Reviewer Focus

Welcome to the March 2014 edition of ***Reviewer Focus***. We designed this communication to focus your attention on current issues to assist you in more effectively performing your peer reviews and enhancing the quality of the work performed by your peer review clients. The information contained herein has ***not*** been approved by the AICPA Peer Review Board and thus does not constitute—other guidance as defined in the *AICPA Standards for Performing and Reporting on Peer Reviews*

AICPA Peer Review Program Manual Update – REVISED April 1, 2014

In early April, you will be able to download the revised AICPA *Peer Review Program Manual* Update 00-9 (April 2014) (Manual), including updated checklists, from the **In the Spotlight** section on the Peer Review Interest Area page, the 2014 Peer Review Program Manual page or the Team and Review Captain Checklists page.

Peer reviewers should adhere to the revised guidance, forms and checklists for peer reviews commencing on or after April 1, 2014.

The manual has been conformed to recently approved guidance as described in the February Alert No. 14-1 (related to the coordination of peer review and PCAOB inspections, and noncooperation revisions regarding the completeness of peer review scope).

It also reflects guidance as described in Agenda Item 1.4 of the Peer Review Board's January 2014 open session materials (related to changes in the SRM, Team Captain Checklist, Review Captain Checklist and Engagement Statistics Data Sheet). Some of the highlights include:

- The documents were converted to Excel to make them more user-friendly. Adobe versions to accommodate reviewers that do not have (or wish) to use Excel will also be available.
- Questions/steps were reordered to flow logically.
- Duplicative questions/steps were deleted.
- Rows containing guidance are collapsible if not needed.
- Drop down menus are provided for some of the answer boxes.

In conjunction with the changes made:

- The Team Captain Checklist is no longer required to be submitted to the AE (except for NPRC reviews).
- The Review Captain Checklist has been renamed "Review Captain Summary."
- PRP Section 6400 Engagement Statistics Data Sheet has been incorporated into the Review Captain Summary.
- For technical reviewers, the statistics section from the Technical Reviewer's Checklists has been eliminated.

Further, ***all*** engagement checklists have been revised, with the exception of:

- 22,160 Supplemental Checklist for Review of Broker-Dealer Audit Engagements (to be updated later in 2014 to coincide with audit guide updates)
- Checklists with the suffix "A" signifying that they are for financial statements with periods ending before December 15, 2012

Besides being updated to the most current professional standards, the engagement checklists have a more logical flow to make the review process more efficient. Some of the highlights include:

- A streamlined engagement profile focusing more on the high-risk engagement areas
- Rearranged questions to provide a logical engagement review flow
- Functional area questions were incorporated into the relevant sections of the checklist
- Redesign of the significant audit areas matrix to be more of a planning document than a summary document

Three new checklists will be available:

- 22,400 FRF for SMEs™ Financial Reporting and Disclosure Checklist for System Reviews*
- 22,500 IFRS Financial Reporting and Disclosure Checklist
- 23,700 FRF for SMEs™ Financial Reporting and Disclosure Checklist for Engagement Reviews*

Further details on the conforming changes made to the Manual can be found in the Release Notes, which will also be available in early April.

Peer reviewers should adhere to the revised guidance, forms and checklists for peer reviews commencing on or after April 1, 2014.

*These two checklists were inadvertently left off the original March 18, 2014 Reviewer Focus.