

**ADMINISTRATIVE PROCEDURES FOR ILLINOIS CPA SOCIETY
PEER REVIEW COMMITTEE**

ISSUES RAISED SUBSEQUENT TO REPORT ACCEPTANCE MEETINGS

Adopted by the ICPAS Peer Review Executive Committee
on June 7, 1994, with Amendments Through October 17, 2017

There is the potential for a committee member to become aware of circumstances regarding a particular firm's accounting and auditing practice outside the normal report acceptance process. In this situation, the committee member should carefully consider whether he/she can remain impartial and objective with respect to the review. Members may not participate in any discussion or have any vote with respect to a reviewed firm for which the member lacks independence or has a conflict of interest. The committee member should also evaluate whether the issue is significant and relevant to the report acceptance process.

If after considering these factors the member believes it is appropriate for the matter to be considered by the committee, the issue should be addressed at the report acceptance meeting as part of the deliberation on the firm's review. However, if this information is learned subsequent to the meeting, certain procedures should be followed to ensure that the reviewed firm receives fair and reasonable treatment.

- I. The committee member with the new information will contact the subcommittee chair, who will determine whether the issue needs to be raised before the entire subcommittee.
 - A. If it is a relatively minor item that can be resolved with a question to the team captain, the subcommittee chair should ask the Society's technical reviewer to do so and report back to him/her.
 - B. If it does not appear to be minor, the subcommittee chair should call a special meeting of the subcommittee to address the issue.
 1. If the issue can be dealt with on future reviews, a memo should be placed in the firm's files to be addressed by the team captain during the next review.
 2. If the subcommittee feels that the review needs to be reopened, the case must be presented to the Executive Committee for its discussion and approval.
- II. The Executive Committee will review the circumstances to determine whether or not the issues raised are serious enough to affect the acceptance of the review, even if an acceptance letter has been mailed to the firm.
 - A. If serious, the matter may be returned to the original subcommittee for follow up (either with the team captain or the reviewed firm) and resolution through

separate meeting or mail ballot. Committee oversight may also be performed on the review if deemed appropriate.

- B. If not serious, a memo should be placed in the firm's file to be addressed by the team captain during their next review.
- C. In determining whether or not to delay acceptance of a review to address a question raised subsequent to a meeting, the Executive Committee should be cognizant of the need to prevent personal views from affecting the processes of a confidential program.