **Day 17** — Reviewer sends preliminary report to PU for comments
10. **Day 19** — PU provide comments on Preliminary Report
11. **Day 20** — Issuance of Peer Review Certificate

Qtrly mtg

05

SECTION 05

Form-1 Deep Dive

The application cum questionnaire, clause by clause

ANATOMY OF FORM-1

Two parts — one application, one questionnaire

PART A The Application / Declaration

- Undertaking to abide by the Guidelines, 2022
- Basis of application — Mandatory / Voluntary / Special case / New Unit / Board decision
- Assurance services signed in the review period (Central Statutory, Statutory, Internal, Tax, Concurrent, Certification, etc.)
- Declaration on statutory audit of listed entities (SEBI LODR)
- Option for appointment of reviewer — same city / same region
- Nomination of PU's partner + contact person (mobile & email)

PART B The Questionnaire

- Constitution of the PU — partners, FRN, date of establishment, branches (per Firm Card)
- Paid assistants & staff — qualified members, semi-qualified, articles
- Details of assurance engagements in the 3-year review period
- Quality control policies & procedures (SQC-1 / SQM-1)
- HR — hiring checks, CPE tracking, training, technology tools
- Independence, ethics, confidentiality & engagement acceptance systems

Filling the declaration correctly

Cl. 1

Undertaking

Confirm you have read the Guidelines, 2022 hosted at the given link and will abide.

Cl. 2

Basis of review

Tick the correct category. A mandatory-phase PU must NOT tick 'Voluntary'.

Cl. 3

Assurance services

List each type signed in the review period — be exhaustive; this drives sampling.

Cl. 4

Listed-entity declaration

State whether you did/did not audit listed entities — decides Volume-II applicability.

Cl. 5

Reviewer option

Same-city vs same-region — choose realistically to avoid logistics delays.

Cl. 6

Nomination

Name the partner responsible + a contact person with correct mobile & email.

The questionnaire areas that carry weight

Constitution & Firm Card

Partners, FRN, admission/retirement dates, branches — must reconcile exactly with ICAI Firm Card.

Human resources

Staff-to-partner ratios, background checks, joining checklist, CPE tracking, training on AI/data tools.

Quality control system

Documented SQC-1 / SQM-1 policies: leadership, ethics, acceptance, engagement performance, monitoring.

Independence & ethics

Safeguards, confidentiality declarations, rotation and conflict checks embedded in acceptance.

Engagement records

Population of assurance engagements over 3 years — completeness here decides sample validity.

Monitoring & EQCR

Evidence of engagement quality control review and periodic internal inspection of completed files.

A PRACTICAL ILLUSTRATION

Worked example: selecting your review period & category

Scenario: M/s ABC & Associates, a 4-partner firm, is selected for Peer Review during FY 2025-26. It audits a company that raised ₹80 crore from a bank in FY 2024-25. It has never audited a listed entity.

Review period	FY 2022-23, 2023-24 & 2024-25 — the three years preceding the year of selection (2025-26).
Applicable phase	Phase III — audit of an entity that raised > ₹50 cr from a bank. Certificate needed before signing.
Form-1 Cl. 2	Tick 'Mandatory by ICAI'. Do NOT tick Voluntary.
Form-1 Cl. 4	Declare 'has NOT conducted' statutory audit of listed entities — Volume-I review applies, not Volume-II.

LEARN FROM OTHERS

Common mistakes while filling Form-1

- Mismatch between Form-1 details and the ICAI Firm Card (partners, FRN, branches, dates)
- Ticking 'Voluntary' when the PU actually falls under a mandatory phase
- Incomplete list of assurance services — omitting tax/concurrent/certification work
- Wrong review period — counting the year of selection instead of the 3 preceding years
- Understating staff or omitting branches, then contradicting it during the visit
- Wrong listed-entity declaration — triggering the incorrect review volume
- Stale contact details — delaying panel allotment and reviewer communication
- Signing Form-1 without a documented SQC-1/SQM-1 manual actually in place

SECTION WRAP

Form-1 — Do's & Don'ts

DO

- Reconcile every figure with the ICAI Firm Card before submission
- Prepare your SQC-1/SQM-1 manual first, then answer Part B honestly
- List all assurance engagements for the full 3-year period
- Keep contact details current and monitor the portal daily
- Nominate a partner who will own the review end-to-end

DON'T

- Don't guess the review period or the applicable phase
- Don't tick 'Voluntary' to appear proactive if a phase applies
- Don't leave Part B blank or answer with bare 'Yes / No'
- Don't understate staff, branches or engagements
- Don't sign before the quality-control system genuinely exists

06

SECTION 06

The Online Portal

Running your review on prb.icai.org

THE NEW PRB PORTAL

From registration to certificate — online

1. Register / Login

PU logs in with SSP credentials; reviewers empanel and log in separately on the PRB portal.

2. Submit Form-1

Fill the application + questionnaire online; upload supporting documents and submit for processing.

3. Panel & selection

Receive the reviewer panel online and record your selection; track allotment status.

4. Communication

Reviewer notices, additional-information requests and PU responses flow through the portal.

5. Status tracking

Live status of each stage — acceptance, visit, report, fee and certificate.

6. Knowledge resources

Video manuals, SOPs, FAQs, reporting formats and the latest announcements are hosted on the portal.

Portal: **https://prb.icai.org** — *confirm the current online SOP and video manuals before you begin.*

07

SECTION 07

Documentation & Quality

The systems reviewers expect to see

THE BACKBONE

Quality control: SQC-1 → SQM-1 / SQM-2

Peer Review tests whether your firm's quality-control system is designed and operating. SQC-1 has been strengthened by the Quality Management Standards — SQM-1 (firm-level system) and SQM-2 (engagement quality reviews). **Reviewers look for a documented, risk-based system — not a binder created the night before.**

Leadership & governance

Tone at the top; a partner accountable for quality

Ethics & independence

Confirmations, safeguards and conflict checks

Acceptance / continuance

Client & engagement screening before onboarding

Engagement performance

Direction, supervision, review and consultation

Resources & competence

Right people, CPE, and technology enablement

Monitoring & remediation

Periodic inspection; findings tracked to closure

HOW FILES GET PICKED

Sample selection methodology

What the reviewer's sample MUST include

- The assurance engagement with the HIGHEST turnover in the population
- At least one public limited company, if any such engagement exists
- A spread across industries, branches and engagement partners
- Engagements reflecting the firm's dominant service lines
- Higher-risk or public-interest engagements on a risk basis

INDICATIVE MINIMUM SAMPLE

Guided by the reviewer's judgement

Level I	**8 engagements**	Listed / high public interest
Level II	**5 engagements**	Larger non-listed entities
Level III	**3 engagements**	Residual assurance work

Reviewer may expand the sample where quality-control impressions warrant deeper testing.

WHAT REVIEWERS REPORT

Common observations across Practice Units

Documentation gaps

Audit files not assembled within 60 days; missing working papers per SA 230.

UDIN & signatures

UDIN not generated/recorded; firm name & membership number missing on reports.

No documented QC manual

SQC-1/SQM-1 policies undocumented or not tailored to the firm.

Planning weaknesses

Risk assessment, materiality and audit strategy not evidenced (SA 300/315/320).

Independence records

Annual independence confirmations and conflict checks not maintained.

EQCR not evidenced

Engagement quality control review absent where required.

BEFORE THE REVIEWER ARRIVES

Peer Review readiness checklist

- ICAI Firm Card reconciled — partners, FRN, branches, dates
- Documented SQC-1 / SQM-1 quality manual in force
- Complete list of assurance engagements for the 3-year period
- Engagement files assembled & indexed (SA 230) with UDINs recorded
- Independence & confidentiality confirmations on file
- Engagement acceptance / continuance checklists maintained
- Planning documentation — strategy, risk, materiality (SA 300/315/320)
- EQCR evidence for engagements requiring it
- CPE compliance records for all professional staff
- Prior review observations (if any) remediated & documented

08

SECTION 08

Tips, Cases & Q&A

Closing the loop — and your questions

FROM THE FIELD

Two short case studies

Case 1 — The 'Voluntary' trap

A 3-partner firm ticked 'Voluntary' in Form-1 though it audited a ₹60 cr bank-funded entity. On review, the mismatch surfaced; the application had to be recategorised as mandatory, delaying the certificate by weeks.

Lesson: Determine your phase BEFORE you tick Clause 2.

Case 2 — The night-before manual

A proprietor prepared an SQC-1 manual just before the visit. The reviewer found no evidence it operated during the review period — independence confirmations and monitoring were missing — resulting in observations and a follow-up.

Lesson: A QC system must live in the review period, not on the eve of the visit.

RAPID ANSWERS

Frequently asked practical questions

Q. When must I hold a valid certificate?

A. Before accepting a covered statutory audit and at the time of signing the report for that engagement.

Q. What is my review period?

A. The three financial years immediately preceding the year of selection/application, unless the Board prescribes otherwise.

Q. Can I pick my reviewer?

A. You choose from a Board-offered panel; up to three panels may be sought if selections decline or conflict.

Q. How long is the on-site visit?

A. It should not exceed six working days; extension is jointly agreed before the report becomes due.

Q. Is a co-operative bank audit covered?

A. Specific exemptions/clarifications apply — check current PRB FAQs for co-operative banks and non-attest services.

Q. What if deficiencies are found?

A. You respond within the prescribed days; on satisfactory compliance the reviewer issues an unqualified report.

THE DISTILLED WISDOM

Top-25 practical tips for a smooth Peer Review

1. Know your phase before anything else
2. Fix your 3-year review period first
3. Reconcile Form-1 with the Firm Card
4. Never tick 'Voluntary' if a phase applies
5. List every assurance service
6. Get the listed-entity declaration right
7. Keep portal contact details current
8. Nominate one accountable partner
9. Document SQC-1/SQM-1 and live it
10. Assemble files within 60 days (SA 230)
11. Generate and record every UDIN
12. Maintain independence confirmations
13. Keep acceptance/continuance checklists
14. Evidence planning: strategy, risk, materiality
15. Run EQCR where required
16. Track CPE for all staff
17. Prepare the highest-turnover file
18. Include a public limited co. in scope
19. Respond to Form 6 queries fast
20. Host the visit without deferrals
21. Remediate observations and document it
22. Pay the fee within 7 days
23. Watch certificate validity & renew early
24. Use portal video manuals & FAQs
25. Treat review as improvement, not audit

IN ONE BREATH

Key takeaways

Applicability first

Identify your phase and hold a valid certificate before signing covered audits. Phase IV now applies from 31 Dec 2026.

Form-1 is decisive

Accurate, Firm-Card-reconciled, complete answers prevent 80% of delays and observations.

Systems over paperwork

A living SQC-1/SQM-1 system — documented and operating — is what reviewers actually test.

Go portal-native

Run the entire review on prb.icai.org and lean on its SOPs, FAQs and video manuals.

Questions & Discussion

Thank you for your participation.

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Disclaimer: This presentation is for professional education. Always refer to the latest Peer Review Guidelines, 2022, Board announcements and portal SOPs for current requirements and timelines.