

Administrative Alert: 3rd Quarter 2019 (Issued July 2019)

If you have administrative questions or need any assistance, please contact your state scheduling manager:

Illinois & Iowa

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Workpaper Submission Update:

The following will now be reviewed during the workpaper administrative review:

Is the year-end consistent with the prior review? Approval is required from technical staff for any change in peer review year end.

Did the reviewer submit the workpapers late? If yes, why? Please provide a memo or note in the SRM.

Did the firm request a scope limitation? If yes, details should be noted in the SRM.

Was a system peer review performed off-site? Approval is required from the Senior Director prior to fieldwork beginning.

Reminder: Please address your Peer Review Reports: *To the Partners of XYZ and the Peer Review Alliance Report Acceptance Committee.*

Reminder: Please be sure you're using the most current version of the SRM, Review Captain Summary, and Single Audit Profiles/Checklist. Please also be sure to use the new supplemental quality control checklist for reviews of firms that perform audits, agreed-upon procedures, and other attestation engagements subject to Yellow Book. The latest and greatest can be accessed via the AICPA website: [Team and Review Captain Checklists](#)

Administrative Alert:
July 2019 (continued)

Overdue Workpaper Process

Remember to update your exit conference dates in PRIMA, as soon as you know of a change. Do not use the first overdue workpaper letter as your reminder.

Team Member Changes

Peer Review Year End Changes

Peer Review Year End: Initial Peer Review

Overdue Workpaper Process:

Peer review workpaper documentation is due within 30 days of the exit conference date or the peer review due date, whichever is earlier. If not submitted timely, the following steps are taken:

1. PRIMA will generate an overdue workpaper letter allowing five additional days to submit documentation.
2. If not submitted within that time, an email is sent to the captain allowing five additional business days to submit documentation or to notify us to start the firm non-cooperation process. Specific details are required if starting the firm non-cooperation process.
3. A Reviewer suspension generates in PRIMA on the sixth business day if the documentation is not submitted or the firm non-cooperation process is not started.

PRIMA will go through scheduling checks again if the commencement date update is more than 30 days from the originally scheduled date.

Team Member Changes:

If there are changes to the peer review team, either additions or removals, changes must be approved in PRIMA before the peer review can continue. ***Newly added team members cannot review engagements until approved in PRIMA.***

Peer Review Year End Changes:

A firm is expected to maintain the same year end on subsequent reviews. However, circumstances may arise that necessitate the firm changing its peer review year end. In such situations, the firm may do so with prior approval from the Peer Review Alliance Technical Department. The team or review captain may contact our technical team on behalf of the firm.

Peer Review Year End: *Initial Peer Review:*

The peer review year end should be a period of one year that is mutually agreed upon by the reviewed firm and the team/review captain. Ordinarily, review year-ends are within three to five months of the peer review. Engagements selected should have periods ending during the year under review. Subsequent peer reviews will maintain the established year end.

*Peer Review Due Date
Extension Policy
Reminder*

*GAO Extension
Reminder*

*IL Firms Extension
Reminder*

Peer Review Due Date Extension Policy Reminder:

Requests for peer review due date extensions ordinarily must be submitted by a firm through PRIMA no less than 60 days from the firm's original peer review due date. Firms are notified of approval or denial of requests within PRIMA.

Extension requests submitted less than 60 days from the peer review due date are automatically denied except under the following circumstances:

- Firm has recently changed due to a merger or dissolution and more time is needed to prepare for the review.
- Firm is expecting to dissolve a portion of its practice in the near future and will not be able to meet the peer review requirements until that action is completed.
- Firm needs additional time to complete a major engagement that is within the scope of the peer review.
- Firm needs additional time to complete an initial engagement and there is no comparable engagement.
- Firm is unable to have the review by the original due date because of an absence, loss or turnover of personnel significant to the conduct of the review.
- Firm's records or offices have been severely damaged or destroyed because of a natural catastrophe.
- Firm needs more time because it has selected a reviewer that has a scheduling conflict and is unavailable to perform the review by the firm's due date.

The AICPA Peer Review Board is strictly enforcing the peer review due date extension policy and monitoring administering entities' compliance.

- **Reminder:** Firms subject to Government Auditing Standards cannot be issued a peer review due date extension more than 90 days from the original peer review due date without concurrence from the Government Accountability Office (GAO).
- **Reminder:** Illinois firm peer review due date extension requests must also meet state licensing deadlines, if applicable.