

## Issue Advisory Hotline Q&A

### ***What is the purpose of the Issue Advisory Hotline?***

The Issue Advisory Hotline is being established for the primary purpose of advising a peer reviewer and a reviewed firm regarding the application of established accounting and auditing guidance. That is, if an issue arises during a peer review as to whether the reviewed firm appropriately applied authoritative guidance on a selected engagement, the peer reviewer and the reviewed firm would be able to call the Hotline together and discuss the issue with a member of our Accounting & Auditing team. The objective of this discussion is to determine how the standard was intended to be applied. Once the Accounting & Auditing team member has provided further explanation regarding the intended application of the standard, it will be the peer reviewer's responsibility to use his or her professional judgment as to whether the reviewed firm complied with the standard in respect to the selected engagement being reviewed.

### ***How do I access the Issue Advisory Hotline?***

To access the Issue Advisory Hotline, please call (919) 402-4502, option 4.

### ***When I call the Issue Advisory Hotline, who will answer?***

The Issue Advisory Hotline will be monitored by members of the AICPA's Accounting & Auditing team. These individuals have a strong working knowledge of authoritative accounting and auditing guidance and will provide the callers with further information regarding the proper interpretation and application of this guidance.

### ***Is the application of the Accounting & Auditing standards as provided by the hotline team member authoritative?***

No. Once the Accounting & Auditing team member has provided an explanation as to the intended application of the guidance, the peer reviewer must use his or her professional knowledge and judgment to determine whether the reviewed firm appropriately applied the guidance correctly and within the standards.

### ***What is the expectation regarding documenting utilization of the Issue Advisory Hotline?***

When the Issue Advisory Hotline is utilized during a peer review, it is expected that the Team/Review Captain will document the discussion within the working papers submitted to the AE; this documentation should explain the facts and circumstances of the issue at hand and the basis for the peer reviewer's conclusion as to whether the selected engagement is in conformity with professional standards and would need to be considered in the review as a whole.

For system reviews, this documentation should be included within the response to item G2 of the *Overall Findings and Conclusions* section of the Summary Review Memorandum, which states "Describe any situations encountered which require consultation with the Issue Advisory Hotline". For engagement reviews, this documentation should be included within the response to Section III, Item 8 of the Review Captain Summary, which states "Perform any procedures deemed necessary to conclude that nothing came to your attention that caused you to believe that the engagements submitted for review were not performed and/or reported on in conformity with applicable professional standards in all material respects".

***What impact does use of the Issue Advisory Hotline have on Technical Reviewers and/or RABs?***

Use of the Issue Advisory Hotline during a peer review is not expected to have a significant impact on the Technical Reviewer or RAB responsible for that peer review. The Technical Reviewer should feel comfortable in their understanding of the peer reviewer's documentation and resolution regarding his or her consideration of the guidance provided by the Accounting & Auditing team member, and may follow up with the peer reviewer for clarification, if needed. Information related to use of the Issue Advisory Hotline may be shared with the RAB at the Technical Reviewer's discretion. Use of the Issue Advisory Hotline should not change the Technical Review or RAB acceptance process.

***Who do I contact for further questions regarding the Issue Advisory Hotline?***

If you have further questions regarding the Issue Advisory Hotline, please contact the Peer Review Technical Hotline at (919) 402-4502.