

Reviewer alert

September 2018 – Supplemental Edition

This Reviewer Alert contains the following articles:

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What's New in the Peer Review Program Manual (PRPM) – September 2018

The following updates will be available the first week of October 2018 on the [peer review web pages](#) and in the Online Professional Library ([OPL](#)) to subscribers. PDF or excel files will have a “September 2018” date on the top. Updates will be effective for reviews commencing on or after October 1, 2018.

Engagement Checklists

- The following PRPM sections have been updated to reflect changes to the “Conclusions” section’s question 1 and related footnote, resulting from the [August 2018 Peer Review Board \(PRB\) meeting](#) discussion about “risk assessment” and the impact on peer review (see below for further information).
 - 20400 General Audit Engagement Checklist
 - 20500 Governmental Audit Engagement Checklist
 - 20600 Not-for-Profit Audit Engagement Checklist
 - 20700 Employee Benefit Plan Audit Engagement Checklist (including other minor enhancements)
 - 21200 Public Company Accounting Oversight Board (PCAOB) Audit Engagement Checklist
 - 21300 SEC-Registered Broker-Dealer Audit and Attest Engagements Checklist

Although no updates were made to the related profiles, they were re-dated for consistency.

Early implementation of these updated checklists is permitted at the reviewer’s discretion.

- The following PRP sections (including related profiles) have been updated for new professional standards and other enhancements:
 - 21150 Reporting on Controls at a Service Organization Checklist (SOC 2® Reports)
 - 22100-Part A-UG and Part B-UG Supplemental Checklists for Review of OMB Single Audit Engagements Checklists and related profiles (A-133 versions have been archived)

Resulting from the [August 2018 Peer Review Board \(PRB\) meeting](#), PRPM sections:

- **3100, *Supplemental Guidance*** – Added article titled “Evaluation of Non-compliance with the Risk Assessment Standards” (under the “Impact on Peer Review Results and Reporting” section, superseding the article “Risk Assessment SAS”), which provides guidance on the impact on a peer review when an auditor fails to comply with the requirements of AU-C 315 or 330 (Agenda item 1.2). See the article “New Guidance on the Evaluation of Non-compliance with the Risk Assessment Standards and Peer Review Impact” in the [September 2018 Reviewers Alert](#) for further information. The guidance is effective for reviews commencing on or after October 1, 2018 through reviews commencing on or before September 30, 2021. Early implementation is permitted at the peer reviewer’s discretion.
- **3300, *Report Acceptance Body (RAB) Handbook***, Updated Chapter 8, Section IV-B related to the signature on reviewer performance feedback forms (Agenda Item 1.3).

Related to Recent PRIMA Enhancements- Revised Reviewer Performance Guidance:

- **3300, *RAB Handbook***, Updated Chapter 8, Sections IV-E and F to address the immediate consequences when a peer reviewer has failed to sign a performance deficiency letter. The updates were approved at the [May 2017 PRB Meeting](#) (agenda item 1.8) and reported on in the [June 2017 Reviewer Alert](#).

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What’s New in PRP Section 20,700 Employee Benefit Plan Audit Engagement Checklist

In June 2018, an updated EBP audit engagement checklist was released. To determine audit areas most likely to result in a nonconforming engagement, the Practice Monitoring Task Force EBP Sub-group considered data obtained through the:

- Enhanced Oversight Program specific to ERISA engagements
- Other Enhancing Audit Quality initiatives
- Department of Labor inspection results.

To better assist peer reviewer consideration and identification of potentially nonconforming EBP audit engagements, the updates included the following significant revisions:

- Instructions emphasizing reviewer evaluation of bold questions and underlying italicized considerations
 - **Bold** questions now focus on relevant assertions, as defined in the 2018 AICPA Audit and Accounting Guide – [Employee Benefit Plans](#) (AAG-EBP), for audit areas generally expected to be significant in an EBP engagement
 - These questions are supported by “must” or “should” statements within authoritative guidance or AAG-EBP
 - *Italicized* considerations have been incorporated into certain bold questions to highlight example procedures that may be performed at the relevant assertion level
 - Where a bold question includes multiple underlying bullets, the reviewer will evaluate each applicable bullet individually, and in the aggregate, to determine if a “No” answer is appropriate
- Expansion and clarification of certain Engagement Profile questions
 - Plan categories added for areas of further specialization within defined contribution or defined benefit pension and health & welfare plans (for example, ESOP, multiemployer,

- multiple employer, or other material components such as Davis Bacon prevailing wage contributions)
- Risk assessment, including the nature and use of SOC reports
- New bold questions have been added in the following areas:
 - Risk Assessment
 - Initial Audit Inquiries of Predecessor Auditor
 - Use of Management’s Specialist
 - ESOPs
- Certain questions removed or consolidated, as follows:
 - “Highest Risk Areas” section was removed, because those questions are now adequately addressed through the new bold Risk Assessment questions
 - Questions for certain audit areas that are less likely to be significant were removed or combined into a single question
- Conclusions section was replaced for consistency with all other audit engagement checklists, as recently approved by the Standards Task Force of the Peer Review Board

Consultation regarding documentation needed to support the reviewer’s conclusion is strongly encouraged when there are “No” answers to bold questions, and the reviewer is able to conclude that the plan audit was performed in accordance with applicable professional standards, in all material respects.

Note: See the [What’s New in the PRPM article](#) for further information regarding certain revisions reflected in the September update. The ‘other minor enhancements’ reflect conforming changes that impacted EBP checklist questions: A118, A125, A126 and A215.

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Reminders on How to Access the PRPM, including Team/Review Captain Packages

When accessing the PRPM to perform a firm’s peer review and/or your own firm’s monitoring (including internal inspections), consider that it is available from two resources, one ‘free’ to AICPA members and the other via a paid subscription. *The choice is yours* as to which resource you prefer to use, or both for different purposes.

The two resources are:

- The [peer review web pages](#) – Sign in using your membership information.
 - Some PRPM content is also available to the public (no sign-in required) via these web pages (such as the Peer Review Standards and Interpretations).
- The AICPA’s Online Professional Library ([OPL](#)) for subscribers. Paid subscribers may:
 - Search the PRPM
 - Add bookmarks and research notes and
 - Link to references in guidance within their other OPL subscriptions

Single and discounted multi-user subscriptions are [available for purchase](#). Tips to efficiently access the PRPM in OPL are [here](#).

Both resources are kept up-to-date. Although the presentations/formatting may vary, they both provide you with access to the full PRPM, including peer review guidance, engagement checklists, Team/Review Captain Package zip files and Practice Management Toolkits.

Updates to both resources are communicated via the article titled “What’s New in the PRPM” in Reviewer Alerts. Reviewers are expected to consider those articles and consult the PRPM resource of their choice for updated peer review guidance and materials, prior to commencing a peer review.

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Register for the Risk Assessment for Peer Reviewers Webinar Rebroadcast

Join us for the Risk Assessment for Peer Reviewers final rebroadcast to be held on October 4, 2018 from 2:00 – 4:00 pm ET. Click [here](#) to register.

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Register for the 2018 RAB Member Training

Join us for the 2018 RAB Member Training to be held on November 15, 2018 from 2:00 – 4:00 pm ET. Click [here](#) to register. Please note: the CPA on staff (or individual managing the Program) for each administering entity must register prior to submitting the annual Plan of Administration (POA).

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TIPS for Using the PRPM in OPL

- Save the quick link <https://library.aicpa.org/> to your “favorites”
- Consider that questionnaires and checklists are presented in two formats:
 - OPL content, which provides the ability to:
 - Link within and between titles in your subscription, including professional standards and other guidance
 - Save bookmarks and notes
 - Downloadable PDF form, similar to those provided on peer review web pages, which provides:
 - Fillable fields
 - Easy and efficient use
 - The ability to save to your peer review work-papers
- Bookmark the fillable PDF files you need to perform peer reviews:
 - Bookmark the “Table of Effective Dates,” which is in the “About this Publication— Updates to the Manual” PRPM section in OPL
 - Use this table as a quick “Table of Contents” to access, then ‘download,’ each practice aid you expect to use in your peer review practice to your peer review central files for use on specific peer reviews
 - Check this table before you commence any review to assess if the practice aid you previously downloaded has been updated since your last download. If it has been, just re-download it to your peer review central files
- Remember that references to other guidance within the OPL database content will link directly to your other subscriptions, resulting in quicker and more efficient research abilities. This will be helpful, for instance, when researching “no” answers to engagement checklists.

Other resources for transitioning to OPL include OPL’s “How To” guide and video overview under “My Tools,” and “Help.”

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