

Peer Review Program Manual (PRPM) Changes

Reviewers should adhere to the revised guidance, forms, and checklist for reviews commencing on or after January 1, 2012. The following is a summary of changes and checklist updates that corresponds to the January 2012 PRPM update.

QCM Reviews

The manual has been updated to reflect several changes to the guidance for performing and reporting on QCM reviews, and for considering the impact of a QCM review report in the peer review of a user firm. This guidance resulted in several new and revised standards paragraphs (Section 1000) and interpretations (Section 2000).

In addition, Section 8000 was updated to include checklists, forms, and instructions to assist reviewers in the performance of QCM reviews.

Conforming changes have been made throughout the manual.

Reviewer Performance Guidance

Chapter 8 of the RAB Handbook (PRP 3300) on reviewer performance has been replaced. The revised Chapter 8 of the RAB Handbook includes expanded guidance for reviewers, committees and administrators on peer reviewer qualifications, responsibilities and performance.

Interpretations Nos. 147-1, 148-1, 149-1 and 151-1 have been added regarding reviewer performance and cooperation.

FFC Form

The FFC form was revised to require the reviewed firm's response to 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. Conforming changes were made throughout the manual.

Repeat Findings

The interpretations to the standards and the supplemental guidance were updated to provide a description and example of repeat findings. The concept of a repeat finding is the same as that previously describing a repeat deficiency in Interpretation No. 96n-1 and has been added as new Interpretation No. 83-2. Additional examples are now included in the supplemental guidance (Section 3100) that include repeat findings in a System and Engagement Review and also a repeat deficiency in an Engagement Review.

Implementation Plans

The guidance in Chapters 4, 5, and 6 of the RAB Handbook (PRP 3300) for allowable implementation plans was revised. Section 3600 was also revised to include a sample letter on an outside party's review of a subsequent engagement as an implementation plan.

Consideration of Quality Control Materials in a Peer Review

The Peer Review Board approved revisions to Interpretation 42-2 and approved a new Interpretation 42-3. These Interpretations serve to address concerns that reviewers are confused about how to address reviewed, non-reviewed, and internally developed Quality Control Materials. Conforming changes have been made to the Summary Review Manual, Team Captain Checklist, Guidelines for Review of Quality Control Policies and Procedures checklist, and Quality Control Policies and Procedures checklist to ensure proper application of those Interpretations.

Additional Interpretations Updates

Interpretation 59-1: The following language was added to the interpretation:

A selection consisting solely of public interest industries would not necessarily represent a reasonable cross section [of engagements].

Checklist Updates

- Conforming changes were made to the Peer Review Program Checklists based on the revisions to the Standards.
- See the instructions of each checklist for information on the standards used to update the checklist.