



Peer Review Program

**QUESTIONS AND ANSWERS ABOUT
THE AICPA PEER REVIEW PROGRAM**

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QUESTIONS & ANSWERS ABOUT THE AICPA PEER REVIEW PROGRAM

INTRODUCTION

This question and answer document provides information about the AICPA Peer Review Program. It is primarily geared to answer common questions of a current or potential reviewed firm regarding peer review. This document has been developed to assist those firms in understanding their responsibilities and requirements related to peer review and provide general information and resources about peer review.

In addition to this document and the resources mentioned, firms are invited to attend the following courses to better assist them with preparing for their peer review and understanding the peer review program and process:

Upcoming Peer Review: Is Your Firm Ready?

(<http://www.cpa2biz.com> ; Course acronym: SNPR)

This 8-hour course is designed specifically to prepare a firm for their peer review. It focuses on how to create a strong quality control environment, as well as how to prevent some of the most common significant deficiencies noted in peer reviews. It also provides information on selecting the proper peer reviewer/review team.

How to Conduct a Review Under the AICPA Practice-Monitoring Program

(<http://www.cpa2biz.com> ; Course acronym: HCRPM)

This 16-hour course is designed to meet the initial and on-going training requirements of peer review team captains and review captains. It discusses how a peer review is planned and performed, understanding and evaluating a firm's quality control system as well as recommendations for how a firm should respond to a peer review finding or reported deficiency.

Additional information about these courses can be accessed through <http://www.cpa2biz.com> or <http://www.aicpalearning.org>

Technical questions about the peer review program can also be directed to:

AICPA Peer Review Program Hotline: (919) 402-4502

AICPA Peer Review Program Technical Hotline E-mail Address: prptechnical@aicpa.org

Comments and suggestions may be addressed to:

AICPA
Attention: Peer Review Team
220 Leigh Farm Road
Durham, NC 27707

PEER REVIEW ENROLLMENT REQUIREMENTS

What is the AICPA's practice monitoring requirement?

In order to be admitted or to retain their membership in the American Institute of Certified Public Accountants (AICPA) members of the AICPA who are engaged in the practice of public accounting in the United States or its territories are required to be practicing as partners or employees of firms enrolled in an Institute approved practice-monitoring program or, if practicing in firms not eligible to enroll, are themselves enrolled in such a program if the services performed by such a firm or individual are within the scope of the AICPA's practice-monitoring Standards and the firm or individual issues reports purporting to be in accordance with AICPA professional standards. (Depending on how a CPA firm is legally organized, its partner(s) could have other names, such as *shareholder, member, or proprietor.*)

A member can meet the requirement if his or her firm is enrolled in the AICPA Peer Review Program (PRP). Firms that are required to be registered with and inspected by the Public Company Accounting Oversight Board (PCAOB) and those performing audits of non-SEC issuers pursuant to the standards of the PCAOB are required to have their AICPA peer review administered by the National PRC. Firms that are not required to have their review administered by the National PRC may choose to do so. However, such firms are subject to the National PRC's administrative fee structure and should familiarize themselves with that structure prior to making such a decision.

How many firms are enrolled in the AICPA Peer Review Program?

Over 30,000 firms are enrolled in the AICPA Peer Review Program that are required to have a review of its accounting and auditing practice at least once every three years.

Does my firm have to enroll in a peer review program if it does not have an accounting and auditing practice?

If a firm does not perform services that include issuing reports purporting to be in accordance with AICPA professional standards it is not required to enroll in a practice-monitoring program. Firms should consult with their State Board of Accountancy (SBOA) to determine if the State Board rules require enrollment in a practice monitoring program.

For purposes of the *AICPA Peer Review Program Standards*, an accounting and auditing practice is defined as all of a CPA firm's engagements performed under the Statements on Auditing Standards (SASs), Statements on Standards for Accounting and Review Services (SSARS)*, Statements on Standards for Attestation Engagements (SSAEs) and Government Auditing Standards (the Yellow Book), issued by the U.S. General Accounting Office (GAO) and audits of non-SEC issuers performed pursuant to the standards of the PCAOB.

* SSARS that provide an exemption from those standards in certain situations are excluded from the definition of an accounting and auditing practice for peer review purposes.

Does my firm have to enroll in a peer review program if the only engagements it performs are compiled financial statements that are not expected to be used by a third party (management use only)?

Under the AICPA bylaws, firms (or individuals in certain situations) are only required to enroll in an Institute-approved practice monitoring program when the engagements they perform are within the scope of the AICPA's practice-monitoring standards *and issue reports* purporting to be in accordance with AICPA professional standards. Therefore, in the case where the compilations for management's use only are the highest level of service performed by the firm, they would not be required to enroll in the AICPA Peer Review Program because no report is issued. AR sec. 80 requires the accountant to document the understanding of the engagement with the entity through the use of an engagement letter. However, firms must check with their Board of Accountancy peer review requirements as some require firms to enroll and have a peer review in this circumstance.

For firms already enrolled in the AICPA Peer Review Program, compilations for management use only would fall within the scope of peer review.

Do individuals who are practicing outside of the U.S. have to enroll in a peer review program?

Individuals practicing in firms outside of the United States or its territories are exempt from the AICPA practice monitoring program requirement until they return to the United States or its territories. Please check with your Board of Accountancy or other regulatory peer review requirements as some may require you to have a peer review in this circumstance.

Who administers a CPA firm's peer review?

The AICPA Peer Review Program is administered in cooperation with a state CPA society, group of state CPA societies, and the AICPA Peer Review Board's National Peer Review Committee (National PRC) that elect to participate as administering entities (AE). When a CPA firm is enrolled in the AICPA Peer Review Program its peer review will be administered by the administering entity in the state in which the CPA firm's main office is located (or, if that state CPA society has elected not to participate, by another administering entity) or the National PRC. The AICPA Peer Review Board (Board) approves all administering entities.

Firms that are required to be registered with and inspected by the PCAOB and those performing audits of non-SEC issuers pursuant to the standards of the PCAOB are required to have their AICPA PRP peer review administered by the National PRC.

How can my firm enroll in the AICPA Peer Review Program?

A firm should submit an "AICPA Peer Review Program Enrollment Form" to the appropriate [administering entity](#). See [Appendix B](#) for administering entity contact information. By enrolling, a firm agrees to have a peer review of its accounting and auditing practice once every three years. A firm seeking to enroll in the peer review program should be in compliance with the Council resolution concerning form of organization (see AICPA Professional Standards, vol. 2 ET Appendix B). In addition, at least one partner of the firm must be an AICPA member in order to enroll in the AICPA Peer Review Program.

Download the [AICPA Peer Review Program Enrollment Form](#) from the AICPA website or request a form from your [administering entity](#). You may view and print this form using Acrobat Reader. If you do not have Acrobat Reader, you can download it from [Adobe](#).

Once enrolled, when should a firm expect to have its first peer review?

A firm's due date for its initial peer review is ordinarily eighteen months from the date it enrolled in the Program, or should have enrolled, whichever date is earlier. If a firm resigns from the program and subsequently reenrolls in the program, the firm's due date is the later of the due date originally assigned or 90 days after reenrolling. A firm's subsequent peer review ordinarily has a due date of three years and six months from the year-end of the previous review. Firms should also check with their state board of accountancy for any peer review requirements.

An administering entity will consider the firm's (or individual's) practice, the year-ends of their engagements, when the engagements were performed, and the number and type of engagements to be encompassed in the review, in determining an appropriate due date.

Can a firm change its peer review year end?

A firm is expected to maintain the same year-end on subsequent peer reviews. Circumstances may arise that may influence a firm to want to change its year-end. For instance, the nature of the firm's practice may change or they may reevaluate their current year-end and determine as a result that a different year-end is more practical. In such situations, a firm may change its year-end only with prior, written approval of the administering entity.

GENERAL INFORMATION

What are the types of peer reviews?

There are two types of peer reviews - System and Engagement.

What is a System Review?

A System Review includes determining whether the firm's system of quality control for its accounting and auditing practice is designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards, including SQCS No. 8, in all material respects. This type of review is for firms that perform engagements under the Statement on Auditing Standards (SASs,) the Government Auditing Standards (Yellow Book), examinations of prospective financial information or examinations of a service organization's controls likely to be relevant to user entities' internal control over financial reporting under the Statement on Standards for Attestation Engagements (SSAEs), or audits of non-SEC issuers performed pursuant to the standards of the PCAOB.

Approximately 14,000 firms are likely to have a System Review over the next three years. The scope of the peer review does not encompass other segments of a CPA practice, such as tax services or management advisory services, except to the extent they are associated with financial statements, such as reviews of tax provisions and accruals contained in financial statements.

In a System Review, the reviewer will study and evaluate a CPA firm's quality control policies and procedures that were in effect during the peer review year. This includes interviewing firm personnel and examining administrative files. To evaluate the effectiveness of the system and the degree of compliance with the system, the reviewer will test a reasonable cross-section of the firm's engagements with a focus on high-risk engagements in addition to significant risk areas where the possibility exists of engagements being performed and/or reported on that are not in accordance with professional standards in all material respects. The majority of the procedures in a System Review should be performed at the reviewed firm's office, unless the reviewer has requested and received prior approval from the administering entity.

What is an Engagement Review?

An Engagement Review is for firms that are not required to have a System Review and only perform services under SSARS or services under the SSAEs not included in System Reviews. The objective of an Engagement Review is to evaluate whether engagements submitted for review are performed and reported on in conformity with applicable professional standards in all material respects. 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 and the applicable documentation required by professional standards.

More than 16,000 firms are likely to have an Engagement Review over the next three years. This type of review does not cover the firm's system of quality control, so the reviewer cannot

express an opinion on the firm's compliance with its own quality control policies and procedures or compliance with AICPA quality control standards. However, firms eligible to have an Engagement Review may elect to have a System Review.

How can I find out more about the peer review process?

The [AICPA Peer Review Website](#) contains links to resources for peer reviewers, CPA Firms, and the public.

In addition, several sections of the [AICPA Peer Review Manual](#) are available on-line at no charge.

Refer to [Appendix B](#) for links to available resources.

Will information obtained and reported about my peer review be confidential?

A peer review must be conducted in compliance with the confidentiality requirements set forth in the AICPA Code of Professional Conduct. Information concerning the reviewed firm or any of its clients or personnel that is obtained as a consequence of the review is confidential. Peer reviewers may not disclose such information to anyone who is not involved in carrying out the review or administering the peer review program, or use such information in any way not related to meeting the objectives of the program. Also, no reviewer(s) will have contact with clients of your firm.

The peer review standards provide for the following information to be disclosed about a firm's peer review:

- a. The firm's name and address
- b. The firm's enrollment in the program
- c. The date of acceptance and the period covered by the firm's most recently accepted peer review
- d. If applicable, whether the firm's enrollment in the program has been dropped or terminated

Neither the administering entity nor the AICPA shall make the results of the review available to the public, except as authorized or permitted by the firm under the following conditions:

- a. A firm may be a voluntary member of one of the AICPA's audit quality centers or sections that has a membership requirement that certain peer review documents be open to public inspection. In such cases, the reviewed firm is required as a condition of its voluntary membership to make the peer review results or certain peer review documents available to the public or to specific entities.
- b. Unless a firm communicates their desire to "opt out" of the Facilitated State Board Access (FSBA) program (see next question for additional FSBA information), certain peer review information may be shared with the SBOA of the firm's home state. A firm may voluntarily instruct its administering entity to make the peer review results available to certain other SBOAs.

What is Facilitated State Board Access and how might it affect access to information about my firm's peer review?

FSBA is a process that the American Institute of CPAs (AICPA) has created to help keep up with the evolving changes in the business and regulatory environments and to address the demand for greater peer review transparency. This process is intended to create a nationally uniform system through which CPA firms can satisfy state board or licensing body peer review information submission requirements, increase transparency, and retain control over their peer review results. The AICPA and CPA state societies are currently working together to allow this process to become the primary means by which all SBOAs obtain peer review results. Over time, this process will help to make submission of your firm's peer review information easier. Depending on your state's requirements, laws and regulations, your firm may have the option to opt out of this process and your peer review results may or may not be made available to your SBOA as a result of this process. Contact your administering entity for information regarding FSBA requirements and the submission process for your SBOA.

INFORMATION FOR FIRMS ENROLLED IN THE AICPA PEER REVIEW PROGRAM

How do I schedule my peer review?

If your firm enrolls in the peer review and indicates that it performs services and issues reports that are within the scope of the AICPA's practice-monitoring program, the administering entity will send an appropriate communication to the managing partner of the firm regarding the firm's due date for its peer review.

The managing partners of firms scheduled to have a peer review under the AICPA Peer Review Program (Program) in the following year will be contacted by the applicable administering entity no later than 6-9 months prior to the review due date. If the due date is sooner than 6 months, the administering entity will contact the managing partner as soon as reasonably possible. At that time, each firm will be asked to provide information such as, but not limited to:

1. Whether the firm has an accounting, auditing or attestation practice as defined in the *Standards for Performing and Reporting on Peer Reviews (Standards)*.
2. Whether the review is to be performed by a team appointed by the administering entity, by an authorized association, or by a qualified firm.
3. The areas in which the firm practices and any industries in which over ten percent of the firm's auditing practice hours are concentrated.
4. Whether the firm performs any audits through a joint venture or partnership arrangement.
5. The anticipated timing of the review.
6. The reviewer(s) selected to perform the review, if your firm chooses to select its own review team formed by qualifying firms.

The firm will be asked to provide this information on the "Information Required for Scheduling Reviews" Form, which is commonly known as the "background form." The firm should sign and

return the form to the administering entity. If the information regarding the review team members is not known at the time, the information can be provided at a later date but as soon as reasonably possible, to ensure that the chosen reviewers are qualified and are approved by the administering entity.

Can I have an Engagement Review if my firm has only one audit?

No. You must have a System Review even if your firm only performs one audit. The purpose of an audit is to give assurance to third parties. Because of that third party reliance, state regulators allow these services to be performed by CPAs only. As such, the profession has a responsibility to ensure that a CPA firm that performs even one audit has an adequate system of quality control over its accounting and auditing practice. Such assurance can only be obtained by reviewing the system of quality control, your firm's compliance with that system, and by reviewing engagement working papers along with the report and financial statements.

What if there is a change in my firm's practice regarding the levels of service?

You should notify the administering entity in writing of the change in your firm's practice so that the appropriate type (System or Engagement Review) and the timing of your next peer review can be determined. See [GENERAL INFORMATION](#) section of this document for the types of engagements or services applicable to System or Engagement Reviews. If your firm has been engaged to perform one or more audit engagements or other engagements that might prompt a System Review, you should include the number of engagements it has been engaged to perform. If your firm ceases to perform audit engagements, you should also notify the administering entity.

What is the impact on my firm's peer review when my firm completes its first audit engagement after the completion of my Engagement Review?

When a firm, subsequent to the year-end of its Engagement Review, performs an engagement under the SASs, Government Auditing Standards, examinations 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, or an audit of a non-Securities and Exchange Commission issuer performed pursuant to the standards of the PCAOB that would have required the firm to have a System Review, the firm should (a) immediately notify the administering entity and (b) undergo a System Review. In this situation, 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. However, the administering entity will consider the firm's practice, the year-ends of engagements and when the procedures were performed, and the number of engagements to be encompassed in the review, as well as use its judgment, to determine the appropriate year-end and due date. Firms that fail to immediately inform the administering entity of the performance of such an engagement will be required to participate in a System Review with a peer review year-end that covers the engagement. A firm's subsequent peer review ordinarily will be due three years and six months from this peer review year-end.

How much will the peer review cost?

The direct cost of a System Review will vary depending on firm size/region, number of engagements/partners/offices and nature of your firm's accounting and auditing practice. Firms with audits in various specialized, complex or high-risk industries, such as banking, governmental, and employee benefit plans will normally pay more than a firm with the same number of audits that are all in one industry or in less sensitive, lower risk areas. There may be other factors that influence the cost of a System Review including the design of and compliance with the firm's quality control system.

There are also the indirect costs of getting ready for a review that vary based on the condition of your firm's existing system of quality control. Many firms are concerned about these non-chargeable hours. However, if the system of quality control is suitable for your firm's practice, the preparation cost should be minimal. If, on the other hand, your firm finds the opposite is true, it should consider the time well spent since making needed changes should result in your firm providing better services to its clients, and, in most cases, providing those services more efficiently.

The estimated cost of an Engagement Review will vary based on the size of the practice and the number of owners responsible for the issuance of review, compilation and attestation engagement reports.

The cost also varies based on the type of peer review and peer review team selected to perform the review. In addition to the review costs that will be incurred every three years, firms may also pay an annual administrative fee to the administering entity to cover the costs of running the program and, in some states, in the review year, fees for scheduling the review and evaluating the results of the review. For additional cost information, contact your administering entity.

Are there ways to reduce the costs of my peer review?

Yes. The best way to reduce costs is to provide complete, accurate information to the reviewer(s) early enough, such as 30 to 40 days before the review is set to begin, so it can be completed by the review due date. Firms that are committed to establishing, maintaining, and improving the quality of their accounting and audit practice tend to have a more efficient peer review. Prepare for the review early by making sure everyone in your firm understands the importance of performing engagements in accordance with professional standards, and properly documenting engagement planning issues, key procedures and conclusions. If procedures are properly documented and effectively organized, it will improve the reviewer's ability to evaluate what was done without waiting for engagement staff to recall what they did from memory and should result in less time to complete the review. In addition, a properly designed environment of quality control and adherence thereto also results in less time devoted to discussing and responding to matters, findings and deficiencies.

Can the review be performed somewhere besides the firm's office?

Paragraph .08 of the *Standards* states that the majority of procedures in a System Review should be performed at the reviewed firm's office. Engagement Reviews are normally performed at a location other than the reviewed firm's office. If the System Review can reasonably be performed at the reviewed firm's office, it should be. Although certain planning procedures may be performed at the peer reviewer's office, it is expected that a majority of the peer review procedures, including the review of engagements, testing of functional areas, interviews, and concluding procedures should be performed at the reviewed firm's office.

However, it is recognized that there are some situations that make an on-site peer review cost prohibitive or extremely difficult to arrange, or both. Interpretation No. 8-1 to the *Standards*, Performing System Reviews at a Location Other Than the Reviewed Firm's Office allows you to mail, e-mail or bring files, reports, and other materials ordinarily reviewed on a System Review to the reviewer's office or another agreed upon location. In these situations, if the firm and reviewer mutually agree on the appropriateness and efficiency of an approach to the peer review such that it can be performed at a location other than the reviewed firm's office, then the reviewer can request the administering entity's approval to perform the review at a location other than the reviewed firm's office. This request should be made prior to the commencement of fieldwork, and the firm and reviewer should be prepared to respond to the administering entity's inquiries about various factors that could affect their determination.

Some sole practitioners believe their reviews can be carried out in this manner at less cost. Others have found this not to be the case. Regardless, cost savings should not be the primary factor for requesting a System Review to be performed at a location other than a reviewed firm's office, unless the costs are prohibitive.

Is my firm required to have a quality control document?

In accordance with Statements on Quality Control Standards (SQCS) No. 8, *A Firm's System of Quality Control*, all firms are required to have a written quality control document. The extent of the documentation will depend on the size, structure, and nature of the firm's practice. Documentation may be as simple as a checklist of the firm's policies and procedures or as extensive as practice manuals. A Quality Control Policies and Procedures Questionnaire to assist the firm with documentation is available in the Peer Review Program Manual.

Firms are also able to purchase the following practice aid from <http://www.CPA2biz.com>.

- [Practice Aid: Establishing and Maintaining a System of Quality Control for a CPA Firm's Accounting and Auditing Practice](#)

Is my firm required to provide copies of individual or firm licenses or registrations to the peer reviewer?

No. Firms are required to comply with the rules and regulations of state boards of accountancy and other regulatory bodies in the states where they practice. Firms are required to provide a written representation to the peer reviewer indicating that the firm has complied with the rules and regulations of state boards of accountancy or other regulatory bodies, including applicable firm and individual licensing requirements in each state in which it practices for the year under review.

Peer reviewers should make inquiries of the firm to determine if it is appropriately licensed as required by the state boards of accountancy in the state or states in which it practices.

If the reviewed firm is aware of any situation whereby they are not in compliance with the laws, rules and requirements of the state regulatory bodies, they should inform the reviewer and tailor the representation letter to provide information on the areas on non-compliance.

What is a written representation letter?

The representation letter is evidential matter that management is not aware of any situations where it or its personnel has not complied with state board(s) of accountancy or other regulatory bodies rules and regulations, including applicable firm and individual licensing requirements in each state in which it practices for the year under review or has notified the peer reviewer of such situations, has made available to the reviewer communications as stipulated in the *Standards*, has provided the reviewer with a list of all client engagements with periods ending during the year under review and has provided the reviewer with any other information required by the reviewer. If the reviewed firm is aware of any situation whereby they are not in compliance with the rules and regulations of the state boards of accountancy or other regulatory bodies, they should inform the reviewer and tailor the representation letter to provide information on the areas of non-compliance. If during the review, something comes to the reviewer's attention whereby the reviewer believes the reviewed firm is providing contradicting or questionable information, the reviewer should investigate the matter further and may consider having the firm include the matter in the representation letter.

For System Reviews, the written representations should be addressed to the team captain performing the review and be dated the same date as the peer review report which is usually the date of the exit conference. For Engagement Reviews, the representation should be addressed to the reviewer and be dated the same date the firm submits the list of engagements to the reviewer.

If my firm will undergo a change in firm structure due to a firm name change, dissolution, merger, or purchase/sale, who do I notify about this change and how does it affect my peer review?

Your firm should contact your [administering entity](#) immediately upon such change. The firm should obtain a [Peer Review Program Change Form](#), complete the applicable section, and return the form to your administering entity. The administering entity will submit this form to the AICPA Peer Review Program Coordinators once all pertinent information has been received and the form is complete. The AICPA staff will determine how this change will affect your firm's peer review based on the information provided on the form and notify your firm of the status.

How will my firm's affiliation with a non CPA-Owned entity impact my peer review?

Under an alternative practice structure, certain portions of the CPA firm's system of quality control may reside at or operate in conjunction with the system of control of the non-CPA owned entity, which the CPA firm is closely aligned through common employment, leasing of employees, equipment, facilities, or similar arrangements. This would generally include the following elements of quality control: (1) independence, integrity, and objectivity, (2) personnel management, and (3) monitoring of the two preceding quality control elements. Reviewers will perform additional procedures to test these elements at the alternative practice structure.

What if my firm has received communications relating to allegations or investigations in the conduct of accounting, auditing, or attestation engagements from regulatory, monitoring, or enforcement bodies?

The reviewed firm should inform the reviewer of communications or summary of communications from regulatory, monitoring, or enforcement bodies relating to allegations or investigations of deficiencies in the conduct of an accounting, audit, or attestation engagement performed and reported on by the firm, whether the matter relates to the firm or its personnel, within the three years preceding the firm's current peer review year-end and through the date of the exit conference. The information should be in sufficient detail to consider its effect on the scope of the peer review. In addition, the firm should be able to submit the actual documentation to the reviewer in those circumstances that the reviewer deems appropriate. The reviewed firm is not required to submit confidential documents to the reviewer but should be able to discuss the relevant matters and answer the reviewer's questions.

It is also expected that the reviewer and the firm will discuss notifications of restrictions or limitations on the firm's or its personnel's ability to practice public accounting by regulatory, monitoring or enforcement bodies within three years preceding the current peer review year-end.

The reviewed firm should tailor its representation letter to the team/review captain to reflect these situations as it deems appropriate.

How do I determine whether my firm is part of a network?

Refer to the [Frequently Asked Questions and Sample Case Studies for Implementing Network Firm Guidance](#) which was developed by the AICPA Professional Ethics group or contact them directly at ethics@aicpa.org.

CHOOSING A PEER REVIEWER (REVIEW TEAM)

What types of review teams are available to conduct my peer review?

You may choose the type of review team you would like to conduct your firm's peer review.

For System Reviews, you have two options:

- *Firm-On-Firm Review*¹—You hire another qualified CPA firm to conduct the review. This option gives you a degree of personal assurance that the reviewer’s qualifications fit your firm’s needs. It also gives you more control over the cost of the review;
- *Association Review* – You ask the association to which your firm belongs to assemble a review team. That association must be authorized by the AICPA Peer Review Board to assemble such review teams.

For Engagement Reviews, besides the two options listed above, there is a third option:

- *CART (Committee-Appointed Review Team) Review* – For Engagement Reviews, you may ask the administering entity to assemble the review team. Once a team is selected, the administering entity prepares an engagement letter that includes an estimate of the number of hours it will take to perform the review and the reviewer’s billing rates. Billing rates are set by the administering entity and not by the reviewer. You are not required to accept reviewers that your administering entity selects. This option is not available from all administering entities.

A review team is comprised of one or more individuals, depending upon the size and nature of the CPA firm’s practice. A reviewer and reviewed firm must determine the capability of the review team to perform a peer review. This determination includes assigning peer reviewers with appropriate levels of expertise and experience to perform the review. Before accepting a peer review engagement, the reviewing firm should obtain and consider information about the firm to be reviewed, including certain operating statistics concerning size, nature of practice, industry specializations, and levels of service. A System Review team, a review captain on an Engagement Review and, in unusual circumstances any additional reviewers on an Engagement Review, ordinarily should be approved by the administering entity prior to the planning and commencement of the peer review.

What questions should I ask when selecting a reviewer to perform my firm’s review?

1. How many reviews has the individual performed?
2. How much experience does the reviewer have in the industries in which my firm performs?
3. Will the reviewer be able to complete the review on time, allowing me enough time to submit the report and letter of response, if any, to the administering entity by my firm's review due date?
4. Ask the reviewer for a list of firms for which he or she has conducted peer reviews.
5. Are there any other value-added services that the reviewer can provide me during the peer review?
6. What type of Government and/or ERISA audits do you perform (if applicable)?
7. Does the reviewer meet all of the qualifications to be a peer reviewer (during the time of scheduling and expected performance of the review)?

¹ Includes a firm in the same association of CPAs.

8. Has the ability to be a reviewer been limited or restricted or has the reviewer received notifications of limitations/restrictions on their ability to practice public accounting by regulatory, monitoring or enforcement bodies?

If you are a member of the Governmental Audit Quality Center and/or the Employee Benefit Plan Audit Quality Center, keep in mind the membership requirement to have a quality center member review the GAO, and/or ERISA engagement(s).

It is the reviewed firm's responsibility to select a qualified reviewer. The suspension, restriction, or otherwise disqualification of a reviewer is not a valid reason for request of an extension of due date by a reviewed firm. In some circumstances in which the peer review has to be re-performed by another reviewer, the associated cost may be the responsibility of the reviewed firm. It is also the reviewer's responsibility to accurately determine and represent its capabilities and qualifications to perform the peer review.

Is there a list of firms interested in performing peer reviews?

Yes. The administering entity can supply you with a list of firms in a geographic area that you specify that are interested in performing reviews of other firms. The AICPA also maintains a reviewer search feature on the AICPA peer review program web-site that you can use to search for reviewers by state, industry, or size of firm. <http://peerreview.aicpaservices.org/>

How does the AICPA peer reviewer database function?

The AICPA maintains a database of individuals interested in serving as reviewers. All reviewers involved in the AICPA's Practice-Monitoring Program must be listed in the database. However, reviewers have the option of choosing whether they want their resume available to be viewed by others. The database lists information the individual provides to the AICPA on a *Reviewer Resume Form*. The database includes information such as the individual's firm, the program to which his or her firm belongs, the last training course attended or other peer reviewer qualification requirement met, the industries in which the individual has expertise and how that expertise was obtained. Reviewers are expected to update this information at least annually. Reviewers are required to update their resume every two years, otherwise they will be prohibited from performing peer reviews until the resume is updated. Information in the database is available to administering entities for assembling Committee Appointed Review Teams (CARTs) and for verifying the qualifications of firm-on-firm and association reviewers. If you choose to have a CART, a computer program will compare the information you provided about your firm with information provided by potential reviewers and will select an appropriate peer review team for your size firm with experience in your client's industries, and unless you request otherwise, from the same size firm as yours and geographically close to you, but outside of your zip code area.

Who is responsible for making sure the review team is qualified to perform my firm’s peer review?

Since you have the actual contact with the reviewer, you should determine if the team captain or review captain has the experience needed to perform your firm’s peer review. A reviewer/review team not only has to have experience in the right industries, but must have the right amount and type of experience. Once selected, the next step is to have all members of the review team approved by the administering entity prior to the commencement of the review. In addition, the administering entity has the authority to determine whether a reviewer/ review team’s experience is sufficient to perform a particular review. See Appendix A for additional information on reviewer qualification.

If you are a member of the Governmental Audit Quality Center and/or the Employee Benefit Plan Audit Quality Center, keep in mind the membership requirement to have a quality center member review the GAO, and/or ERISA engagement(s).

If a firm chooses to hire their peer reviewer to perform services outside of the scope of peer review but related to the firm’s accounting and auditing practice, the firm should consider whether the arrangement would violate independence and objectivity requirements which might prohibit the reviewer from performing the firm’s next peer review.

Do I have to notify the administering entity if I have already arranged or plan to arrange for another firm or association to perform my peer review?

Yes. The administering entity is responsible for ensuring that all the reviews it administers are performed in accordance with the *Standards for Performing and Reporting on Peer Reviews*. Therefore, your review must not begin until you have informed the administering entity about your arrangements and the administering entity has acknowledged receipt of the information and has approved the reviewers. Reviewers are required to confirm that the administering entity has been notified about your arrangements before starting the review. You should give the administering entity the name of the reviewing firm, the members of the review team, the date the review will begin, the expected date of the exit conference, and inform the administering entity promptly of any changes in that information. Providing this information before your review begins minimizes the chance of the acceptance process being delayed by questions about the conduct of the review or the qualifications of the reviewers.

PREPARING FOR THE REVIEW

How can firms prepare for their review?

In accordance with Statements on Quality Control Standards (SQCS) No. 8, *A Firm’s System of Quality Control*, all firms must establish and maintain appropriate quality control policies and procedures and comply with those policies and procedures to ensure the quality of the services they provide to the public. Several publications are available from the AICPA such as the

Standards for Performing and Reporting on Peer Reviews, the AICPA Peer Review Program Manual subscription service, and the Practice Aid for Establishing and Maintaining a System of Quality Control for a Firm's Accounting and Auditing Practice. The AICPA Peer Review Program Standards and Quality Control Standards are available in the AICPA Professional Standards Vol. 2. These publications as well as the Practice Aid can be ordered from www.CPA2BIZ.com. Portions of the [AICPA Peer Review Program Manual](#) are located on the AICPA website.

When should my firm's peer review be finished?

Your firm's peer review should be finished by its due date. The firm's due date is reflected:

- on the letter acknowledging your firm's original enrollment in the AICPA Peer Review Program,
- in the committee acceptance letter related to your firm's last peer review
- on page 1 of the *Information Required for Scheduling Reviews* form (provided to enrolled firms approximately six to nine months prior to the due date).

The due date is the date by which peer review documents, including the report and if applicable, the letter of response, should be submitted to the administering entity. To make sure your peer review is completed on time, you should start the review at least three to five months after your firm's peer review year-end. You should plan ahead so that the review takes place at a convenient time for your firm. For example, if you have a heavy tax practice and your review due date falls between January and April, you should plan to start the review in September or October to make sure the review is completed before your busy season begins.

What if my firm cannot finish its review by the due date?

If your firm cannot finish its review by the due date, the firm should write a letter to the administering entity to request an extension before the due date. Extensions requested after the due date has passed will not be granted. If possible, extensions should be requested at least sixty days before the due date. However, it is plausible that extensions may be needed due to unforeseen circumstances and thus unable to adhere to the sixty day notification. Explain why your firm cannot have its review on time and offer an alternative date for the review. The administering entity considers extension requests on a case-by-case basis. Extensions are not granted simply because a firm believes it needs more time to prepare for the review. Extensions of a review date by more than three months are rare.

In certain circumstances extension requests for due dates may be granted by the administering entities, however, the extensions may not be recognized by your state board of accountancy or other regulators. *Government Auditing Standards* require a firm to have an external quality control review every three years. This three year period begins with the date your firm starts fieldwork on its first engagement under *GAO Standards*. Subsequent reviews under *GAO Standards* should be completed within three years after the issuance of the prior peer review

report. If your firm performs governmental audits, don't forget to take these requirements and potential changes into account when you request an extension of your firm's due date. The GAO and state boards of accountancy are not required to recognize extensions granted by the AICPA.

What if my firm's peer review documents are not submitted to the administering by the due date?

If the peer review is not completed or documents are not submitted to the administering entity by the firm's due date (including any approved extensions), the firm will receive notifications about the overdue documents. If the overdue documents are not received after a specified time, the administering entity may recommend to the AICPA Peer Review Board that a hearing be held to determine whether a firm should be terminated from the AICPA peer review program for failure to cooperate with the administering entity. If the firm has cooperated in the completion of the peer review, and the delay is caused by the reviewer, the firm should communicate this matter to the administering entity so that appropriate actions can be taken with regard to the reviewer.

What period should my firm's peer review cover?

The peer review covers a one year period mutually agreed upon by you and the reviewer and normally should not change from review to review. Engagements selected for review in a System Review would generally be those with periods ending during the year under review. For attest engagements, including a financial forecast or projection, the selection for review ordinarily should be those with report dates during the year under review. If the current year's selected engagement is not completed and a comparable engagement within the peer review year is not available, the prior years' engagement should be reviewed. If the subsequent years' engagement has been completed, the peer review team should consider, based on its assessment of peer review risk, whether the more recently completed engagement should be reviewed instead.

The criteria for selecting the peer review year-end and the period to be covered by Engagement Reviews are the same as those for a System Review.

It is generally anticipated that a firm will keep the same peer review year-end from review to review. If the prior peer review year-end was not the most convenient for firm personnel or the most natural year-end for your firm's practice, write to your administering entity to request that you be allowed a permanent change to a year-end that is more natural for your firm. Your letter should describe the reasons for your request.

What if my client does not want their financial information reviewed by the peer reviewer?

Firms may have legitimate reasons for excluding an engagement from the scope of peer reviewers. The following explanations are reasonable for excluding an engagement from selection in the peer review (this is not intended to be an all inclusive list):

1. The engagement is subject to litigation
2. Client will not permit the firm to make the engagement available

In these situations, the reviewed firm should submit a written statement to the administering entity, prior to commencement of the review, indicating a) it plans to exclude an engagement(s) from the peer review selection process, b) the reasons for the exclusion and c) it is requesting a waiver from a scope limitation in the peer review report. The administering entity must decide if the reviewed firms request to exclude an engagement is reasonable and whether the firm should receive an exemption from the scope limitation.

The Board has agreed that the following explanations are **unacceptable** reasons for excluding an engagement from selection in the peer review (this is not intended to be an all inclusive list):

1. The engagement working papers are in a warehouse
2. The firm no longer performs the audit for that client (and still has access to the documentation)
3. The firm decided to no longer perform audits
4. The engagement was selected during the last peer review
5. The partner on that engagement will not be available when we scheduled the peer review
6. The firm no longer performs engagements in that industry

These reasons may result in a report with a scope limitation.

What is a scope limitation?

There is a presumption that all engagements and all aspects of functional areas subject to peer review will be included in the scope of the review. In rare situations a reviewed firm may have legitimate reasons for excluding certain engagements or certain aspects of functional areas, for example when an engagement or an employee's personnel records are subject to pending litigation. If you desire to exclude any engagements from the review and want to receive a waiver from a scope limitation, submit a written statement to the administering entity requesting a waiver from a scope limitation, including the reason for excluding the engagement.

The following explanations are **unacceptable** reasons for excluding an engagement from selection in the peer review and therefore would result in a scope limitation (not intended as an all-inclusive list):

- (1) The engagement working papers are in a warehouse.
- (2) The firm no longer performs the audit for that client (and still has access to the documentation).
- (3) The firm decided to no longer perform audits.
- (4) The engagement was selected during the last peer review.
- (5) The partner on that engagement will not be available when we scheduled the peer review.

(6) The firm no longer performs engagements in that industry.

When should I contact my System Review team captain and what will he or she want from me?

You should contact your team captain and begin planning the review together early enough, at least six to nine months prior to the due date, to make sure all documents will be submitted to the administering entity by your firm's due date. The team captain will ask for the following items prior to the review:

- The completed Quality Control Policies and Procedures Questionnaire (describing your quality control system) and/or the firm's comprehensive quality control document as required by SQCS No. 8.
- A list of accounting and auditing engagements for all engagements with periods ending during the year under review.
- Background information, which includes summary information on the nature of your practice, services provided, clients served, industry concentrations and the number of accounting and auditing hours for these clients/industries. This summary information does not have to identify your clients. You can use codes.
- A list of the firm's professional personnel showing name, position and years of experience with the firm and in total.
- A copy of the firm's documentation maintained since its last peer review to demonstrate compliance with the monitoring element of quality control.

Based on this information, the team captain will make a preliminary selection of the offices and engagements he or she intends to review. The initial selection of engagements to be reviewed will be provided no earlier than three weeks before the commencement of the peer review. This should provide ample time to enable the firm (or office) to assemble the required client information and engagement documentation before the review team commences the review. However, at least one engagement from the initial selection to be reviewed will be provided to the firm once the review commences and not provided to the firm in advance. This engagement should be the firm's highest level of service and should not increase the scope of the review.

All engagements with years ending during the peer review year that are performed and issued by the firm should be available to the team captain at the start of fieldwork.

How should my firm prepare for a subsequent peer review?

In preparing for its next review, your firm should:

- Read the report, the findings and recommendations in the prior letter of

comments², if applicable, and your firm's response to the letter of comments³, and be certain that you have taken the actions in your letter of response.

- Perform on-going monitoring procedures to make sure prior deficiencies have been corrected.
- Review its document of quality control policies and procedures and that determine that the size, structure, and nature of the practice of the firm are considered in determining the extent of the documentation of established quality control policies and procedures.
- Prepare the appropriate quality control policies and procedures questionnaire

HAVING THE REVIEW

How are engagements selected for a System Review?

The AICPA Peer Review Program Standards require engagements selected for review should provide a reasonable cross section of the reviewed firm's accounting and auditing practice, with greater emphasis on those engagements in the practice with higher assessed levels of peer review risk. Examples of the factors considered when assessing peer review risk at the engagement level include size, industry area, level of service, personnel (including turnover, use of merged-in personnel, or personnel not routinely assigned to accounting and auditing engagements), communications from regulatory, monitoring, or enforcement bodies; extent of non-audit services to audit clients, significant clients' fees to a practice office(s) and a partner(s) and initial engagements. In addition, at least one of each type of engagement subject to Government Auditing Standards (GAS), Employment Retirement Income Security Act (ERISA), the Federal Deposit Insurance Corporation Improvement Act (FDICIA), or carrying broker-dealers must be selected for review. Additionally, if the engagement selected is an entity subject to GAS but not subject to the Single Audit Act/OMB Circular A-133 and the firm performs engagements of entities subject to OMB Circular A-133, at least one such engagement should also be selected for review. The review of this additional engagement must evaluate the compliance audit requirements and may exclude those audit procedures strictly related to the audit of the financial statements.

How are engagements selected for an Engagement Review?

The review captain or the administering entity (CART review) ordinarily should select the types of engagements to be submitted for review in accordance with the following guidelines:

- a. One engagement should be selected from each of the following areas of service performed by the firm;

² For reviews completed prior to January 1, 2009

1. Review of historical financial statements (performed under SSARS)
 2. Compilation of historical financial statements, with disclosures (performed under SSARS)
 3. Compilation of historical financial statements that omits substantially all disclosures (performed under SSARS)
 4. Engagements performed under the SSAEs other than examinations of prospective financial statements or examinations of a service organization's controls likely to be relevant to user entities' internal control over financial reporting.
- b.** One engagement should be selected from each partner, or individual of the firm, if not a partner, responsible for the issuance of reports listed in item (a). Ordinarily, at least two engagements should be selected for review.

The preceding criteria are not mutually exclusive. One of every type of engagement that a partner, or individual if not a partner, responsible for the issuance of the reports 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.

TYPES OF REPORTS

What types of peer review reports are issued on System Reviews?

The reviewer may issue one of three opinions on the firm's system of quality control (system): pass, pass with deficiencies and fail.

Pass

A report with a peer review rating of *pass* should be issued when the team captain concludes that the firm's system of quality control for the accounting and auditing practice has been suitably designed and complied with to provide the firm reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects.

There are no deficiencies or significant deficiencies that affect the nature of the report and, therefore, the report does not contain any deficiencies, significant deficiencies, or recommendations. In the event of a scope limitation, a report with a peer review rating of *pass (with a scope limitation)* is issued.

Pass with Deficiencies

A report with a peer review rating of *pass with deficiencies* should be issued when the team captain concludes that the firm's system of quality control for the accounting and auditing

practice has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting with applicable professional standards in all material respects with the exception of a certain deficiency or deficiencies that are described in the report. These deficiencies are conditions related to the firm's design of and compliance with its system of quality control that could create a situation in which the firm would have less than reasonable assurance of performing and/or reporting in conformity with applicable professional standards in one or more important respects due to the nature, causes, pattern, or pervasiveness, including the relative importance of the deficiencies to the quality control system taken as a whole.

In the event of a scope limitation, a report with a peer review rating of *pass with deficiencies (with a scope limitation)* is issued.

Fail

A report with a peer review rating of fail should be issued when the team captain has identified significant deficiencies and concludes that the firm's system of quality control is not suitably designed to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects or the firm has not complied with its system of quality control to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects.

In the event of a scope limitation, a report with a peer review rating of *fail (with a scope limitation)* is issued.

What types of peer review reports are issued on Engagement Reviews?

A review captain on an Engagement Review can issue three types of peer review reports: Pass, Pass with Deficiencies and Fail.

Pass

A report with a peer review rating of *pass* is issued when the review captain concludes that nothing came to his or her attention that caused him or her to believe that the engagements submitted for review were not performed and reported on in conformity with applicable professional standards in all material respects. There are no deficiencies or significant deficiencies that affect the nature of the report and, therefore, the report does not contain any deficiencies, significant deficiencies, or recommendations. In the event of a scope limitation, a report with a peer review rating of *pass (with a scope limitation)* is issued.

Pass with Deficiencies

A report with a peer review rating of *pass with deficiencies* is issued when the review captain concludes that nothing came to his or her attention that caused him or her to believe that the engagements submitted for review were not performed and reported on in conformity with applicable professional standards in all material respects except for the deficiencies that are

described in the report. The deficiencies are one or more findings that the peer reviewer concludes are material to the understanding of the report of financial statements or represents omission of a critical procedure, including documentation, required by applicable professional standards. A report with a peer review rating of *pass with deficiencies* issued when at least one but not all of the engagements submitted for review contain a deficiency. However, when more than one engagement has been submitted for review, and the exact same deficiency occurs on each of the engagements, and there are no other deficiencies, a report with a peer review rating of *pass with deficiency* should be issued rather than with a peer review rating of *fail*.

In the event of a scope limitation, a report with a peer review rating of *pass with deficiencies (with a scope limitation)* is issued.

Fail

A report with a peer review rating of *fail* is issued when the review captain concludes that, as a result of the deficiencies described in the report, the engagements submitted for review were not performed and/or reported on in conformity with applicable professional standards in all material respects. A report with a peer review rating of *fail* is issued when deficiencies are evident on all of the engagements submitted for review. However, a report with a peer review rating of *pass with deficiency* should be issued when more than one engagement has been submitted for review, and the exact same deficiency occurs on each of the engagements, and there are no other deficiencies. The review captain should not expand scope beyond the original selection of engagements in an effort to change the conclusion from a peer review rating of *fail* in these circumstances.

In the event of a scope limitation, a report with a peer review rating of *fail (with a scope limitation)* is issued.

PEER REVIEW COMMITTEE CONSIDERATION AND ACCEPTANCE

When are the results of my peer review communicated to me?

The reviewer may have additional questions and communicate matters to the respective engagement team or quality control partner throughout a System Review as situations arise. This is to prevent any surprises at the end of the review. Expectations of such communication should be established at the inception of the peer review. For System Reviews, the review team should communicate its conclusions at the exit conference. The exit conference is a meeting attended by senior members of your firm, the review team and possibly representatives of the administering entity, the board, AICPA staff, or other board authorized organizations with oversight responsibilities. At the exit conference the CPA firm is entitled to be informed about any matters documented on the Matter for Further Consideration (MFC) form(s), findings documented on the Finding for Further Consideration (FFC) form(s), deficiencies or significant deficiencies to be included in the peer review report and the type of report to be issued.

For Engagements Reviews, the review captain will hold a meeting, via telephone or in person with your firm to communicate the results of the peer review. Although the reviewer may

communicate these preliminary results during an exit conference or meeting, the results are not considered final and should not be published until the peer review is accepted by a peer review committee of the applicable administering entity.

Who is responsible for submitting review documents to the administering entity?

The *team captain or review captain* is responsible for submitting the peer review documentation and report to the administering within 30 days of the exit conference date (for System Reviews), or within 30 days of the date that the firm received the report from the review captain (for Engagement Reviews), or by your firm's peer review due date, whichever is earlier. If the report is a peer review rating of *pass with deficiencies* or *fail*, the **firm** is responsible for submitting the report and the related letter of response within 30 days of the exit conference date (for System Reviews), or within 30 days of the date that the firm received the report from the review captain (for Engagement Reviews), or by your firm's peer review due date, whichever is earlier. If the reviewed firm receives a report rating of pass or pass (with a scope limitation), a letter of response is not applicable, and the reviewed firm does not submit a copy of the report to the administering entity.

What happens if deficiencies are found by my peer reviewer?

If deficiencies are found, your firm is expected to identify and take corrective measures to prevent the same/similar types of deficiencies from occurring in the future. Such actions could include making appropriate changes in your firm's system of quality control or having personnel take additional continuing professional education in specified areas. In addition, the peer review committee may ask your firm to agree to certain other actions (referred to as "corrective actions") it deems appropriate in the circumstances, such as the submission of a monitoring report or a revisit by the reviewer. The main objective of a review is to help the firm improve the quality of its practice.

What if I don't agree with the peer reviewer's conclusions?

Because peer review is a subjective process, there may be differences of opinion between you and the reviewer as to whether a deficiency exists that is not resolved to your satisfaction. In such circumstances, the reviewed firm or reviewer may consult with their administering entity and, if necessary, request that the administering entity's peer review committee resolve the disagreement. The administering entity will give the disagreeing party an opportunity to provide reasons for the disagreement in person before the committee, in a telephone conference, or in writing. The peer review committee will form a panel of at least three members of the committee to discuss the disagreement. After reviewing the supporting documentation and each disagreeing party's position, the panel will discuss the matter in private. The panel should issue the panel's decision regarding the disagreement in writing to the disagreeing parties.

If the administering entity's full peer review committee is unable to resolve the disagreement, the administering entity may refer unresolved issues to the board for a final determination. Only the administering entity's peer review committee will be responsible for determining whether a disagreement still exists, or whether the reviewed firm or review team is not cooperating, in

order for the administering entity to refer the issue to the board.

Can my peer review acceptance letter be withheld until peer review administrative fees are paid?

No. If the fieldwork has begun, the review should be performed, technically reviewed, considered by a report acceptance body and then the appropriate acceptance letter should be issued. However, failure to pay fees related to the administration of the peer review program that have been authorized by the governing body of an administering entity can lead to the firm's enrollment in the AICPA Peer Review Program being dropped.

When are the results of my peer review available for publication?

The results of your review can be publicized the date the administering entity's peer review committee accepts the report. This step ensures that a panel of your peers agrees with your review team's conclusions. You should not publicize the results of the review or distribute copies of the report until the committee has advised you that the report has been accepted.

How can I obtain a copy of a firm's latest peer review report?

Peer review results for firms enrolled in the AICPA Peer Review Program are confidential. However, if asked, the reviewed firm is allowed to provide copies of their most recently accepted peer review report.

The latest peer review report for a firm that is a voluntary member of one of the AICPA's audit quality centers or sections that has a membership requirement such that certain peer review documents be open to public inspection may be obtained from the firm's [Public File](#).

When is my peer review complete?

Generally, a peer review is complete the date the administering entity's peer review committee (committee) accepts your firm's peer review without any further action(s) required of your firm. However, in the event that further action(s) is required, the peer review is deemed completed when the firm has taken any action(s) deemed necessary by the committee and has been notified of the completion of the review by the administering entity.

When would further action(s) be required?

When a firm receives a report with a rating of *pass with deficiencies* or *fail*, the committee ordinarily would require some type of further action(s) (referred to as "corrective actions"). The type of action required would depend on the nature of the deficiencies.

What is an implementation plan?

During the peer review, if a reviewer finds a matter that does not rise to the level of a deficiency, the reviewer will complete a Finding for Further Consideration (FFC) Form. The reviewer will

make a recommendation to the firm to correct the finding and the firm will be asked to respond. The firm's response should describe how the firm intends to implement the reviewer's recommendation (or alternative plan if the firm does not agree with the recommendation), the person(s) responsible for implementation, the timing of the implementation and, if applicable, additional procedures to ensure the finding is not repeated in the future. The administering entity's peer review committee will evaluate whether reviewed firm's responses to those recommendations appear comprehensive, genuine, and feasible. The peer review committee will determine if a finding should require an implementation plan from the reviewed firm in addition to the plan described by the firm in its response to the findings on the FFC form.

An implementation plan is not tied to the reporting process or to the acceptance or completion of the peer review. It is considered a part of the working papers and administrative files when a firm implementation plan is required by the peer review committee. Firms are expected to agree to and complete any such implementation plans as a part of cooperating with the administering entity and the board in all matters related to the review. Failure to cooperate with the administering entity or the Board may impact the firm's enrollment in the program.

Frequently Asked Questions Regarding Implementation Plans and Corrective Actions

Q1. What are the differences between implementation plans and corrective actions?

A1. An *implementation plan* is a possible action(s) that may be required by the report acceptance body (RAB) of the administering entities peer review committee in response to a finding that does not rise to the level of a deficiency. Such findings are included on Findings for Further Consideration (FFC) forms and are not included as deficiencies in the peer review report. *Corrective action(s)* may be required by the RAB in instances where the firm receives a peer review report rating of a *pass with deficiencies* or *fail*. Corrective action(s) or an implementation plan impact the reviewed firm's peer review acceptance and completion in different ways, however the cooperation of the firm with regard to either may impact the firm's enrollment in the AICPA Peer Review Program (see Q3 and Q4).

Q2. How do I know whether the letter I received from the administering entity is an implementation plan or a corrective action?

A2. The letter communicating the corrective action(s) will contain the following language:

"The Committee accepted the aforementioned documents with the understanding that the firm will..."

The letter communicating the implementation plan(s) will contain the following language:

"...the action(s) outlined in the following implementation plan are required of your firm..."

After the prescribed action(s) or plan the letters differ as follows:

Corrective Action wording

“Your firm's agreement to take this action voluntarily demonstrates its commitment to the objectives of the profession's practice-monitoring programs. Please acknowledge that agreement by returning a signed copy of this letter to us at the address noted on this letterhead.”

Implementation Plan wording

“Your firm's agreement to complete this implementation plan demonstrates its commitment to the objectives of the profession's practice-monitoring program. As noted in the Standards for Performing and Reporting on Peer Reviews, although not a condition of acceptance of your firm's peer review, agreeing to and completing implementation plans are required as a condition of cooperating with the administering entity, the AICPA Peer Review Board and continued enrollment in the AICPA Peer Review Program. Please acknowledge your firm's agreement by returning a signed copy of this letter to us at the address noted on this letterhead.”

Q3. What happens if I don't complete the implementation plan?

A3. Although agreeing to and completing an implementation plan is not tied to the acceptance of the peer review, if a firm fails to cooperate (by not agreeing to or by not performing), the firm's enrollment in the program may be terminated.

Q4. What happens if I don't complete the corrective action(s)?

A4. The reviewed firm is required to evidence its agreement to perform the prescribed corrective action(s) in writing before the peer review report can be accepted. The completion of the required corrective action(s) is a condition of cooperation with the administering entity and the Peer Review Board. If a firm fails to cooperate, the firm's enrollment in the program may be terminated.

Q5. Can my firm receive both a corrective action and an implementation plan related to the same peer review?

A5. Yes, the peer review committee of the administering entity can require corrective action(s) related to receiving a peer review report rating of pass with deficiencies or fail and also require an implementation plan related to the FFCs received on the same peer review.

Q6. What are some suggested actions that may be required related to a pass with deficiency(ies) or fail peer review report?

A6. Actions required by the report acceptance body differ depending on if the peer review was a System Review or an Engagement Review. The charts following A9 provide some common suggested actions. The peer review committee could recommend other actions or a combination of one or more actions.

Q7. What are allowable plans that may be required related to a Finding for Further Consideration?

A7. The charts following A9 provide the allowable implementation plans. The peer review committee could recommend a combination of one or more plans in response to the findings noted on a peer review.

Q8. How do the corrective action and implementation plan affect my ability to publicize the results of my peer review?

A8. A firm may not publicize the results of its peer review until it is notified that the report has been accepted by the administering entity. A corrective action affects the acceptance of the peer review report. A peer review report is not considered accepted until the reviewed firm signs the written letter from the administering entity evidencing the firm's agreement to the corrective action. An implementation plan does not affect the acceptance of the peer review report, and thus does not affect the firm's ability to publicize peer review results.

Q9. Should my firm expect an implementation for every FFC?

A9. No. The decision of whether to require an implementation plan and deciding on what actions or procedures are appropriate is a matter of professional judgment that each report acceptance body makes based on the applicable facts and circumstances. Generally, if the finding is not a repeat finding or associated with an engagement that was not performed or reported on in conformity with professional standards in all material respects (System Reviews only), no implementation plan is suggested by the RAB. To reduce delays during the peer review documentation evaluation process, the firm should ensure that its responses to each finding addressed on the FFC Form(s) are comprehensive, genuine, and feasible prior to submission to the administering entity.

System Review Peer Review Rating—Pass With Deficiencies or Fail

Deficiency	Suggested action(s) to be performed as soon as reasonably possible
Deficiency related to engagement performance	<ul style="list-style-type: none"> • Require the firm to hire an outside party acceptable to the RAB to perform a team captain revisit[‡] • Require members of the firm to take specified types of and amounts of CPE • Require the firm to hire an outside party acceptable to the RAB to perform preissuance reviews of certain types or portions of engagements and to report quarterly to the RAB on the firm’s progress • Require postissuance review of a subsequent engagement by an outside party[‡]
Deficiency related to design or noncompliance of another element of the quality control system	<p>Tailor corrective action accordingly, such as the following:</p> <ul style="list-style-type: none"> • Require submission of monitoring or inspection report • Require the firm to hire an outside party acceptable to the RAB to perform preissuance reviews of certain types or portions of engagements and to report periodically to the RAB on the firm’s progress

[‡] RAB should allow flexibility and allow the firm to elect to have an accelerated review in lieu of team captain revisit or postissuance review.

Finding for Further Consideration Form(s) ³

Finding	Allowable plans to be performed as soon as reasonably possible
<p>Engagements not performed or reported on in accordance with professional standards in all material respects and there are:</p> <ul style="list-style-type: none"> • Initial finding(s) on must select industry, or • Repeat finding(s) for any industry 	<ul style="list-style-type: none"> • Require the firm to hire an outside party acceptable to the RAB to perform preissuance or postissuance reviews of certain types or portions of engagements focusing on the areas identified in the finding • Require the firm to hire an outside party acceptable to the RAB to review the firm’s internal monitoring or inspection report • Require members of the firm to take specified types of and amounts of CPE • Require firm to submit monitoring or inspection report to the RAB
<p>Engagement(s) indicate: Repeat findings⁴</p>	<ul style="list-style-type: none"> • Require members of the firm to take specified types of and amounts of CPE • Require firm to submit monitoring or inspection report to the RAB
<p>Failure to possess applicable firm license(s)</p>	<ul style="list-style-type: none"> • Submit proof of valid firm license(s)

³ These are the only situations in which implementation plans are appropriate. Further, these are the only plans allowable. If the RAB believes a different implementation plan is necessary, what has been reported as a finding should more likely be reported as a deficiency in the report.

⁴ The guidance for allowable plans as discussed above must be followed, even in instances where the same finding is included on more than two reviews. However, in these instances, the RAB should consider a more rigorous implementation plan, including the adequacy of the amount and nature of required CPE. For example, the RAB may determine that more than 8 hours of CPE is necessary and may require 24 hours or change the nature of the required courses. Another example would be for the RAB to require both CPE and submission of the firm’s monitoring report to the RAB.

Engagement Review Peer Review Rating—Pass With Deficiencies or Fail

Suggested action(s) to be performed as soon as reasonably possible
<ul style="list-style-type: none"> • Require firm to submit a copy of a subsequent report and accompanying financial statements to review captain • Require members of the firm to take specified types and amounts of CPE • Require the firm to hire an outside party acceptable to the RAB to perform preissuance reviews of certain types or portions of engagements and to report periodically to the RAB on the firm’s progress

Finding for Further Consideration Form(s)⁵

Finding	Allowable plans to be performed as soon as reasonably possible
Engagement(s) indicate: Repeat findings ⁶	<ul style="list-style-type: none"> • Require members of the firm to take specified types and amounts of CPE • Require firm to submit monitoring or inspection report to the RAB
Failure to possess applicable firm license(s)	<ul style="list-style-type: none"> • Submit proof of valid firm license(s)

^{||} RAB should allow flexibility and allow the firm to elect to have an accelerated review.

⁵ These are the only situations in which implementation plans are appropriate. Further, these are the only plans allowable. If the RAB believes a different implementation plan is necessary, what has been reported as a finding should more likely be reported as a deficiency in the report.

⁶ The guidance for allowable plans as discussed above must be followed, even in instances where the same finding is included on more than two reviews. However, in these instances, the RAB should consider a more rigorous implementation plan, including the adequacy of the amount and nature of required CPE. For example, the RAB may determine that more than 8 hours of CPE is necessary and may require 24 hours or change the nature of the required courses. Another example would be for the RAB to require both CPE and submission of the firm’s monitoring report to the RAB..

COOPERATION WITH THE AICPA PEER REVIEW PROGRAM

What if my firm chooses not to cooperate with the AICPA Peer Review Program?

Enrollment in a practice monitoring program is a requirement for admittance and retention of membership in the AICPA if the firm performs services within the scope (see page 1 of this Q&A). In addition, most state boards of accountancy may have practice monitoring requirements for firm licensure. A firm enrolled in the AICPA Peer Review Program is required under the AICPA Standards for Performing and Reporting on Peer Reviews to cooperate with the peer reviewer, administering entity and the AICPA Peer Review Board in all matters related to the review. If an enrolled firm does not cooperate with the requirements of the AICPA Peer Review Program, their enrollment may be terminated or dropped (as discussed below). A firm should carefully consider any implications of its non-cooperation and impact on state boards of accountancy or other regulatory requirements.

Under what circumstances may a firm's enrollment be dropped?

A firm's enrollment in the AICPA Peer Review Program will be dropped by the AICPA Peer Review Board, without a hearing, thirty days after the AICPA Peer Review Program notifies the firm by certified mail that the firm has failed to:

- (1) Timely file requested information with the entity administering the firm's peer review concerning the arrangement or scheduling of that peer review, prior to the commencement of the peer review,
- (2) Timely submit requested information to the reviewer necessary to plan the firm's peer review, prior to the commencement of the peer review.
- (3) Have a peer review by the required date,
- (4) Timely pay in full the fees and expenses of the review team formed by an administering entity, or
- (5) Timely pay fees related to the administration of the program that have been authorized by the governing body of an administering entity.

The AICPA Peer Review Board may at its discretion decide to hold a hearing. Whether a hearing is held or not, a firm enrolled in the AICPA Peer Review Program has the right to appeal to the AICPA Joint Trial Board within 30 calendar days of being notified that the firm's enrollment has been dropped.

Under what circumstances may a firm's enrollment be terminated?

A firm is deemed as failing to cooperate once the review has commenced by:

- Not responding to inquiries,
- Withholding information significant to the peer review, for instance but not limited to failing to discuss communications received by the reviewed firm relating to allegations or investigations in the conduct of accounting, auditing or attestation engagements from regulatory, monitoring or enforcement bodies,
- Not providing documentation including but not limited to the representation letter, quality control documents, engagement working papers, all aspects of functional areas,

- Not responding to MFCs or FFCs timely,
- Limiting access to offices, personnel or other,
- Not facilitating the arrangement for the exit conference on a timely basis,
- Failing to timely file the report and the response thereto related to its peer review, if applicable,
- Failing to cooperate during oversight, or
- Failing to timely acknowledge and complete required corrective actions or implementation plans.

The firm will be advised by certified mail that the AICPA Peer Review Board will appoint a hearing panel to consider whether the firm's enrollment in the AICPA Peer Review Program should be terminated. A firm enrolled in the AICPA Peer Review Program that has been notified that it is the subject of such a hearing may not resign until the matter causing the hearing has been resolved. After a hearing is held, a firm whose enrollment in the AICPA Peer Review Program has been terminated has the right to appeal the panel's decision to the AICPA Joint Trial Board within 30 calendar days of the hearing.

A firm's failure to cooperate with the administering entity would also include failing to receive a report with a rating of pass after (1) receiving at least two consecutive peer reviews prior to the third that had a report with a peer review rating of pass with deficiencies and/or fail (previously referred to as modified or adverse reports) AND (2) receiving notification via certified mail after the second consecutive report with a peer review rating of pass with deficiencies and/or fail (previously referred to as modified or adverse reports), that a third consecutive failure to receive a report with a peer review rating of pass (previously referred to as an unmodified report) may be considered a failure to cooperate with the administering entity. The administering entity has the authority to determine if a firm's response is substantive. If the administering entity determines that a response is not substantive, and the firm does not revise its response or submits additional responses that are not substantive as determined by the administering entity, this would also be deemed as a firm's failure to cooperate.

A firm's failure to cooperate with the administering entity would also include failing to timely notify the administering entity that it is performing a type of engagement(s) or engagement(s) in an industry in which the firm had previously represented by written communication to the administering entity that it was no longer performing and had no plans to perform, in response to a related corrective action or implementation plan wherein the corrective action or implementation plan was eliminated by the administering entity based on the representation.

A firm's enrollment in the AICPA Peer Review Program will be terminated for failure to cooperate in any of the preceding situations, without a hearing, upon receipt of a plea of guilty from the firm. Pursuant to the AICPA Standards for Performing and Reporting on Peer Reviews, the fact that a firm's enrollment in the AICPA Peer Review Program has been terminated, whether with or without a hearing, will be published in such form and manner as the AICPA Council may prescribe.

Can my firm resign from the AICPA peer review program at anytime?

A firm may resign from the AICPA Peer Review Program (Program) as long as the peer review has not commenced and your firm submits a letter of resignation to the Peer Review Board. Ordinarily, a peer review commences when the review team begins field work on a System Review or begins the review of engagements on an Engagement Review. Once a team captain, review captain, or team member learns information that affects the results of the review, the review is deemed to have commenced, even if such even occurs during planning before any engagements are reviewed. Once a peer review commences a firm would not be able to resign from the Program unless the firm submits a letter pleading guilty, acknowledging its non-cooperation with the program, waiving its right to a hearing and agrees to allow the AICPA to publish in such a form and manner as the AICPA Council may prescribe, the fact the firm has resigned from the program before completion of its peer review, evidencing non-cooperation with the program.

If my firm is terminated from the AICPA peer review program, how does the firm get reenrolled?

A firm that has been terminated from the program may reenroll in the program once it completes the delinquent action that caused the firm to be terminated. The administering entity and the board make the determination of whether the action is satisfactorily completed. If the firm is past its next peer review due date, the firm will be required to complete its subsequent peer review within 90 days of reenrolling.

FIRMS THAT AUDIT BROKER-DEALERS

What are the characteristics of a carrying broker-dealer and a non-carrying broker-dealer?

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 who 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.

Will firms that audit broker-dealers need to have their peer reviews administered by the

NPRC?

No. Interpretation 11-1 states that firms are required to have their reviewed administered by the NPRC if they meet either or both of the following criteria:

- a. The firm is required to be registered with and inspected by the PCAOB.
- b. The firm performs audits of non-SEC issuers pursuant to the standards of the PCAOB.

Until a permanent scope is identified for the PCAOB inspection program of broker-dealers, firms that are only required to be inspected by the PCAOB due to broker-dealer audits, maybe have their peer review administered by a state CPA society, group of state CPA societies, or other entity approved by the PRB to administer peer reviews. They do NOT have to be administered by the National PRC but may choose to do so.

If one of my audits of broker-dealers is selected for inspection by the PCAOB, how does that impact my peer review?

The PCAOB may not be issuing formal inspection reports and therefore you may not have any documents to provide to the peer reviewer. However, you should be prepared to discuss the scope of the inspection, where the PCAOB had findings and where they did not, and the nature of any remediation with your peer reviewer. The peer reviewer will consider which engagements were selected by the PCAOB, what stage of the inspection process the PCAOB is in at the time of the peer review, and the PCAOB findings in their risk assessment. The risk assessment is the basis for engagement selection. It is possible for you to have one broker-dealer engagement that is inspected by the PCAOB and is also reviewed during your peer review.

INTERESTED IN BECOMING A PEER REVIEWER

What are the benefits of being a peer reviewer?

When you become a peer reviewer, you:

- Are seen as an expert in your field and gain increased respect from your colleagues.
- Help firms achieve their A&A practice goals and enhance the quality of their A&A practices.
- Identify best practices of other firms, which can be applied to other peer review clients and to your own firm.
- Gain broader practice knowledge through the peer review process, which will help sharpen your skills and reinforce your strengths.
- Are creating an opportunity to develop and additional profit center for your firm.
- Often receive referrals for additional consulting services as a result of performing peer reviews.
- Enhance the efficacy of the profession's self-regulatory efforts and contribute to the quality of our profession.

What are the qualifications necessary to become a reviewer?

To qualify as a peer reviewer, you must:

- Be a member of the AICPA.
- Be currently active in public practice at a supervisory level in the accounting or auditing function.
- Be associated with a firm that has received a report with a peer review rating of *pass*
- Possess current knowledge of professional standards
- Have 5 years of recent public accounting experience in the accounting or auditing function
- Have completed a peer review resume form.

In addition, if you are a partner⁷ in your firm, you are qualified to be a team captain. See Appendix A for a complete listing of qualifications.

How do I become a peer reviewer?

To become a team captain (on a System Review) or review captain (on an Engagement Review):

- Meet all the reviewer requirements. A full list of requirements is located in Appendix A and can also be downloaded at [How to Become a Peer Reviewer](#).
- Peer reviewers must complete a [peer review resume form](#). Once you enter your resume you will automatically be listed in the online searchable database. *Please note: you will need your AICPA login to access the form.*
- Undertake the business development activities suggested in a Peer Review Welcome package sent after you attend the “How to” course.
- Review the documents provided in the [Practitioner's Tool Kit](#) to help promote your peer review services and develop your practice.

⁷ A Partner is a proprietor, shareholder, equity or non-equity partner or any individual who assumes the risks and benefits of firm ownership or who is otherwise held out by the firm to be the equivalent of any of the aforementioned.

APPENDIX A

Reviewer Qualifications

Performing and reporting on a peer review requires the exercise of professional judgment by peers (see paragraphs 147–153 of the Standards for a discussion of a reviewer’s responsibilities when performing a peer review). Accordingly, an individual serving as a reviewer on a System or Engagement Review should at a minimum:

- a. Be a member of the AICPA in good standing (that is, AICPA membership in active, nonsuspended status) licensed to practice as a CPA.
- b. Be currently active in public practice at a supervisory level in the accounting or auditing function of a firm enrolled in the program (see [interpretations](#)), as a partner of the firm, or as a manager or person with equivalent supervisory responsibilities.^{5 6} To be considered currently active in the accounting or auditing function, a reviewer should be presently involved in the accounting or auditing practice of a firm supervising one or more of the firm’s accounting or auditing engagements or carrying out a quality control function on the firm’s accounting or auditing engagements.
- c. Be associated with a firm (or all firms if associated with more than one firm) that has received a report with a peer review rating of *pass*⁷ for its most recent System or Engagement Review that was accepted timely, ordinarily within the last three years and six months (see [interpretations](#)).⁸
- d. Possess current knowledge of professional standards applicable to the kind of practice to be reviewed, including quality control and peer review standards. This includes recent experience in and knowledge about current rules and regulations appropriate to the level of service applicable to the industries of the engagements that the individual will be reviewing (see [interpretations](#)).
- e. Have at least five years of recent experience in the practice of public accounting in the accounting or auditing function.⁹
- f. Have provided the administering entity with information that accurately reflects the qualifications of the reviewer including recent industry experience, which is updated on a timely basis (see [interpretations](#)).

⁵ The board recognizes that practitioners often perform a number of functions, including tax and consulting work, and cannot restrict themselves to accounting and auditing work. These standards are not intended to require that reviewers be individuals who spend all their time on accounting and auditing engagements. However, CPAs who wish to serve as reviewers should carefully consider whether their day-to-day involvement in accounting and auditing work is sufficiently comprehensive to enable them to perform a peer review with professional expertise. For instance, in a System Review, a reviewer of auditing engagements should be currently reviewing or performing auditing engagements. In an Engagement Review, a reviewer of engagements performed under the Statements on Standards for Attestation Engagements should also be currently reviewing or performing the same type of engagements.

⁶ A manager or person with equivalent supervisory responsibilities is a professional employee of the firm who has either a continuing responsibility for the overall planning and supervision of engagements for specified clients or authority to determine that an engagement is complete subject to final partner approval if required.

⁷ A peer review report with a rating of *pass* was previously referred to as an unmodified report (with or without a letter of comments). If a firm’s most recent peer review rating was a *pass with deficiencies* or *fail*, the firm’s members are not eligible to perform peer reviews.

⁸ If a firm’s most recent review was a report review, then the firm’s members are not eligible to perform peer reviews.

⁹ For this purpose, *recent* means having experience within the last five years in the industries and related levels of service for which engagements are reviewed. However, a reviewer should be cautious of those high-risk engagements or industries in which new standards have been issued. For example, in those cases in which new industry standards or practices have occurred in the most recent year, it may be necessary to have *current* practice experience in that industry in order to have *recent* experience.

Team Captain or Review Captain

In addition to adhering to the general requirements in paragraph 31 to be a peer reviewer, a System Review team captain must be a partner. For an Engagement Review, the review captain is not required to be a partner. The team captain, or the review captain in limited circumstances, is required to ensure that all team members possess the necessary capabilities and competencies to perform assigned responsibilities and that team members are adequately supervised. The team captain or review captain has the ultimate responsibility for the review, including the work performed by team members.

Also, team captains and review captains should have completed peer review training that meets the requirements established by the board (see [interpretations](#)). For additional team captain qualification requirements, see the interpretations.

Other Peer Reviewer or Reviewing Firm Qualification Considerations

Communications from regulatory, monitoring, or enforcement bodies relating to allegations or investigations of a peer reviewer or reviewing firm's accounting and auditing practice, and notifications of limitations or restrictions on a peer reviewer or reviewing firm to practice, may impact the peer reviewer or reviewing firm's ability to perform the peer review. The peer reviewer or reviewing firm has a responsibility to inform the administering entity of such communications or notifications (see [interpretations](#)).

If required by the nature of the reviewed firm's practice, individuals with expertise in specialized areas may assist the review team in a consulting capacity. For example, computer specialists, statistical sampling specialists, actuaries, or experts in continuing professional education (CPE) may participate in certain segments of the review.

Appendix B—Resources, Publications and Important Website Links

Resources and Tools

The *AICPA Peer Review Program Manual*. This manual provides up-to-date standards, policies, procedures, checklists, and programs for use when arranging, administering and carrying out a peer review. There are two ways to access the manual. You can choose to purchase the entire manual at cpa2biz.com. Alternatively, several sections of the *AICPA Peer Review Program Manual* are available on-line at no charge at <http://www.aicpa.org/InterestAreas/PeerReview/Resources/PeerReviewProgramManual/Pages/default.aspx>.

- You can download various standards, interpretations, checklists, questionnaires, and supporting materials which are required in the performance of a review.

Quality Control Standards

The AICPA Audit and Accounting Practice Aid updated the 2004 edition of *Establishing and Maintaining a System of Quality Control for a CPA Firm's Accounting and Auditing Practice*. The Practice Aid is intended to help practitioners better understand and apply Statements on Quality Control Standard (SQCS) No. 8, which was effective beginning January 1, 2009. That standard is included in Appendix A of the Practice Aid. The version of the Practice Aid, prepared by the Quality Control Standards Task Force, has been revised to incorporate new policies and procedures that a firm should consider including in its system of quality control to be responsive to the issuance of SQCS No. 8. The Practice Aid is available for purchase on [CPA2BIZ](http://www.cpa2biz.com/AST/Main/CPA2BIZ_Primary/AuditAttest/PRDOVR~PC-006623/PC-006623.jsp) at: http://www.cpa2biz.com/AST/Main/CPA2BIZ_Primary/AuditAttest/PRDOVR~PC-006623/PC-006623.jsp.

Important AICPA Web-site Links

The AICPA website can be found at: <http://www.aicpa.org>

Information regarding the AICPA Peer Review Program can be found at: <http://www.aicpa.org/InterestAreas/PeerReview/Pages/PeerReviewHome.aspx>

Peer Review Program Standards, Interpretations and other relevant guidance can be found at: <http://www.aicpa.org/RESEARCH/STANDARDS/PEERREVIEW/Pages/default.aspx>

Peer Reviewer Training Courses can be found at: http://www.aicpa.org/InterestAreas/PeerReview/CPEAndEvents/Pages/Reviewer_Training_Courses.aspx

AICPA Peer Review Staff Contact Information: <http://www.aicpa.org/InterestAreas/PeerReview/Community/Links/Pages/sources1.aspx>

AICPA Peer Review Program Administering Entity Contact Information:

<http://www.aicpa.org/InterestAreas/PeerReview/Community/Links/Pages/StateSocietiesandNEPRLinks.aspx>

AICPA Peer Reviewer Database and Public File:

<http://peerreview.aicpaservices.org/>

In Our Opinion Newsletter (The Newsletter of the AICPA Audit and Attest Standards Group):

<http://www.aicpa.org/publications/newsletters/inouropinion/pages/inouropinion.aspx>

Newly Released Ethics Rulings and Interpretations:

<http://www.aicpa.org/InterestAreas/CenterForAuditQuality/Resources/CAQAuditLibrary/Pages/Ethics%20and%20Independence.aspx>

Government Audit Quality Center

<http://www.aicpa.org/InterestAreas/GovernmentalAuditQuality/Pages/GAQC.aspx>

Employee Benefit Plan Audit Quality Center

<http://www.aicpa.org/InterestAreas/EmployeeBenefitPlanAuditQuality/Pages/EBPAQhomepage.aspx>

Other Important Website Links

General Accounting Standards Board: www.gasb.org

Federal Accounting Standards Advisory Board: www.fasab.gov

Government Auditing Standards (Yellow Book) www.gao.gov/govaud/ybk01.htm

Office of Management and Budget (Grants Management):

<http://www.whitehouse.gov/omb/grants/>

Information on State Boards/Societies

<http://www.aicpa.org/Advocacy/State/StateContactInfo/Pages/StateContactInformation.aspx>

Public Company Accounting Oversight Board <http://www.pcaobus.org>