

Reviewer alert

Special Reviewer alert - February 2022

Peer Review Board Approves the Clarified AICPA Standards for Performing and Reporting on Peer Reviews!

In open session on February 2, 2022, the Peer Review Board (board) approved the proposed Clarified AICPA Standards for Performing and Reporting on Peer Reviews, **effective for peer reviews commencing on or after May 1, 2022 (early implementation is not permitted)**. Read more about the proposal, including a draft of the standards in the [February open session materials](#). The final standards and updates to related guidance will be published in the April update to the Peer Review Program Manual (PRPM). A copy of the final standards will also be available on the AICPA Peer Review website around the same time.

The board would like to thank the peer review community for providing comments that contributed to the standard setting process. The board believes the final standards will make peer review guidance easier to read, understand and apply, and do not substantially change what is already required by the extant standards. During the exposure period, respondents provided their views on proposed changes that were considered most significant. After considering comments from various stakeholder groups, the following changes were considered appropriate and will be reflected in the final standards (read more about the basis for these changes in the [exposure draft issued on September 15, 2021](#)):

- The majority of procedures in a system review will not be required to be performed at the reviewed firm's office; the extent of procedures will be determined by assessing peer review risk.
- The number of office visits on system reviews will also be determined by assessing peer review risk.
- A surprise engagement selection will not be required but still may be selected based on assessment of peer review risk.
- Fail reports on engagement reviews will only identify "deficiencies" instead of the extant term "significant deficiencies"; the extant term did not imply severity, only that a deficiency was present on all engagements reviewed.
- While not required by the clarified standards, administering entities may adopt policies to include peer review documents for single audit engagements in materials for their RAB meetings.
- Guidance for performing and reporting on quality control materials (QCM) reviews will no longer be included. Instead, QCM providers may choose to have an examination of their materials conducted in accordance with attestation standards established by the AICPA.