



April 2022 Update of the AICPA Professional Literature

ALERTS AND AICPA GUIDES

The following AICPA Guides contain minor editorial changes:

Construction Contractors (aag-con)

Prospective Financial Information (aag-pro)

BEST PRACTICES IN PRESENTATION AND DISCLOSURE

No updates for April 2022.

CHECKLISTS AND ILLUSTRATIVE FINANCIAL STATEMENTS

No updates for April 2022.

MEASUREMENT CRITERIA

No updates for April 2022.

PCAOB STANDARDS AND RELATED RULES

No updates for April 2022.

PEER REVIEW PROGRAM MANUAL

This update reflects the following:

- An update to PRP 22100 — *Supplemental Checklist for Review of Single Audit Engagements — Parts A and B (Uniform Guidance)*, to reflect the 2021 Audit Guide Government Auditing Standards and Single Audits and the 2021 OMB Compliance Supplement
- The clarified AICPA Standards for Performing and Reporting on Peer Reviews (clarified standards), as discussed in the [Special Reviewer alert — February 2022](#) (alert).
 - As a reminder, the clarified standards do not substantially change what is already required by the superseded standards, but the alert identifies changes the Peer Review Board considered most significant.
 - The clarified standards are also included in *AICPA Professional Standards*. They contain requirements

and related application and other explanatory material (including appendixes and exhibits) that are organized by user in the following PR-C sections:

- 100, *Concepts Common to All Peer Reviews*
 - 200, *General Principles and Responsibilities for Reviewers*
 - 210, *General Principles and Responsibilities for Reviewers — System Reviews*
 - 220, *General Principles and Responsibilities for Reviewers — Engagement Reviews*
 - 300, *General Principles and Responsibilities for Reviewed Firms*
 - 310, *General Principles and Responsibilities for Reviewed Firms — System Reviews*
 - 320, *General Principles and Responsibilities for Reviewed Firms — Engagement Reviews*
 - 400, *General Principles and Administration Responsibilities*
 - 410, *The Report Acceptance Process*
 - 420, *Corrective Actions and Implementation Plans*
 - 430, *Reviewer Monitoring and Performance*
- To develop the clarified standards, each section of the superseded PRPM was evaluated to determine whether guidance represented a distinct requirement or application and other explanatory material. As a result of this process, 19 PRPM sections were superseded.
- Conforming changes were made to the following PRP practice aid sections:
- 4800, *Summary Review Memorandum*
 - 4900, *Team Captain Checklist*¹
 - 6300, *Review Captain Summary**
 - 4500–4650, *Quality Control Policies and Procedures Checklists*
 - Technical Reviewer Checklists, which have also been separated by review type and renumbered from 3400 to:
 - 4950, *Technical Reviewer’s Checklist for System Reviews*
 - 6950, *Technical Reviewer’s Checklist for Engagement Reviews*
 - 20100, *Instructions for Use of Peer Review Engagement Checklists — System Reviews*
 - 24000 and 25000, *Practice Management Toolkits*, including:
 - The renumbering of Engagement Review toolkit documents to 25000s
 - The elimination of repetitive practice aids
- Minor conforming changes will be made to other practice aids as needed in their next update. In the meantime, certain references in engagement checklists have been superseded as described below.
- Interpretations 66-1 and 67-1, which contained guidance on “Concluding on the Review of an Engagement” in superseded PRP section 2000, and section “Evaluation of Non-Compliance with the Risk Assessment Standards” of superseded PRP section 3100, *Supplemental*

¹ A question was also added to PRP sections 4900, *Team Captain Checklist*, and 6300, *Review Captain Summary*, to inquire about whether the firm has performed, been engaged to perform, or expects to be engaged to perform a single audit or other compliance attestation engagement under *Government Auditing Standards* with respect to the receipt of federal funds such as the Coronavirus Relief Fund, which could affect the scope of the peer review. For additional information, see articles titled, “Are Your Peer Review Clients Performing New Yellow Book Services?” and “Yellow Book Engagements Subject to Selection” in the upcoming May 2022 Reviewer alert.

Guidance, have been replaced by guidance found under “Evaluation of Engagements” in paragraphs .36–.41 of PR-C section 210 for system reviews, and in paragraphs .16–.19 of PR-C section 220 for engagement reviews.

- Additional qualifications for reviewers of engagements performed in accordance with *Government Auditing Standards* (Yellow Book) as described in interpretation 31g-1, “Qualifying for Service as a Peer Reviewer,” in superseded PRP section 2000, has been replaced by guidance found under “Reviewer Qualifications for Must-Select and Must-Cover Engagements” in paragraphs .06–.08 of PR-C section 210.
- The superseded PRPM section 1000, *Peer Review Standards*, and other PRPM sections with guidance are archived on the peer review web site. Only the clarified standards are available in OPL.
- Updated practice aids have an “April 2022” date at the top. The clarified standards do not. Instead, (a) they indicate that they are effective for reviews commencing on or after May 1, 2022, and (b) future updates approved by the Peer Review Board, and related conforming changes, will be identified parenthetically after the affected paragraph with their new effective date.

Next PRPM Update

The next update is currently scheduled for Fall 2022.

Additional Information

The 19 superseded PRP sections were:

- 1000, *Peer Review Standards*
- 2000, *Peer Review Standards Interpretations*
- 3100, *Supplemental Guidance*
- 3200, *Peer Review Alerts*
- 3300, *Report Acceptance Body (RAB) Handbook*
- 3600, *Guidance for Writing Letters on Corrective Actions and Implementation Plans by Outside Parties*
- 4100, *Instructions to Firms Having a System Review*
- 4200, *Instructions to Reviewers Performing System Reviews*
- 4250, *Examples of Deficiencies and Case Studies on Writing Deficiencies*
- 4950, *Instructions for Use of Matter for Further Consideration (MFC) Form for System Reviews*
- 4960, *Instructions for Use of Findings for Further Consideration (FFC) Form for System Reviews*
- 6100, *Instructions for Firms Having an Engagement Review*
- 6200, *Instructions to Reviewers Performing Engagement Reviews*
- 6250, *Examples of Deficiencies That Might Be Included in an Engagement Review Report*
- 6500, *Instructions for Use of Matter for Further Consideration (MFC) Form for Engagement Reviews*
- 6600, *Instructions for Use of Finding for Further Consideration (FFC) Form for Engagement Reviews*
- 7100, *Guidance for Association Involvement*
- 8100, *Instructions to Providers Having a Quality Control Materials (QCM) Review*
- 10000, *Monitoring Guidance*

PRACTICE AIDS AND TOOLS

No updates for April 2022.

Code of Professional Conduct [ET]

This update adds the following interpretations:

- “Responding to Noncompliance With Laws and Regulations” (ET sec. 1.180.010)
- “Assisting Attest Clients With Implementing Accounting Standards” (ET sec. 1.295.113)
- “Responding to Noncompliance With Laws and Regulations” (ET sec. 2.180.010)

This update also revises the following interpretations:

- “Ethical Conflicts” (ET sec. 1.000.020)
- “Conceptual Framework for Independence” (ET sec. 1.210.010)
- “Client Affiliates” (ET sec. 1.224.010)
- “Unpaid Fees” (ET sec. 1.230.010)
- “Loans” (ET sec. 1.260.010)
- “Loans and Leases With Lending Institutions” (ET sec. 1.260.020)
- “Immediate Family Members” (ET sec. 1.270.010)
- “Ethical Conflicts” (ET sec. 2.000.020)

This update also revises the definition of “beneficially owned” (ET sec. 0.400.06).

Standards for Performing and Reporting on Peer Reviews (Clarified) [PR-C]

This update issues the clarified AICPA Standards for Performing and Reporting on Peer Reviews (standards), effective for peer reviews commencing on or after May 1, 2022, and adds the following new sections:

- PR-C section 100, *Concepts Common to All Peer Reviews*
- PR-C section 200, *General Principles and Responsibilities for Reviewers*
- PR-C section 210, *General Principles and Responsibilities for Reviewers — System Reviews*
- PR-C section 220, *General Principles and Responsibilities for Reviewers — Engagement Reviews*
- PR-C section 300, *General Principles and Responsibilities for Reviewed Firms*
- PR-C section 310, *General Principles and Responsibilities for Reviewed Firms — System Reviews*
- PR-C section 320, *General Principles and Responsibilities for Reviewed Firms — Engagement Reviews*
- PR-C section 400, *General Principles and Administration Responsibilities*
- PR-C section 410, *The Report Acceptance Process*
- PR-C section 420, *Corrective Actions and Implementation Plans*
- PR-C section 430, *Reviewer Monitoring and Performance*

Peer Review [PR]

This section has been deleted due to the effective date of the clarified standards.

TECHNICAL QUESTIONS AND ANSWERS

No updates for April 2022.

SUPPORTING DOCUMENT COLLECTION

No updates for April 2022.