

# PR Peer Review

## Newsletter



June 2023

Vol. 1

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### GAO Extensions

The Government Auditing Standards 2018 Revision, technical update of April 2021, requires in its paragraph 5.64 the following:

Paragraph 5.64 – "In cases of unusual difficulty or hardship, ***extensions of the deadlines for submitting peer review reports exceeding 3 months beyond the due date may be granted by the entity that administers the peer review program with the concurrence of GAO.***"

The extension concurrence of GAO is obtained by sending the letter of approval of the due date extension granted by the administering entity (AE) (in this case, the Colegio de CPA de PR) to the GAO email address: [yellowbook@gao.gov](mailto:yellowbook@gao.gov). Once the firm receives from GAO its concurrence with the due date

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extension granted by the AE, the firm is to give the copy to its firm's peer review team captain. It is the firm's responsibility to comply with the Yellow Book.

**Wondering what peer review can do for your firm? Read on to discover why we feel so strongly about it.**

#### 1. ***Unexpected Benefits***

Successful firms and independent CPA's typically have a strong grasp on who they are and where they are going. Yet even the best firms or CPA's can benefit from the valuable feedback provided by their peer reviewer – an external resource who views their A&A practice from a unique vantage point. The reviewer's personal knowledge and practical experience at both his own and other reviewed firms can lead to suggestions for improvement that might be outside the scope of the review. These suggestions may result in increases in customer satisfaction and even in revenue.

Consider this example from a peer review: We have been running a new software program for about 18 months. Although we evaluated multiple products in our purchase decision, the new software was not as robust or straightforward as we had hoped. Yet, we weren't sure we should make a change. During our peer review, our reviewer indicated that he, too, found weaknesses in the program. His feedback confirmed our concerns and motivated us to

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switch to a different software program that better suits our needs.

### 2. *Peer Review's Positive Impact on Firms*

Here are just a few examples of ways your peer reviewer could serve as a resource or provide suggestions for improvements in areas you might not have considered:

- Your peer reviewer can serve as a resource for consultations if you are entering a new service industry.
- If your firm has issues in a particular industry, such as employee benefit plan audits, your peer reviewer can provide your firm with industry specific training.
- Your peer reviewer can suggest audit efficiencies.

If your firm requires significant assistance which would impair a peer reviewer's independence (for example, extensive consultations such that the reviewer would be an integral part of your firm's consultation process), your peer reviewer may be able to recommend another firm to assist your firm.

### 3. *Learning More by Becoming a Peer Reviewer*

Not everyone can be a peer reviewer. You have to meet certain qualifications before you can apply and then you must complete additional training:  
<https://us.aicpa.org/interestareas/peerreview/cpeandevents.html>.

**Comment from a reviewer who benefited from being a reviewer:** Over the years, our

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firm has acquired expertise in a number of specialized industries, including single audits and employee benefit plan audits, and has been available to firms that require this specialized industry expertise. This role also allows us to gain experience in how to conduct our own peer reviews.

Are you interested in becoming a peer reviewer? Learn more by visiting the section: How to become a peer reviewer: <https://us.aicpa.org/interestareas/peerreview/community/how-to-become-a-peer-reviewer.html> you will see how it will benefit you as a reviewer and how performing reviews will also benefit your firm.

**On August 7, 2023**, we will offer the 8-hr live seminar that will complete your preparation to become a peer reviewer. We cordially invite you to start enjoying the benefits of becoming a peer reviewer. Here is the link to register: [Becoming an AICPA Peer Review Team or Review Captain: Case study application \(AICPA course\) 2324-22](#)



**In the next Newsletters we will summarize each element of the System of Quality Control, starting in this one with the first one:**

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#### Leadership Responsibilities for Quality Within the Firm ("Tone at the Top")

The firm's highest levels of leadership should establish a solid commitment to quality, the so-called "tone at the top." It should promote an internal culture recognizing that quality is essential to performing audit engagements. Furthermore, it should provide reasonable assurance that professionals assigned operational responsibility for the firm's quality control have sufficient and appropriate experience, ability, and authority. Quality control policies and procedures are required to be documented and communicated to personnel, including the message that each individual has a personal responsibility for quality and to be familiar with and to comply with these policies and procedures.

In order for you to better prepare for the peer review process we invite you to register in the seminar [Quality Control & Peer Review in Public Accounting 2324-21W](#) in which you will familiarize yourself with the Quality Control elements and the new ones that will integrate as part of them in a near future.

#### AICPA Peer Review Conference

[REGISTER](#) for the 2023 Annual Peer Review Conference. It will be held from July 31<sup>st</sup> to August 2<sup>nd</sup>, 2023 in Philadelphia. Join our PR delegation by registering in the link:

<http://website.eventpower.com/23AICPA-PEER/Home>

#### Peer Review Team Information

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