

# PRP Section 6100

## *Instructions to Firms Having an Engagement Review*

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**.01** The purpose of these instructions is to provide guidance to firms having Engagement Reviews under the AICPA Peer Review Program (the program). Firms should be aware of their peer review responsibilities and requirements as discussed in the *Standards for Performing and Reporting on Peer Reviews* (sec. 1000), with an emphasis on paragraphs .01–.19 (sec. 1000 par. .01–.19), as well as these instructions. In addition, all individuals in the firm involved in the peer review should read and become familiar with the standards, interpretations, supplemental guidance, and materials relative to the aspect of the review that most directly affects their role in the firm. These individuals should be aware that peer review documents may need to be completed electronically by logging into their account on [www.aicpa.org](http://www.aicpa.org). If documents cannot be completed electronically, an alternative method acceptable to the AICPA can be used. These instructions should be used for reference on firm-on-firm reviews and reviews with committee appointed review teams (CARTS), and association formed review teams.

**.02** An Engagement Review is not available to firms that perform engagements under Statements on Auditing Standards (SASs), engagements under *Government Auditing Standards*, examinations under the Statements on Standards for Attestation Engagements (SSAEs), or engagements performed under PCAOB standards. Firms that only perform services under Statements on Standards for Accounting and Review Services (SSARSs) or services under the SSAEs not included in the previous sentence are eligible for Engagement Reviews. The scope of an Engagement Review only covers accounting engagements; it does not include tax or consulting services.

**.03** An Engagement Review consists of reading the financial statements or information submitted by the reviewed firm and the accountant's report thereon, together with certain background information and representations from the firm and the documentation required by applicable professional standards. The peer reviewer's objective is to evaluate whether the CPA firm's reports are issued and procedures performed appropriately in accordance with applicable professional standards.

**.04** An Engagement Review does not provide the reviewer with a basis for expressing any assurance about the firm's system of quality control for its accounting practice, and no opinion or any form of assurance is expressed on that system.

**.05** Engagement Reviews are administered by *administering entities* (that elect to participate in and are approved by the AICPA Peer Review Board to administer the program. The administering entity will contact the firm at the appropriate time to make arrangements for the conduct of the review.

**.06** Prior to the review, the assigned reviewer or the administering entity will ask the reviewed firm to provide summarized information showing the number of the firm's compilation, review and preparation engagements performed under SSARS and engagements performed under the SSAEs,<sup>1</sup> classified into industry categories. That information should be provided for each partner, or individual of the firm, if not a partner, who is responsible for the issuance of reports on such engagements (hereinafter "responsible party"). The person providing this information should be someone that is knowledgeable about the nature of the firm's practice and is accountable for providing complete and accurate information to the administering entity and the peer review team. Firms should be aware that failure to accurately represent its accounting and auditing practice, as defined by the AICPA *Standards for Performing and Reporting on Peer Review*, will be deemed a matter of noncooperation with the program for which the firm will be subject to a hearing by the Peer Review Board to determine if the firm's enrollment from the program should be terminated. If the firm's enrollment is terminated for omission or misrepresentation of information relating to its accounting and auditing practice, the matter will result in referral to the AICPA Professional Ethics Division for firms with AICPA members for investigation of a possible violation of the AICPA Code of Professional Conduct. The *Engagement Summary Form* that will be used for this purpose is located in appendix A of these instructions (paragraph .36). In addition, the reviewer will need a copy of the background or scheduling form that the reviewed firm submits to the administering entity to schedule the review. The firm is responsible for ensuring that the review captain is qualified to perform the review.

**.07** The firm is required to make specific representations as noted in paragraph .208, appendix B, "Considerations and Illustrations of Firm Representations":

Each representation indicated must be included in the representation letter. The firm is not prohibited from making additional representations, including indicating that a specific condition does not exist. The representations should be addressed to the review captain (for example, "To John Smith, CPA" or on committee appointed review team reviews where appropriate, it may be addressed "To the Review Captain") and dated the same date as the report. The written

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<sup>1</sup> See paragraph .06 of the standards (sec. 1000 par. .06) for a description of the types of attestation engagements included within the definition of an accounting and auditing practice for peer review purposes. For financial forecasts or projections and agreed upon procedures, report dates during the year under review would be subject to selection.

representations should be presented on firm letterhead and signed by individual members of management whom the reviewer or the administering entity believes are responsible for and knowledgeable about, directly or through others in the firm, the matters covered in the representations, the firm, and its system of quality control (this should not be a firm signature). Such members of management normally include the managing partner and the partner in charge of the firm's system of quality control. If a representation made by management is contradicted by other information obtained, the review captain should investigate the circumstances and consider the reliability of the representations made and any effect on the report.

**.08** Either the reviewer or the administering entity should discuss with the reviewed firm the 12-month period to be covered by the review. Ordinarily, the peer review year is the 12-month period ending 6 months prior to the peer review due date. The peer review due date is 3 years and 6 months after the firm's last peer review year-end, or, in the initial year, is 18 months after a firm enrolled or should have enrolled in the AICPA Peer Review Program. See paragraphs .13–.19 of section 1000, "AICPA Standards for Performing and Reporting on Peer Reviews," for timing of the reviews. That period should ordinarily end 3 to 5 months prior to the performance of the review and all reports selected for review should ordinarily have periods ended during the period (except for financial forecasts or projections and agreed upon procedures under the SSAEs, where the selection for review are those engagements with report dates during the year under review). Ordinarily, the year-end date should not change from one triennial review period to the next. The review should be planned to provide the review team with sufficient time to perform the review and to provide the firm with sufficient time prior to the exit conference to determine appropriate responses to matters, findings, deficiencies, and significant deficiencies identified during the review.

**.09** Based on the information provided, the reviewer or the administering entity will advise the firm of the types of engagements selected for review. (For example, the firm may have reported that Partner A issues review reports on 4 construction contractors, 2 retailers, and 10 manufacturers, but Partner B issues compilation reports on 30 medical practices and review reports on 5 restaurants. You may be asked to submit one of Partner A's review reports on a construction contractor and one of Partner B's compilation reports on a medical practice. The firm will select the specific engagements following those instructions.)

**.10** The number of engagements selected should ordinarily adhere to the following guidelines for reviewers:

- a.* Select one engagement from each level of service performed by the firm:
  - Review of financial statements (performed under SSARS)
  - Compilation of financial statements with disclosures (performed under SSARS)
  - Compilation of financial statements that omits substantially all disclosures (performed under SSARS)
  - Engagements performed under the SSAEs other than examinations
- b.* One engagement should be selected from each responsible party listed previously in item *a*.
- c.* Selection of preparation engagements should only be made in the following instances:
  1. One preparation engagement with disclosures (performed under SSARS) should be selected when performed by an individual in the firm who does not perform any engagements included in item *a* or when the firm's only engagements with disclosures are preparation engagements.
  2. One preparation engagement that omits substantially all disclosures (performed under SSARS) should be selected when performed by an individual in the firm who does not perform any engagements included in item *a* or when the firm's only omit disclosure engagements are preparation engagements.
  3. One preparation engagement should be selected if needed to meet the requirement in item *d*.
- d.* Ordinarily, at least two engagements should be selected for review.

**.11** The preceding criteria are not mutually exclusive. The objective is to ensure that one engagement is selected for each responsible party, and one engagement is selected from each of the areas of service performed by the firm listed in item *a* in the previous list. Therefore, one of every type of engagement that a responsible party listed in item *a* in the previous list performs does not have to be reviewed as long as, for the firm taken as a whole, all types of engagements noted in item *a* in the previous list performed by the firm are covered.

.12 For each engagement selected for review, the reviewed firm should submit the appropriate financial statements or information and the accountant's report, masking client identity if it desires, along with specified background information, representations about each engagement and the firm's documentation required by applicable professional standards for each of these engagements. The firm should also complete and submit an "Engagement Review Questionnaire" (see appendix B, "Considerations and Illustrations of Firm Representations").

.13 The engagements selected should be those with reports with financial statement periods ended during the review year.

.14 The evaluation of each engagement submitted for review includes the following:

- a. Consideration of the financial statements or information and the related accountant's report on the engagements performed under SSARS and engagements performed under SSAEs.
- b. Consideration of the documentation on the engagements performed via reviewing background and engagement profile information, representations made by the firm, and inquiries.
- c. Review of all other documentation required by applicable professional standards on the engagements.

.15 An Engagement Review does not include a review of other documentation prepared on the engagements submitted for review (other than the documentation referred to previously), tests of the firm's administrative or personnel files, interviews of selected firm personnel, or other procedures performed in a System Review. Accordingly, an Engagement Review does not provide the review captain with a basis for expressing any form of assurance on the firm's system of quality control for its accounting practice. The review captain's report does indicate, however, whether anything came to the review captain's attention that caused him or her to believe that the engagements submitted for review were not performed and/or reported on in conformity with applicable professional standards in all material respects. The review captain should promptly inform the firm when an engagement is not performed and/or reported on in conformity with applicable professional standards and remind the firm of its obligation under professional standards to take appropriate actions.

.16 A firm may be dropped from the program if it has failed to have a review by the date assigned. Therefore, if a firm fails to provide the information described in paragraph .12 in sufficient time to enable the reviewer to perform the Engagement Review prior to the required date, the reviewer should promptly advise the entity administering the review of this fact. Appropriate fair procedures will be followed in these circumstances.

.17 A peer review commences when the review team begins the review of engagements. A firm whose peer review has not commenced may resign from the program by submitting a letter of resignation to the board. However, once a peer review commences, a firm will not be able to resign from the program except as stated in the following circumstance. A firm will be permitted to resign once its peer review has commenced when the firm submits a letter pleading guilty, acknowledging its noncooperation with the program, waiving its right to a hearing, and for firms with AICPA members, agreeing to allow the AICPA to publish, in such form and manner as the AICPA Council may prescribe, the fact that the firm has resigned from the program before completion of its peer review, evidencing noncooperation with the program.

.18 During the course of the review, the reviewer may have questions about the selected engagements. The firm is expected to respond promptly to questions raised during the review, whether those questions are raised orally or in writing.

.19 When the CPA firm receives a report with a peer review rating of *pass*, the peer reviewer has concluded that nothing came to his or her attention that the CPA firm's work was not performed and/or reported on in conformity with applicable professional standards in all material respects. A report with a peer review rating of *pass with deficiencies* is issued when the reviewer concludes that nothing came to his or her attention that the work was not performed and/or reported on in conformity with applicable professional standards in all material respects, except in certain situations that are explained in detail in the report. A report with a peer review rating of *fail* is issued when the reviewer concludes that, as a result of the situations described in the report, the work was not performed and/or reported on in conformity with applicable professional standards in all material respects.

.20 Prior to issuing his or her report or finalizing Matter for Further Consideration (MFC) and FFC form(s), if applicable, the review captain should communicate his or her conclusions to the firm at a closing meeting. The closing meeting is normally held via teleconference and may also be attended by representatives of the administering entity, the

board, AICPA staff, or other board authorized organizations with oversight responsibilities. The review captain should discuss the following during the closing meeting:

- a. Preliminary peer review results, including any matters, findings, deficiencies or significant deficiencies, and the type of report to be issued.
- b. The firm's requirement to respond to the MFC form(s), FFC form(s), or the deficiency(ies) or significant deficiency(ies) included in the peer review report.
- c. Other suggestions and observations for the firm to consider. For example, implications of upcoming changes in professional standards, operational or efficiency suggestions, and minor areas for improvement considerations.

**.21** An exit conference will be held after the firm has responded to the MFC form(s), Findings for Further Consideration (FFC) form(s), and deficiencies or significant deficiencies in the report and the review captain has assessed whether the responses are appropriate and has considered any additional impact to the peer review results, and is normally held via teleconference. Accordingly, except in rare circumstances that should be explained to the firm, the exit conference should be postponed if there is uncertainty about the report to be issued or the deficiencies or significant deficiencies to be included in the report. The purpose of a separate closing meeting and exit conference is to provide the firm sufficient time to determine appropriate responses to the matters, findings, deficiencies, and significant deficiencies identified and to provide the review captain with sufficient time to assess the firm's responses prior to the report date (exit conference date). If these steps have been taken prior to the closing meeting or are not necessary, the closing meeting and exit conference may be combined. In either circumstance, the exit conference should ordinarily be held prior to but no later than the review due date (see interpretations). The review captain should discuss the following during the exit conference:

- a. Final peer review results, including any changes to the information communicated at the closing meeting after consideration of the firm's responses to MFCs, FFCs, and deficiencies and significant deficiencies in the report.
- b. Potential implications of the Report Acceptance Body (RAB) acceptance process such as corrective actions (for deficiencies and significant deficiencies) and implementation plans (for findings) that may be imposed by the RAB, if applicable. The review captain should also discuss with the firm the implications of these steps on the acceptance and completion of the peer review and the firm's enrollment in the program.
- c. Peer review noncooperation implications of consecutive non-pass report ratings, if applicable (see interpretations).

**.22** If the firm receives an FFC form or report with a peer review rating of *pass with deficiencies* or *fail*, it is the firm's responsibility to identify the appropriate remediation of findings, deficiencies, and significant deficiencies and to appropriately respond. The reviewed firm should address the firm's actions taken or planned to remediate the findings, deficiencies, or significant deficiencies, including timing of the remediation and additional procedures to ensure the finding, deficiency, or significant deficiency is not repeated in the future. The review captain should review and evaluate the responses on the FFC forms and letter of response prior to the exit conference. The firm's letter of response should be finalized and dated as of the exit conference date and provided to the review captain. The review captain should include the firm's letter of response with his or her report and working papers submitted to the administering entity.

**.23** The reviewed firm should respond promptly to questions raised in the review in order to assist the review captain in reaching his or her conclusions. The firm should respond to all matters communicated on an MFC form, communicated on an FFC form, and deficiencies or significant deficiencies communicated in the peer review report. The firm's response to deficiencies or significant deficiencies should be communicated in a letter of response addressed to the administering entity's peer review committee. The firm's draft responses should be provided to the review captain as soon as practicable to allow the review captain sufficient time to assess the firm's response prior to the exit conference.

**.24** As part of the acceptance process, the firm may be requested to perform remedial, corrective actions related to the deficiencies or significant deficiencies noted in the peer review report, in addition to those described by the reviewed firm in its letter of response. If a firm does not perform the required actions, this will delay completion of the firm's peer review and could jeopardize the firm's enrollment in the program.

**.25** Based on the information on the FFC form, the firm may be required to have an implementation plan in addition to the plan described by the reviewed firm in its response to the findings on the FFC form(s). If a firm does not perform the required action in the implementation plan, it could jeopardize the firm's enrollment in the program.

.26 The administering entity will not make the report on the review available to the public. A firm may be a voluntary member of one of the AICPA's audit quality centers or sections. These centers or sections mandate that firms make certain peer review documents open to public inspection as a membership requirement. Other firms may elect not to opt out of the program's process for voluntary disclosure of peer review results to state boards of accountancy (SBOAs) where the firm's main office is located. Also, firms may voluntarily instruct their administering entity to make the peer review results available to certain other SBOAs. In these cases, the firm permits the AICPA, administering entities, or both, to make their peer review results available to the public or to SBOAs, respectively. However, the firm should not publicize the results of the review or distribute copies of the report to its personnel, clients, or others until it has been advised that the report has been accepted by the administering entity as meeting the requirements of the program.

.27 The standards (sec. 1000) state that if a firm, subsequent to the year-end of its Engagement Review, performs an engagement performed under the SASs, *Government Auditing Standards*, or examination of prospective financial statements or examinations of a service organization's controls likely to be relevant to user entities' internal control over financial reporting under the SSAEs, the reviewed firm should (a) immediately notify the administering entity and (b) undergo a System Review. The System Review will ordinarily be due 18 months from the year-end of the engagement (for financial forecasts and projections, 18 months from the date of report) requiring a System Review or by the firm's next scheduled due date, whichever is earlier.

.28 When a firm is scheduled for an Engagement Review and subsequent to the peer review year-end but prior to the peer review due date, the firm will be issuing a report on an engagement performed under the SASs, *Government Auditing Standards*, or examination of prospective financial statements or examinations of a service organization's controls likely to be relevant to user entities' internal control over financial reporting under the SSAEs. The firm has the option of undergoing two peer reviews (an Engagement Review and then a System Review) or wait until the engagement causing the System Review is issued and undergo one System Review. However, firms must consider the effect of waiting because this may cause noncompliance with state boards of accountancy or other regulatory peer review requirements. Firms should discuss their intentions with the administering entity.

.29 Paragraph .05(h) of the standards noted that firms (and individuals) enrolled in the program have the responsibility to cooperate with the peer reviewer, administering entity, and the board in all matters related to the peer review, including taking remedial, corrective actions, or implementation plans as needed.

.30 The reviewed firm should not publicize the results of the review or distribute copies of the peer review report to its personnel, clients, or others until it has been advised that the report has been accepted by the administering entity as meeting the requirements of the program.

.31 Administering entities approved by the AICPA Peer Review Board are authorized to establish dues or registration fees within their individual jurisdictions to fund the administration of the program.

.32 Administering entities of the program shall also be authorized to establish the rates at which reviewers will be paid for service on review teams they form. Although the rates established may be stratified based on the size and nature of the reviewed firm, the rates should be used uniformly throughout the jurisdiction for review teams that it arranges. Firms that perform reviews and associations of CPA firms that assist their members in arranging such reviews may set their own rates in consultation with the reviewed firm.

.33 The AICPA Peer Review Board has adopted a resolution for dropping a firm's enrollment in the program for failing to pay the fees and expenses related to the administration of the program that have been authorized by the governing body of an administering entity or the fees and expenses of a review team formed by an administering entity (see Peer Review Standards Interpretation No. 5h-1, "Cooperating in a Peer Review" [AICPA, sec. 2000]).

.34 A firm whose peer review has not commenced may resign from the program by submitting a letter of resignation to the board. However, once a peer review commences, a firm will not be able to resign from the program except as stated in the following paragraph. A peer review commences when the review team begins the review of engagements in an Engagement Review. A firm will be permitted to resign once its peer review has commenced when the firm submits a letter pleading guilty, acknowledging its noncooperation with the program, waiving its right to a hearing, and for firms with AICPA members, agreeing to allow the AICPA to publish, in such form and manner as the AICPA Council may prescribe, the fact that the firm has resigned from the program before completion of its peer review, evidencing noncooperation with the program.

**.35** Reviewers and reviewed firms should understand that professional judgment often becomes a part of the process and each party has the right to challenge the other on such matters. If, after discussion with the review captain, the reviewed firm disagrees with one or more of the findings, deficiencies, or significant deficiencies, the reviewed firm should contact the administering entity for assistance in the matter. For more information on disagreements, please review paragraph .116 of section 1000.

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## Appendix A

### ENGAGEMENT SUMMARY FORM<sup>1</sup>

**Reminder:** This information must be completed in PRIMA. You do not need to complete this chart in the Engagement Summary Form. It is here as a resource, if needed.

**Peer Review Due Date (from Background Form)** \_\_\_\_\_

**12-Month Peer Review Year-Ended<sup>2</sup>** \_\_\_\_\_

<i>Industry of the client<sup>4</sup></i>	<i>Level of service provided<sup>5</sup></i>	<i>Number of engagements performed<sup>3</sup></i>		
		<i>Responsible Party 1</i>	<i>Responsible Party 2</i>	<i>Responsible Party 3</i>
	R			
	C			
	CO			
	AT			
	P			
	PO			
	R			
	C			
	CO			
	AT			
	P			
	PO			
	R			
	C			
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	C			
	CO			
	AT			
	P			
	PO			
	R			
	C			
	CO			
	AT			
	P			
	PO			
	R			
	C			
	CO			
	AT			
	P			
	PO			



Total number of C-8<sup>6</sup> engagements performed \_\_\_\_\_

Does the firm have a license to practice in the state in which the practice unit is domiciled (where the main office is located)? The license should have been active during the peer review year and through the earlier of reviewed engagements' issuance dates or the date of peer review fieldwork.

Yes or No. Explain: \_\_\_\_\_

Attach documentation of the license to this checklist. Acceptable documentation includes an original or copy of the license, a print-out from an online license verification system, correspondence from the licensing authority, or other reasonable alternative documentation.

Signature: \_\_\_\_\_ Date: \_\_\_\_\_

Title: \_\_\_\_\_

<sup>1</sup> Please refer to paragraph .06 for instructions on completing this form. Ordinarily, list engagements with reports with financial statement periods ended during the peer review year.

<sup>2</sup> Year-end should be 6 months prior to peer review due date from background form.

<sup>3</sup> Each monthly compilation engagement or monthly preparation engagement counts as one engagement.

<sup>4</sup> Please use the industry codes in this appendix.

<sup>5</sup> Please use the level of service codes in this appendix.

<sup>6</sup> Compilation engagements when the compiled financial statements are not expected to be used by a third party (management use only) where an engagement letter was issued instead of a report.

### Level of Service Codes

Please use the following codes to reflect the level of service provided:

- R Review of financial statements
- C Compilation of historical or personal financial statements with disclosures
- CO Compilation of financial statements that omits substantially all disclosures
- C-8 Compilation engagements when the compiled financial statements are not expected to be used by a third party (management use only), where an engagement letter was issued instead of a report
- AT Attestation services on financial statements or information
- P Preparation of financial statements with disclosures (with or without disclaimer reports)
- PO Preparation of financial statements that omit substantially all disclosures (with or without disclaimer reports)

### Industry Codes

110	Agricultural, Livestock, Forestry, & Fishing	260	Not-for-Profit Organization (including Voluntary Health and Welfare)
115	Airlines		
120	Auto Dealerships	268	Personal Financial Statements
125	Banking	295	Real Estate Investment Trusts
145	Casinos	300	Reinsurance Companies
150	Colleges and Universities	308	Rural Utilities Service Borrowers
155	Common Interest Realty Associations	310	Savings and Loan Associations
165	Construction Contractors	313	Service Organizations Controls (SOC 2 Reports)
175	Credit Unions	314	Service Organizations Controls (SOC 3 Reports)
180	Extractive Industries—Oil and Gas	320	School Districts
185	Extractive Industries—Mining	325	State and Local Government
186	Federal Student Financial Assistance Programs	330	Telephone Companies
190	Finance Companies	335	Utilities
195	Franchisors	380	Defined Contribution Plans—Full and Limited Scope (Excluding 403(b))
200	Property and Casualty Insurance Companies		
205	Government Contractors	383	Defined Contribution Plans—Full and Limited Scope (403(b) Plans Only)
210	Health Maintenance Organizations		
216	Hospitals	390	Defined Benefit Plans—Full and Limited Scope
217	Nursing Homes	400	ERISA Health & Welfare Plans
222	HUD Programs	403	Employee Stock Ownership Plans (ESOP)
230	Investment Companies and Mutual Funds	405	Other ERISA Plans
240	Life Insurance Companies	440	Carrying Broker-Dealers <sup>7</sup>
250	Mortgage Banking	450	Non-Carrying Broker-Dealers <sup>8</sup>
		002	Other (Describe)

<sup>7</sup> Carrying broker-dealers include all broker-dealers that clear customer transactions, carry customer accounts or hold custody of customer cash or securities. Examples of carrying broker-dealers include a clearing broker-dealers who receive and execute customer instructions, prepare trade confirmations, settle the money related to customer trades and arrange for the book entry (or physical movement) of the securities and b carrying broker-dealers that hold customer accounts or clear customer trades for introducing broker-dealers. Non-carrying broker-dealers are those broker-dealers that do not clear customer transactions, carry customer accounts, or hold custody of customer cash or securities. Examples of non-carrying broker-dealers are a introducing broker-dealers that introduce transactions and accounts of customers or other broker-dealers to another registered broker-dealer that carries such accounts on a fully disclosed basis and that does not receive or hold customer or other broker-dealers securities and b a broker-dealer whose business does not involve customer accounts, such as proprietary trading firms, investment banking firms, and firm's that sell interest in mutual funds or insurance products. If you have any question about whether the engagements you perform of broker-dealers are carrying or non-carrying, please contact the AICPA Peer Review technical hotline at [prptechnical@aicpa.org](mailto:prptechnical@aicpa.org) or 919.402.4502, option 3.

<sup>8</sup> See footnote 7.

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**Appendix B**  
**AICPA Peer Review Program**  
**ENGAGEMENT QUESTIONNAIRE**

(To be completed by Reviewed Firm)

FIRM NAME \_\_\_\_\_

**General Data**

Engagement Name or Code No. \_\_\_\_\_ (If client names have been deleted from the financial statements, code these sheets as Nos. 1, 2, and so on and mark the financial statements correspondingly.)

Period covered by financial statements _____	Total assets	\$ _____
Date of report (engagement letter if no report was issued) _____	Long-term debt	\$ _____
Date report or financial statements released _____	Equity	\$ _____
Major lines of business _____	Net sales	\$ _____
_____	Net income	\$ _____

At the time the report or financial statement(s) on the client's current year was issued or released, were there billed or unbilled fees, or note(s) receivable arising from such fees, that remained unpaid for any professional services provided more than one year prior to the date of the report? Yes  No

	<i>Name</i>	<i>Hours on engagement</i>	<i>Number of years on job</i>
Accountant with final responsibility for the engagement (for example, sole practitioner or engagement partner)	_____	_____	_____
Accountant in charge of field work (for example, manager, supervisor, or senior accountant)	_____	_____	_____
Other personnel	_____	_____	_____

**Nature of Entity:**

- Independent entity
  - Consolidated or combined group
  - Subsidiary
  - Other (explain) \_\_\_\_\_
- \_\_\_\_\_
- \_\_\_\_\_

**Nature of Service:**

Accounting and Review Services—

- Review
- Compilation  
       \_\_\_\_\_ with disclosures    \_\_\_\_\_ omits disclosures    \_\_\_\_\_ independent with respect to the entity
- Preparation  
       \_\_\_\_\_ with disclosures    \_\_\_\_\_ omits disclosures

Attest Services—

- Financial forecasts and projections
- Reviews of written assertions
- Agreed-upon procedures
- Other (describe) \_\_\_\_\_  
 \_\_\_\_\_

**Financial Statements Included:**

- Balance sheet
- Income statement
- Statement of cash flows
- Statement of retained earnings
- Supplementary information (describe) \_\_\_\_\_  
 \_\_\_\_\_
- Other (explain) \_\_\_\_\_  
 \_\_\_\_\_

**Accounting Basis for Financial Statements:**

- Generally accepted accounting principles
- Cash basis
- Income tax basis
- Other (explain) \_\_\_\_\_  
 \_\_\_\_\_

**Complete the following questions related to non-attest services, unless preparation services were provided, or a lack of independence was disclosed in the accountant’s compilation report:**

What types of non-attest services will be performed for this client? (Check all that apply.)<sup>9</sup>

- Activities such as financial statement preparation, cash-to-accrual conversions, and reconciliations<sup>10</sup> [ET sec. 1.295.010.06]
- Bookkeeping, payroll, and other disbursements [ET sec. 1.295.120]
- Tax preparation services [ET sec. 1.295.160]
- Other, which may include advisory services [ET sec. 1.295.105], appraisal, valuation, and actuarial services [ET sec. 1.295.110], benefit plan administration [ET sec. 1.295.115], business risk consulting [ET sec. 1.295.125], corporate finance consulting [ET sec. 1.295.130], executive or employee recruiting [ET sec. 1.295.135], forensic accounting [ET sec. 1.295.140], information systems design, implementation, or integration [ET sec. 1.295.145], internal audit [ET sec. 1.295.150], investment advisory or management [ET sec. 1.295.155]

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For each non-attest service type previously identified, identify the following (attach additional sheets, if necessary):

- Specific non-attest service: \_\_\_\_\_  
\_\_\_\_\_
- Individual in your firm responsible: \_\_\_\_\_  
\_\_\_\_\_
- Name(s) and title of client personnel overseeing this service: \_\_\_\_\_  
\_\_\_\_\_
- Please describe your assessment and factors leading to your satisfaction that the client personnel overseeing the service had sufficient skills, knowledge and experience to do so: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Did any of the non-attest service(s) involve leading and directing the entity, including making significant decisions or assuming management responsibilities?

Examples of such services include, but are not limited to, the following: (Check all that apply.)

- Accepting responsibility for the preparation and fair presentation of the client’s financial statements
- Having check signing authority or power of attorney, whether used or not
- Preparing invoices, receipts, or other documents that evidence the occurrence of a transaction (including data entry)
- Authorizing or executing transactions, or making decisions on behalf of the client
- Supervising, hiring, or terminating client employees
- Serving on the client’s board of directors

<sup>9</sup> To determine the applicability of all cross-referenced Code sections, consider their effective dates.

<sup>10</sup> Effective for periods beginning after December 15, 2014, activities such as financial statement preparation, cash-to-accrual conversions, and reconciliations are considered outside the scope of the attest engagement and, therefore, constitute a non-attest service.

- Serving as a client's stock transfer or escrow agent, registrar, general counsel, or equivalent
- Accepting responsibility for the management of a client's project
- Performing ongoing evaluations of the client's internal control as part of its monitoring activities
- Other: \_\_\_\_\_

If any of the preceding boxes are checked, please provide a description: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

### Explanation of References:

- AU-C Reference to section number for Clarified Statements on Auditing Standards in AICPA *Professional Standards*
- AR Reference to section number for Statements on Standards for Accounting and Review Services in AICPA *Professional Standards*
- AR-C Reference to section number for Clarified Statements on Standards for Accounting and Review Services in *Professional Standards*
- AT Reference to section number for Statements on Standards for Attestation Engagements in AICPA *Professional Standards*

N/A    Yes    No    Ref.

### Specific Engagement Questions

(If this is a compilation engagement when the compiled financial statements are not expected to be used by a third party [management use only], where an engagement letter was issued instead of a report, questions A, E, and F should be completed and the questions under K and L should be completed in lieu of the questions under B–D, and G–J.)

- A. Does the practitioner in charge of this engagement have a license to practice in the state in which the practitioner primarily practices public accounting? The license should have been active during the peer review year and through the earlier of the engagements issuance date.             \_\_\_\_\_
- Attach documentation of the license to this checklist. Acceptable documentation includes an original or copy of the license, print-out from an online license verification system, correspondence from the licensing authority, or other reasonable alternative documentation.
- B. Is the firm independent with respect to the entity? If "no," answer questions 1, 2, and 3 and then skip to question D. (Not applicable for Preparation Engagements)
1. Did the firm limit its service to the compilation of financial statements?             \_\_\_\_\_
2. Did the compilation report include a statement that the firm was not independent?             \_\_\_\_\_
3. If the reason(s) the firm was not independent was disclosed, did the disclosure include all of the reasons independence was impaired?             \_\_\_\_\_
- C. Did the firm indicate in the Engagement Questionnaire that they provide any non-attest services? (Not applicable for Preparation Engagements) If "yes," answer the following questions:

	<u>N/A</u>	<u>Yes</u>	<u>No</u>	<u>Ref.</u>
1. Was the accountant in compliance with interpretations of the “Nonattest Services” subtopic (AICPA, <i>Professional Standards</i> , ET sec. 1.295) under the “Independence Rule” (AICPA, <i>Professional Standards</i> , ET sec. 1.200.001)?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____
2. Did the firm document its understanding with the client as required by the “Documentation Requirements When Providing Nonattest Services” interpretation (AICPA, <i>Professional Standards</i> , ET sec. 1.295.050)? Please submit the documentation to the reviewer.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____
3. If the firm provided multiple non-attest services to the client, before agreeing to perform multiple non-attest services, did the firm comply with the requirements of the “Cumulative Effect on Independence When Providing Multiple Non-attest Services” interpretation (AICPA, <i>Professional Standards</i> , ET sec. 1.295.020)?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____
D. Did the entity have any balances, transactions, events, or agreements of the following types during the year covered by the financial statements? If the answer is “yes,” please indicate in the third column entitled “Ref.” where the matter is disclosed—using the codes “R” for the accountant’s report, “F” for the financial statements, or “FN” for footnotes. If the answer is “yes” but the matter is not disclosed, please provide sufficient information in the “commentary” section of this questionnaire to enable the reviewer to consider whether the item has been appropriately accounted for, and/or disclosed. (Do not answer this question for engagements to compile financial statements that omit substantially all disclosures or attest services previously marked “other.”)				
1. Accounting changes.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____
2. Business combinations.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____
3. Related party transactions (including receivables and payables from officers, employees, and affiliates).	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____
4. Leasing arrangements.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____
5. Pension plans.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____
6. Postemployment and postretirement plans other than pensions.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____
7. Stock option or purchase plans.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____
8. Contingencies.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____
9. Commitments.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____
10. Significant events between the balance sheet and report dates.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____
11. Pledging of assets.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____
12. Loan agreements or covenants imposing significant restrictions.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____
13. Capital stock with significant rights or preferences.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____
14. Treasury stock.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____
15. Discontinued operations.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____
16. Extraordinary items.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____
17. Unusual or infrequent items.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____
18. Restrictions on cash balances.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____

	<i><u>N/A</u></i>	<i><u>Yes</u></i>	<i><u>No</u></i>	<i><u>Ref.</u></i>
19. Allowance for doubtful accounts.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____
20. Noncash transactions.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____
21. Investments in debt or equity securities.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____
22. Financial instruments with concentrations of credit risk.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____
23. Financial instruments with off-balance sheet risk.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____
24. Other valuation accounts.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____
25. Income tax expense, benefits, temporary differences, investment tax credits, and other information on the effect of income taxes.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____
26. Notes receivable or payable or debt with no interest rate or an inappropriate stated interest rate.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____
27. Economic dependence on customers.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____
28. Troubled debt restructurings.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____
29. Unusual or specialized accounting policies.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____
30. Research and development costs.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____
31. Computer software costs.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____
32. Product financing arrangements.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____
33. Foreign operations.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____
34. Foreign currency transactions.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____
35. Nonmonetary transactions.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____
36. Going-concern considerations. [AU-C sec. 570 par. .10-.11]	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____
E. Were there any disagreements with the client on this engagement that, if not resolved to the firm's satisfaction, would have caused the firm to modify its report (or engagement letter when the compiled financial statements are not expected to be used by a third party where no report was issued) or to withdraw from the engagement? If the answer is "yes," provide sufficient information in the "commentary" section of this questionnaire to enable the reviewer to consider whether the item has been appropriately accounted for, disclosed, or both.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____
F. If the accountant (firm) was engaged to perform an audit in accordance with GAAS, prior to agreeing to change the engagement to a review or compilation, or a review rather than a compilation, did the accountant consider: a the reasons for the client's request, particularly the implications of a restriction on the scope of the audit, whether imposed by the client or by other circumstances, b the additional audit effort required to complete the audit and c the estimated additional cost to complete the audit? [SSARS 19 Engagement—AR sec. 80.56-.61 for compilations; AR sec. 90.63-.68 for reviews; SSARS 21 Reviews—AR-C sec. 90.86]	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____



	<u>N/A</u>	<u>Yes</u>	<u>No</u>	<u>Ref.</u>
G. If this engagement was a review, consider the following questions:				
1. Did the accountant establish an understanding with management regarding the services to be performed and document the understanding through a written communication with the client? Did the accountant ensure that the understanding included the objectives of the engagement, management’s responsibilities, the accountant’s responsibilities, and the limitations of the engagement? For review engagements performed in accordance with SSARS No. 21, <i>Statement on Standards for Accounting and Review Services: Clarification and Recodification</i> (AICPA, <i>Professional Standards</i> ), was the engagement letter or other suitable form of written communication signed by (a) the accountant or the accountant’s firm and (b) management or those charged with governance? [SSARS 19 Engagements—AR sec. 90.03-.06; SSARS 21 Engagements—AR-C sec. 90.11-.12]	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____
2. Did the accountant possess an understanding of the industry in which the entity operates, including the accounting principles and practices generally used in the industry, sufficient to assist the accountant with determining the specific nature, timing and extent of review procedures to be perform? [SSARS 19 Engagements—AR sec. 90.08-.09; SSARS 21 Engagements—AR-C sec. 90.14]	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____
3. Did the accountant obtain knowledge about the entity sufficient to assist the accountant with determining the specific nature, timing and extent of review procedures to be performed? [SSARS 19 Engagements—AR sec. 90.10-.13; SSARS 21 Engagements—AR-C sec. 90.15]	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____
4. Did the accountant (firm) obtain a representation letter from members of management whom the accountant (firm) believes are responsible for and knowledgeable directly or through others in the organization, about the matters covered in the representation letter? [SSARS 19 Engagements—AR sec. 90.22; SSARS 21 Engagements—AR-C sec. 90.33-.34]	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____
5. Did the accountant become aware that information supplied by the client was incorrect, incomplete or otherwise unsatisfactory; did the accountant perform additional procedures as deemed necessary? [SSARS 19 Engagements—AR sec. 90.21; SSARS 21 Engagements—AR-C sec. 90.91]	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____
6. Is the accountant’s engagement documentation sufficiently detailed to provide a clear understanding of the work performed, the review evidence obtained and its source and the conclusions reached? [SSARS 19 Engagements—AR sec. 90.25; SSARS 21 Engagements—AR-C sec. 90.91]	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____

	<u>N/A</u>	<u>Yes</u>	<u>No</u>	<u>Ref.</u>
H. If the engagement was a compilation, consider the following:				
1. Did the accountant establish an understanding with management regarding the services to be performed and document the understanding through a written communication with the client? Did the accountant ensure that the understanding included the objectives of the engagement, management's responsibilities, the accountant's responsibilities, and the limitations of the engagement? For compilation engagements performed in accordance with SSARS No. 21, was the engagement letter or other suitable form of written communication signed by (a) the accountant or the accountant's firm and (b) management or those charged with governance? [SSARS 19 Engagements—AR sec. 80.02–.05; SSARS 21 Engagements—AR-C sec. 80.10–.11]	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____
2. Did the accountant possess an understanding of the industry in which the client operates, including the accounting principles and practices generally used in the industry sufficient to enable the accountant to compile financial statements that are appropriate in form for an entity operating in that industry? [SSARS 19 Engagements—AR sec. 80.06; SSARS 21 Engagements—AR-C sec. 80.12]	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____
3. Did the accountant obtain knowledge about the client, including an understanding of the client's business and an understanding of the accounting principles and practices used by the client? [SSARS 19 Engagements—AR sec. 80.08–.09]	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____
4. Is the accountant's engagement documentation sufficient in detail to provide a clear understanding of the work performed? [SSARS 19 Engagements—AR sec. 80.14; SSARS 21 Engagements—AR-C sec. 80.38]	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____
5. For compilation engagements performed under SSARS 19, did the accountant's documentation include the following: [AR sec. 80.15]	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____
a. The engagement letter documenting the understanding with the client?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____
b. Any findings or issues that, in the accountant's judgment, are significant?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____
c. Communications, whether oral or written, to the appropriate level of management or others charged with governance, regarding fraud or illegal acts that come to the accountant's attention?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____
6. For compilation engagements performed under SSARS No. 21, did the accountant's documentation include the following: [AR-C sec. 80.38]	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____
a. The signed engagement letter or other suitable form of written documentation?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____
b. A copy of the financial statements?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____
c. A copy of the accountant's report?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____

	<u>N/A</u>	<u>Yes</u>	<u>No</u>	<u>Ref.</u>
I. If the engagement was a preparation, did the accountant				
1. obtain an engagement letter or other suitable form of written agreement that documented the agreed-upon terms of the engagement? Did the accountant ensure that the agreement included all required items? Was the engagement letter or other suitable form of written communication signed by (a) the accountant or the accountant’s firm and (b) management or those charged with governance? [AR-C sec. 70.10–.11]	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____
2. possess an understanding of the financial reporting framework and the significant accounting policies intended to be used in the engagement? [AR-C sec. 70.12]	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____
3. include a description of the financial reporting framework on the face of the financial statements if the financial statements were prepared in accordance with a special purpose framework? [AR-C sec. 70.15]	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____
4. include a statement on each page of the financial statements indicating, at a minimum, that “no assurance is provided” on the financial statements or issue a disclaimer that makes clear that no assurance is provided on the financial statements? [AR-C sec. 70.14]	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____
5. provide documentation that included [AR-C sec. 70.21]	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____
a. the signed engagement letter or other suitable form of written documentation with management?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____
b. a copy of the financial statements that the accountant prepared?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____
J. If this engagement was an agreed-upon procedures engagement, consider the following:	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____
1. Was the report dated the date of completion of the agreed-upon procedures? [AT sec. 201 par. .34]	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____
2. If a written assertion was required in the circumstances, did the responsible party provide the assertion in writing to the firm prior to the issuance of your report? [AT sec. 201 par. .09]	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____
3. Did the firm and the specified parties agree upon the procedures performed? [AT sec. 201 par. .06c]	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____
4. Was the specific subject matter to which the procedures were applied subject to reasonably consistent estimation or measurement? [AT sec. 201 par. .06e]	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____
5. Did the firm and the specified parties agree upon the criteria used in the determination of findings? [AT sec. 201 par. .06f]	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____
6. Were the applied procedures expected to result in reasonably consistent findings using the criteria? [AT sec. 201 par. .06g]	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____
7. Did you communicate with and obtain affirmative acknowledgment on the sufficiency of the procedure from each of the specified parties? (Communication can be either directly or via appropriate alternative procedures such as the following: comparing the procedures applied to written requirements of the specified parties, discussing the procedures applied with appropriate representatives of the specified parties involved, or reviewing relevant contracts with or correspondence from the specified parties.) [AT sec. 201 par. .07]	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____

	<i>N/A</i>	<i>Yes</i>	<i>No</i>	<i>Ref.</i>
8. Did the firm establish an understanding with the client regarding the terms of the engagement, preferably in an engagement letter? [AT sec. 201 par. .10]	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____
9. If the work of a specialist was used, did the firm and the specified parties explicitly agree to the involvement of the specialist in assisting the firm in the performance of the engagement? [AT sec. 201 par. .20]	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____
10. Were the agreed-upon procedures performed entirely by the firm except for those agreed by the firm and the specified parties that were performed by a specialist? [AT sec. 201 par. .21]	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____
11. Was the firm requested to add additional parties, and if so, did the firm obtain affirmative acknowledgment (normally in writing) from the additional parties agreeing to the procedures performed and of its taking responsibility for the sufficiency of the procedures? [AT sec. 201 par. .36]	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____
12. If the firm was requested to change from another form of engagement to an engagement to apply agreed-upon procedures, did the firm consider the following before agreeing to the change:	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____
a. The possibility that certain procedures performed as part of another type of engagement were not appropriate for inclusion in an agreed-upon procedures engagement? [AT sec. 201 par. .42a]	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____
b. The reason given for the request, particularly the implications of a restriction on the scope of the original engagement or the matters reported? [AT sec. 201 par. .42b]	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____
c. The additional effort required to complete the original engagement? [AT sec. 201 par. .42c]	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____
d. If applicable, the reasons for changing from a general-use report to a restricted-use report? [AT sec. 201 par. .42d]	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____
13. If the practitioner obtains a representation letter as a means of obtaining certain representations from the responsible party, does the letter disclose all known matters contradicting the subject matter or the assertion, and any communication from regulatory agencies affecting the subject matter or the assertion has been disclosed to the practitioner? [AT sec. 201 par. .38]	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____
14. If the practitioner requested a representation letter and the responsible party refused to sign such a letter, did the accountant do one of the following: (a) disclose in the report the inability to obtain representations, (b) withdraw from the engagement, or (c) change the engagement to another form of engagement? [AT sec. 201 par. .39]	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____
K. If this engagement was an other attestation engagement, consider the following questions:				
1. Is the report dated ordinarily on the date of completion of the other attestation engagement procedures? [AT sec. 101 par. .90i; sec. 301 par. .33k; sec. 301 par. .55q; sec. 401 par. .13j; sec. 501 par. .55k; sec. 601 par. .24p; sec. 601 par. .55k; sec. 701 par. .69k; and sec. 701 par. .85m]	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____
2. If the engagement was to determine the effectiveness of internal control over financial reporting, were the following conditions met for performing an examination? [AT sec. 501 par. .04]	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____

	<i>N/A</i>	<i>Yes</i>	<i>No</i>	<i>Ref.</i>
a. Did management accept responsibility for the effectiveness of the entity’s internal control?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____
b. Was there sufficient evidence to support or was evidence developed to support the responsible party’s evaluation?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____
c. Did the responsible party present its written assertions about the effectiveness of the entity’s internal control in a separate report that accompanied the accountant’s report or in a representation letter to the practitioner? [AT sec. 501 par. .05]	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____
d. Did the practitioner obtain written representations from the responsible party, and was the representation letter properly dated? [AT sec. 501 par. .52]	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____
3. If the engagement was about the entity’s compliance with specified requirements or the effectiveness of internal control over compliance, were the following conditions met for performing the engagement on management’s written assertions?				
a. Did management assert that they evaluated and accepted responsibility for the compliance with specified requirements and the effectiveness of the entity’s internal control over compliance? [AT sec. 601 par. .09]	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____
b. Did management make an assertion about the entity’s compliance with specified requirements? [AT sec. 601 par. .10b]	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____
c. Was there sufficient evidence to support management’s evaluation? [AT sec. 601 par. .10c]	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____
d. Were the written assertions about compliance with specified requirements or the effectiveness of the entity’s internal control over compliance made in a representation report for restricted use or in a separate report for general use? [AT sec. 601 par. .11a-.11b]	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____
e. Were the assertions so specific that the same or similar measurement and disclosure criteria would lead to similar conclusions? [AT sec. 601 par. .12]	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____
4. If the engagement was on pro forma financial information, did the firm obtain written representations from management concerning their				
a. responsibility for the assumptions used in determining the pro forma adjustments and assumptions? [AT sec. 401 par. .10h]	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____
b. belief that the assumptions provide a reasonable basis for presenting all of the significant effects directly attributable to the transaction (or event), that the related pro forma adjustments give appropriate effect to those assumptions, and that the pro forma column reflects the proper application of those adjustments to the financial statements? [AT sec. 401 par. .10h]	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____
c. belief that the significant effects directly attributable to the transaction (or event) are appropriately disclosed in the pro forma financial statements? [AT sec. 401 par. .10h]	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____
L. If the engagement was a compilation when the compiled financial statements are not expected to be used by a third party (management use only) where no report was issued, did the documentation of the understanding include the following: [AR sec. 80.03-.05]				

	<u>N/A</u>	<u>Yes</u>	<u>No</u>	<u>Ref.</u>
1. The nature and limitations of the services to be performed?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____
2. A compilation is limited to presenting in the form of financial statements information that is the representation of management?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____
3. The financial statements will not be audited or reviewed?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____
4. No opinion or any other form of assurance on the financial statements will be provided?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____
5. Management has knowledge about the nature of the procedures applied and the basis of accounting and assumptions used in the preparation of the financial statements?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____
6. Acknowledgement of management's representation and agreement that the financial statements are not to be used by third parties?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____
7. If non-attest services are provided, that management is responsible for making decisions and evaluating and accepting responsibility for the services?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____
8. The engagement cannot be relied upon to disclose errors, fraud, or illegal acts?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____
9. Material departures from the applicable financial reporting framework may exist, and the effects of those departures, if any, on the financial statements may not be disclosed?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____
10. Substantially all disclosures (and statement of cash flows, if applicable) required by the applicable reporting framework may be omitted?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____
11. Lack of independence?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____
12. A reference to supplementary information?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____
M. Did the accountant include a reference on each page of the financial statements restricting their use such as "Restricted for management's use only;" or "Solely for the information and use by the management of [Name of Entity] and not intended to be and should not be used by any other party?" [AR sec. 80.23]	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____

Responsible Party's Signature: \_\_\_\_\_ Date: \_\_\_\_\_



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## Appendix C

### Entities Administering the AICPA Peer Review Program

<i>State where main office of firm is located</i>	<i>Name of entity administering AICPA Peer Review Program</i>	<i>Telephone no.</i>
Alabama	Alabama Society of CPAs	(334) 834-7650
Alaska	California Society of CPAs	(650) 802-2486
Arkansas	Arkansas Society of CPAs	(501) 664-8739
Arizona	California Society of CPAs	(650) 802-2486
California	California Society of CPAs	(650) 802-2486
Colorado	Colorado Society of CPAs	(303) 773-2877, ext. 105
Connecticut	Connecticut Society of CPAs	(860) 258-4800, ext. 213
Delaware	Pennsylvania Institute of CPAs	(215) 496-9272
District of Columbia	Virginia Society of CPAs	(804) 270-5344
Florida	Florida Institute of CPAs	(850) 224-2727, ext. 250
Georgia	Georgia Society of CPAs	(404) 504-2958
Guam	Oregon Society of CPAs	(503) 641-7200
Hawaii	Hawaii Society of CPAs	(808) 537-9475
Idaho	Idaho Society of CPAs	(208) 344-6261
Illinois	Illinois CPA Society	(312) 993-0407, ext. 276
Indiana	Indiana CPA Society	(317) 726-5000
Iowa	Illinois CPA Society	(312) 993-0407, ext. 276
Kansas	Kansas Society of CPAs	(785) 272-4366
Kentucky	Kentucky Society of CPAs	(502) 266-5272
Louisiana	Society of Louisiana CPAs	(504) 464-1040
Maine	New England Peer Review, Inc.	(603) 623-3513
Maryland	Maryland Association of CPAs	(443) 632-2330
Massachusetts	Massachusetts Society of CPAs	(617) 556-4000
Michigan	Michigan Association of CPAs	(248) 267-3700
Minnesota	Minnesota Society of CPAs	(952) 831-2707
Mississippi	Mississippi Society of CPAs	(601) 856-4244
Missouri	Missouri Society of CPAs	(314) 997-7966
Montana	Montana Society of CPAs	(406) 442-7301
Nebraska	Nevada Society of CPAs	(775) 826-6800
Nevada	Nevada Society of CPAs	(775) 826-6800
New Hampshire	New England Peer Review, Inc.	(603) 623-3513
New Jersey	New Jersey Society of CPAs	(973) 226-4494
New Mexico	New Mexico Society of CPAs	(505) 246-1699
New York	New York State Society of CPAs	(212) 719-8300
North Carolina	North Carolina Association of CPAs	(919) 469-1040
North Dakota	North Dakota Society of CPAs	(701) 775-7100
Ohio	Ohio Society of CPAs	(614) 764-2727
Oklahoma	Oklahoma Society of CPAs	(405) 841-3800, ext.3805
Oregon	Oregon Society of CPAs	(503) 641-7200
Pennsylvania	Pennsylvania Institute of CPAs	(215) 496-9272



<i>State where main office of firm is located</i>	<i>Name of entity administering AICPA Peer Review Program</i>	<i>Telephone no.</i>
Puerto Rico	Colegio de Contadores Publicos Autorizados	(787) 754-1950
Rhode Island	New England Peer Review, Inc.	(603) 623-3513
South Carolina	South Carolina Association of CPAs	(803) 791-4181, ext. 107
South Dakota	Oklahoma Society of CPAs	(405) 841-3800, ext. 3805
Tennessee	Tennessee Society of CPAs	(615) 377-3825
Texas	Texas Society of CPAs	(972) 687-8617
Utah	Nevada Society of CPAs	(775) 826-6800
Vermont	New England Peer Review, Inc.	(603) 623-3513
Virgin Islands	Pennsylvania Institute of CPAs	(215) 496-9272
Virginia	Virginia Society of CPAs	(804) 270-5344
Washington	Washington Society of CPAs	(425) 586-1132
West Virginia	West Virginia Society of CPAs	(304) 342-5461
Wisconsin	Wisconsin Institute of CPAs	(262) 785-0445, ext. 3025
Wyoming	Nevada Society of CPAs	(775) 826-6800

## **Appendix D**

### **Timeline of Peer Review Process and Significant Events**

See the following for a timeline of the approximate timing of significant events occurring during the peer review process. The timeline is intended to highlight that the peer review process requires an investment of time by both the firm and the reviewer. A brief summary of the guidance for each of the significant events follows. For the complete guidance for each of these events, refer to the standards and interpretations.

#### ***Enrollment in the Peer Review Program***

By the report date of the firm's first reviewable engagement, a firm should complete and submit the peer review enrollment materials to the administering entity. Once enrolled, a due date for the firm's initial review is assigned, generally 18 months from the report date of the first engagement causing the firm to be enrolled in the program.

#### ***Scheduling the Review***

Approximately six to nine months before a firm's review due date, the administering entity will send a firm a scheduling form to complete and submit in order for the review to be scheduled. To provide sufficient time to the firm, the peer review should ordinarily be conducted within three to five months after the end of the year to be reviewed. Background information from the completed scheduling forms, such as composition of practice and selected peer reviewer, is entered into an AICPA database accessible by administering entities to determine whether the reviewer is qualified. The administering entity is responsible for approving a reviewer and once approved, the peer review is scheduled, usually within two months after the scheduling forms are received. Approval must be obtained prior to commencement of the review.

#### ***Performing the Review***

When all requested documents are received by the reviewer from the reviewed firm, they will be evaluated to determine the appropriate report. A closing meeting will be held in which the reviewer will provide preliminary results of the peer review to include, but not be limited to, matters, findings, deficiencies, and significant deficiencies. The closing meeting may need to occur at least 30 days prior to the firm's due date to allow sufficient time for the firm to determine appropriate remediation with respect to matters identified in the review and for the team captain/review captain to assess the impact of the firm's responses on the peer review, if any.

The reviewer will then schedule an exit conference prior to, but no later than, the peer review due date. During the exit conference, the final peer review results will be discussed as well as the process following the exit conference, including Report Acceptance Body (RAB) evaluation and acceptance. The peer reviewer is responsible for submitting the peer review working papers to the administering entity and for issuing the report to the firm within 30 days of the exit conference or by the firm's peer review due date, whichever is earlier. Depending upon the results of the review, for example when there were no matters noted that require follow up by the firm, the closing meeting and exit conference may be the same date.

#### ***Administrative and Technical Reviews***

Once the reviewer has completed the review and all materials have been submitted to the administering entity, the working papers will go through an administrative and technical review. The administrative review ensures all required documents from the reviewer are received and complete. During the technical review, the working papers submitted by the reviewer are evaluated to determine whether the review has been conducted in accordance with the Standards and whether the firm has responded to any matters, findings, deficiencies or significant deficiencies in an appropriate manner.

#### ***Review Evaluation, Acceptance, and Completion***

Upon completion of the technical review, reviews are presented for consideration of acceptance at the RAB meeting with attention given to team captain/review captain and technical reviewer recommendations. Peer reviews are presented ordinarily within 120 days after working papers are received by the administering entity. The RAB reviews the report and applicable supporting documentation and determines if the review can be accepted or if additional conditions must be met. If no corrective actions are necessary, the completion date of the review is the acceptance date. If corrective actions are necessary, the review is considered completed when the firm has performed the corrective actions to the RAB's satisfaction.

Example Timeline of Peer Review Process

