

Reviewer alert

September 2020

Dear Peer Reviewers,

This edition of the Reviewer alert contains the articles below:

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September Peer Review Board Meeting Update

On September 2, the Peer Review Board (PRB) met and discussed the following topics:

Revisions to Interpretation No. 8-1 Related to Performing System Reviews at a Location Other Than the Reviewed Firm's Office

[Interpretation No. 8-1](#) was revised to state that the requirement to perform a majority of procedures in a System Review at the reviewed firm's office was suspended for reviews commencing on or before June 30, 2021. However, the reviewer should consider the impact of performing system review procedures remotely on the peer review risk assessment and document those considerations in the Summary Review Memorandum.

Other Miscellaneous Updates

Additionally, updates were provided related to:

- The project to create guidance for examination engagements of quality control materials (QCM) and to remove QCM review guidance from the peer review program manual
- Task force initiatives, including:
 - An update on the project to clarify peer review program guidance
 - Oversight activities such as enhanced oversights remaining on hold
- The Enhancing Audit Quality (EAQ) initiative, including the 2021 themes
- COVID related matters, such as the announcement that EAQ administrative fees will not increase in 2021

See the [agenda materials](#) for select additional information.

Meeting Highlights

Summaries of other items discussed are included in the meeting highlights, which will be available soon on the AICPA's peer review web page. Any questions regarding the meeting highlights can be directed to [Peer Review Staff](#).

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Call for Feedback on Quality Control Materials (QCM) Examination Project

The QCM task force is working on a project to transition traditional Quality Control Material (QCM) Reviews to examinations of QCM performed under the Statements on Standards for Attestation Engagements (SSAEs) (QCM Examination). **If you are interested in quality control initiatives, develop QCM for your firm or would otherwise be interested in hearing more about this project, email QCMexam@aicpa.org.**

QCM Reviews are currently performed under peer review guidance. They are neither a review performed under SSARS, nor a review performed under the SSAEs. It is believed that the engagement would be better aligned with professional standards and the level of assurance it is meant to provide if it was an examination engagement under the SSAEs.

Some practitioners are already performing QCM examinations and attaching the criteria for the engagement to their report. The criteria are critical since they form the standards or benchmarks against which the practitioner evaluates the QCM. The SSAEs require that criteria be suitable and available. The QCM task force, in conjunction with the Assurance Service Executive Committee (ASEC), is developing a set of suitable criteria that will be exposed for comment and then made publicly available. The QCM task force is also working with the Auditing Standards Board (ASB) to develop a guide to assist practitioners in performing and reporting on QCM examinations.

See the [October 2019 Reviewer alert](#) for additional information on QCM Reviews and QCM Examinations, and the related guidance for peer reviewers.

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New Enhancing Audit Quality Resources!

FASB's new revenue recognition standard, ASC 606, is one of the biggest changes to accounting standards in decades. We've launched a suite of [revenue recognition resources](#) to help auditors understand ASC 606 and how to audit clients under the new standard, as well as how to provide guidance to them without impairing their independence.

Prepare yourself and the firms you review for audit engagements by registering for [this webcast](#), where AICPA Chief Auditor Bob Dohrer, former FASB staff member Mike Cheng and others discuss common challenges relative to auditing rev rec and how to avoid them.

Team Captains – Are you seeing issues related to ASC 606 implementation in your reviews? Please provide descriptions of what you're seeing in the Team Captain additional comments section of your MFCs to help us learn and address where challenges exist.

COVID-19 resources for auditors

We've created a [COVID-19 Audit & Assurance toolkit](#) with resources that will help guide you through new challenges so you can provide high-quality audit and assurance services. You can also access [COVID-19 accounting and reporting resources](#) to help you with financial reporting considerations in this new environment.

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Quick Hits

Next Peer Review Program Manual (PRPM) Update Expected in October

The next PRPM update will be available by late October 2020 on the [peer review web pages](#) and in the Online Professional Library ([OPL](#)) to subscribers. The updates will be effective for reviews commencing on or after November 1, 2020. Monitor PRIMA announcements for when and where more details will be available.

PRIMA Home Page Redesign

Effective September 7, 2020, what you see when you log in to PRIMA was revamped to be more user friendly. There are no changes to the existing functionality; just an updated design. Over time, individual cases will also be redesigned. A video detailing the changes can be viewed in the Help article [Navigating Reviewer Home Screen in PRIMA - Video](#).

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