

Peer Review Reporting: A How-To Guide

The CBA's Online Peer Review Reporting Form is a user friendly, convenient way to fulfill the peer review reporting requirement within a matter of minutes. The Online Peer Review Reporting Form can be found on our Web site at www.cba.ca.gov. If your license ends in 01-33, you should have received a letter from CBA in July 2010. By using your license number and the PIN code found in the letter, you can complete your peer review reporting requirement with no paper, no stamp, and no waste. Only licenses ending in 01-33 need to report by July 1, 2011. If you are required to report by July 1, 2011, and did not receive a PIN code, you can request one by contacting us at (916) 561-1706 or peerreviewinfo@cba.ca.gov.

More than 28,000 licensees were notified that they are required to report by July 1, 2011. Of those licensees, over 12,000 Certified Public Accountants, Public Accountants, Accountancy corporations, and partnerships have already completed their mandatory peer review reporting. Peer review reporting is easy; the key is understanding your reporting requirements. The following Frequently Asked Questions (FAQs) are intended to assist you in understanding when and how to report.

I am not a sole proprietor. Do I need to report?

Yes. Although not all Certified Public Accountants and Public Accountants are required to undergo peer review, ALL licensees must report. Since the CBA does not maintain a record of individual licensees who operate as sole proprietorships, you are required to respond even if only to report that you do not operate as a sole proprietorship.

My firm, as its highest level of work, performs only compilations where no report is issued in accordance with the provisions of Statements on Standards for Accounting and Review Services (SSARS). Do I need to report?

Yes. Although not all firms are required to undergo peer review, ALL firms must report. Since the CBA does not maintain a record of services provided by firms, you are required to respond even if only to report that you are not performing any services that require you to undergo a peer review.

When do I need to report?

The reporting requirement will be phased in over the next three years. Reporting dates are as follows:

- Firms and licensees with a license number ending in 01-33 will need to submit peer review information no later than July 1, 2011.
- Firms and licensees with a license number ending in 34-66 will need to submit peer review information no later than July 1, 2012.
- Firms and licensees with a license number ending in 67-00 will need to submit peer review information no later than July 1, 2013.

How do I request an extension to report?

If the Board-recognized peer review program extends your peer review requirement beyond your reporting date, you must notify the CBA of the extension and provide proof of the extension. You must then report the results of the peer review to the CBA within 45 days of the peer review report being accepted by the Board-recognized peer review program.

Once I notify the CBA that I am not required to undergo a peer review, do I need to report again in the future?

Yes. All firms and licensees will be required to report peer review information every three years even if they are not required to undergo a peer review.

I had an engagement in January 2010. I do not anticipate having any more engagements in the future. Do I have a reporting requirement?

Yes. As of January 1, 2010, all firms operating or maintaining an accounting and auditing practice must undergo peer review once every three years in order to renew its license. Should your firm begin performing accounting and auditing services after January 1, 2010, it must have a peer review report accepted by a Board-recognized peer review program within 18 months of the completion of the services.

Does a firm's Peer Review Reporting Form encompass all of the individual licensees employed at the firm?

No. Individual licensees must submit an Online Peer Review Reporting Form for their individual license number. As the reporting date for their individual license number approaches, they will receive a unique PIN code for logging into the Online Peer Review Reporting Form. Individuals working for a firm, or that are shareholders or partners of a firm, are not subject to peer review, but must still complete the Peer Review Reporting Form.

I received notification to report for my individual license number, however, I operate as a partnership. Do I need to report for my individual license and my partnership number?

Yes. You must submit separate Online Peer Review Reporting Forms for your individual license and any corporation and/or partnership licenses you maintain. For your individual license, you will report that you are not operating as a firm. Your partnership will report it is operating as a firm.

I maintain a CPA license in California, but practice in another state. Do I need to report?

Yes. Peer Review is a condition of license renewal regardless of where you practice.

I undergo peer review to maintain a license in another state. Can I report the out-of-state peer review to California?

Yes. As long as the peer review report is accepted by a California Board-recognized peer review program, it will meet the peer review requirement for California. Currently, the AICPA is the only Board-recognized peer review program in California.

My firm's reporting date is July 1, 2012. Our last peer review report was accepted in October 2008. Can the firm submit the Peer Review Reporting Form now?

No. The firm's peer review report must be accepted by a Board-recognized peer review program within *36 months prior* to the reporting date. The firm will need to wait until its next peer review report is accepted to submit the Peer Review Reporting Form to the CBA.

I submitted my Online Peer Review Reporting Form with incorrect information. How can I correct it?

You must submit a hard copy Peer Review Reporting Form to the CBA for correction. The form must be clearly marked "Corrected Copy." The hard copy form can be found at <https://www.dca.ca.gov/cba/forms/prfwinst.pdf>.

Am I required to use the Online Peer Review Reporting Form?

No. Although online reporting is quick and easy, you can submit a hard copy reporting form which can be downloaded from our Web site. If you do not have access to the internet, you can request a Peer Review Reporting Form be mailed to you.

(Please see Peer Review Reporting: A How-To Guide, continued on page 12)

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What will happen if I fail to report my peer review to the CBA?

Failure to report your peer review status may result in nonrenewal of your license. Failure to report may also result in the CBA initiating enforcement action.

How long does it take to undergo a peer review?

Please contact the Board-recognized peer review program provider for timeframes. If undergoing a peer review for the first time, please allow sufficient time for the peer review engagement and acceptance by the Board-recognized administering entity.

How much will a peer review cost?

Please contact the Board-recognized peer review program provider for the cost to enroll in the peer review program. The fee for the peer review is negotiated between you and your peer reviewer.

What other requirements do I have?

If you receive a substandard peer review, you must notify the CBA within 45 days and submit a copy of the peer review report to the CBA at:

California Board of Accountancy
Attn: Peer Review Analyst
2000 Evergreen Street, Suite 250
Sacramento, CA 95815-3832

You must also notify the CBA within 30 days if you are expelled by a CBA-recognized peer review program and provide the name of the CBA-recognized peer review program and the reason(s) given by the peer review program for the expulsion.

If you need additional assistance concerning peer review reporting, please contact the CBA at (916) 561-1706 or peerreviewinfo@cba.ca.gov.

For more information concerning peer review requirements, please visit the CBA Web site at www.cba.ca.gov. ❖

CBA Annual Report

The CBA 2009-2010 Annual Report of Accomplishments and Activities (Annual Report) was presented to the CBA at the November 2010 meeting. The report highlights CBA activities taking place between July 1, 2009 and June 30, 2010, citing major accomplishments of each CBA division and how each program worked towards meeting Strategic Plan goals. The Annual Report was posted to the CBA Web site at <http://www.dca.ca.gov/cba/publications/index.shtml> after the November meeting and notification of this new report being available was sent to CBA E-News subscribers in early December. Be sure to check it out, and get a glimpse of what the CBA and its staff do to protect consumers and provide service to CBA stakeholders. Also, if you haven't subscribed to E-News, we encourage you to do so at <https://www.cba.ca.gov/forms/enews>. ❖