

# January 2016 Reviewer Alert

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## What's New in the *Peer Review Program Manual (PRPM)* – January 2016 Update

The following change will be available in OPL by late January 2016:

- PRPM 3300, RAB Handbook inadvertently did not reflect previous changes to Chapter 6, Section IV “Determining Noncooperation of Reviewed Firms.” These changes had been properly reflected in the January and May 2015 CD/Loose-leaf versions but were not carried over into OPL.

## More News on the PRPM Transition to OPL

**Need to catch up PRPM's transition to OPL?** Then this [summary](#) of our related Alert communications will get you up-to-date.

**Have specific questions on the PRPM on OPL?** Then see our [FAQ document](#).

**Why is this transition important?** If you (or firms you peer review) have historically accessed the PRPM, including Team/Review Captain Packages (and engagement checklists), from the Peer Review website, you should know that most PRPM content, including engagement checklist profiles, and content from practice management toolkits, is now provided to its subscribers on the AICPA's Online Professional Library (OPL). Content that will remain available to the public on our peer review website includes the Standards, Interpretations, RAB Handbook and Quality Control Policy and Procedure Questionnaires.

## REMINDER: Comments Due on Exposure Draft by January 31, 2016

The Peer Review Board (Board) has issued an [exposure draft](#) intended to improve the transparency and effectiveness of peer review by clarifying and enhancing the existing guidance for what is expected of firms, reviewers and RABs in relation to systemic issues and nonconforming engagements.

- The proposals impact firms by giving them the ultimate responsibility for identification of and implementing appropriate remediation of systemic issues and nonconforming engagements (no more “reviewer recommendation”).
- The proposals impact reviewers by enhancing expected procedures to identify systemic causes and assess the firm's remediation plans, including when scope expansion or additional deficiencies, such as tone at the top, may be necessary.
- The proposals impact RABs by enhancing expected considerations of the firm and reviewer assessments with respect to systemic causes and nonconforming engagements

and when corrective actions should be used to confirm effectiveness of the remediation plans.

- The proposals provide the public with more transparent reporting of engagements selected, linkage between nonconforming engagements and report rating, industries impacted by the deficiencies and the firm's remediation plans. The proposals also clarify what information can be provided to third parties about the progress and results of a review.

Comments and responses should be sent to Rachelle Drummond, Senior Technical Manager, AICPA Peer Review Program, AICPA, 220 Leigh Farm Road, Durham, NC 27707-8110 or [PR\\_expdraft@aicpa.org](mailto:PR_expdraft@aicpa.org), and should be received by January 31, 2016.

If approved by the Board, final revisions to the *Standards* and Interpretations will be effective for reviews commencing on or after January 1, 2017 except for those related to transparency of review status. *Standards* paragraphs .133 and .146 and Interpretations 133a-1 and 146-3 will be effective upon approval by the Board.

### **"Becoming an AICPA Peer Review Team or Review Captain" - Pilot Testers Needed**

In accordance with the revised [Peer Reviewer Training Framework](#), individuals seeking to become team or review captain qualified for the first time after May 1, 2016 will be required to complete the "Becoming an AICPA Peer Review Team or Review Captain" curriculum. The curriculum is a series of six web-based, interactive topical modules that have been written to enable participants to plan and perform peer reviews. These modules teach participants how to perform and document the procedures required in a peer review and explain the objectives and requirements of the AICPA Peer Review Program. Each module contains a competency exam that must be passed before the participant may complete the next module in the series. The courses that make up this curriculum are currently under development and are scheduled to be released on May 1, 2016.

In order to complete the development process of these courses, Staff are seeking volunteers to serve as pilot testers. Pilot testers are eligible to take the series at no cost. Upon successful completion of each module's competency exam, pilot testers would be awarded the appropriate CPE credit. Additionally, after completion of the six modules, each pilot tester would have completed the first part of the new initial training requirement and would only need to attend the second part in order to become team or review captain qualified. We expect the modules to be available for pilot testing in April 2016. Each pilot tester would be expected to complete each of the six modules.

Please note pilot testers would need to complete the second part of the new initial training requirement, a one-day live seminar practical application course (also titled "Becoming an AICPA Peer Review Team or Review Captain"). This course will be held in various cities throughout the year.

#### ***Contact Information***

If you are interested in volunteering as a pilot tester, or have additional questions, please contact Jaime Henderson, Technical Manager – Peer Review Program, at [jhenderson@aicpa.org](mailto:jhenderson@aicpa.org) or (919) 490-4351.

## Procedure for Submitting a Request for an Exception to the Reviewer Qualifications

The qualification requirements to serve as a peer reviewer were revised as of December 31, 2015. The AICPA has received several inquiries from individuals who may not meet all of these revised requirements, most notably the requirement to have five consecutive years of experience, as required in paragraph 31(e). On January 13, 2016, the Peer Review Board approved enhancements to the Peer Review Standards Interpretations (PRP Section 2000) that provide additional clarification of these requirements. The additional interpretations to Standards paragraph .31 are effective immediately, and provide guidance addressing this concern, among others. The interpretations can be found [here](#) and should be updated for the new interpretations in February.

Included in these changes is the concept that the AICPA may allow, in rare circumstances, a reviewer to perform reviews when the reviewer does not meet the minimum requirements described in paragraph .31 of the Standards. If you would like to request such an exception, please submit a letter detailing the circumstances surrounding your request, prior to the commencement of the peer review. Provide as much detail as possible to allow AICPA staff enough evidence to support your claim as to why an exception should be approved for your situation. The written letter can either be emailed to [prptechnical@aicpa.org](mailto:prptechnical@aicpa.org) or mailed to AICPA, Peer Review Technical Staff, 220 Leigh Farm Road, Durham, NC 27707.

## Upcoming Events

### **2016 Peer Review Conference and Optional Sessions**

*August 8-10, 2016 San Diego, CA*

The AICPA Peer Review Team will host our annual conference from August 8-10, 2016, with optional sessions on Monday, August 8, in San Diego, California. Please join us for another exciting installment of our annual conference. Check out our [conference web page](#) for more details. Registration will be available at the beginning of May 2016.

### **Becoming an AICPA Peer Review Team or Review Captain: Case Study Applications**

*August 2016 San Diego, CA*

Co-sponsored by the California Society of CPAs, the AICPA is hosting the “Becoming an AICPA Peer Review Team or Review Captain: Case Study Applications” course that will be held in conjunction with the Peer Review Conference in San Diego, California. Potential reviewers can network and meet with experienced peer reviewers during meals, breaks and at the reception. Check out our [web page](#) for more details. Registration will be available at the beginning of May 2016.