

Clarity Standards – Peer Reviewer Quick Reference Guide

Goal: Make peer review guidance easier to read, understand and apply.

Peer review guidance is now organized into sections by user so that relevant requirements and related application and other explanatory material are easier to find. It is recommended that reviewers be familiar with all sections, (for example, firm representation letter requirements are included in PR-C sections 310 and 320 which are intended for firms). Additionally, many changes were designed with the goal of making the guidance more principles based to allow for more reviewer judgment.

Effective Date: Reviews commencing on or after May 1, 2022. Use practice aids, checklists, and toolkits that have “April 2022” at the top.

[Clarified Peer Review Standards Link](#)

General Changes:

- **Representation letters**
 - Required to be on firm letterhead
 - Added paragraph related to management’s responsibility for the firm’s system of quality control
 - Inserted PCAOB language (if applicable) (Reminder, representation letters should be tailored according to PR-C sections 310.16 and 320.16.)
- **Letter of response** - A firm partner should sign with their individual name
- **Corrective actions and implementation plans** - outside parties performing them need to be approved by the administering entity before performing such services
- **Quality Control Material (QCM) reviews** - removal of guidance on performing and reporting on them
- **Must-Select experience calculation** - Definition of “A” experience calculation is now 18 months from the report date

Engagement Reviews:

- **Fail reports** - removed the term “significant” from the phrase “significant deficiencies”
- **DMFC** - Eliminated concept of an MFC “discussed with firm” – all MFCs are elevated to an FFC or deficiency
- **Procedures related to a firm’s system of quality control** - not in scope
- **Team members** - allowed
- **License requirements** -- through the issuance date of reviewed engagements
 - **Firm representation letter** – new phrase that license requirements are through the issuance date of reviewed engagements

Looking for Something?

Certain items are now located elsewhere:

- Independence examples are included in a [Q&A](#) on the Peer Review website
- Processes from RAB Handbook – Help within PRIMA
 - Overdue working papers
 - Not signing a Reviewer Performance Deficiency Letter
- Former Appendix A from the Peer Review Standards is on the [Peer Review Summary webpage](#)

See the [May Reviewer Alert](#) for detailed changes to the AICPA Peer Review Program Manual.

Examples of noncompliance with applicable professional standards (formerly 6200E) now included in PR-C section 220 Appendix A.

System Reviews:

- **Office visit(s)** – now based on the risk assessment
- **Surprise engagement** – now based on the risk assessment
- **QCM Guidance** – how a reviewer evaluates the adequacy of QCM used by a reviewed firm removed
- **QCM checklist questions** – modified in the Quality Control Policies & Procedures (QCPPs) and the SRM to align more closely to what QC standards require for engagement performance
- **Concentration definition** – simplified to 10% or more of the total hours of the firm’s audit practice