

IMPORTANT ANNOUNCEMENT
Board of Public Accountancy
MANDATORY PEER REVIEW

CPA firms that are required to obtain a Hawaii permit and perform Hawaii attest engagements must comply with the peer review law. The peer review law is outlined in Hawaii Revised Statutes ("HRS") sections 466-31 to 466-43.

Key Definitions in HRS section 466-3:

"**ATTEST**" is defined as:

1. Audits or other engagements performed in accordance with the statements on auditing standards of the American Institute of Certified Public Accountants (AICPA).
2. Compilations or reviews of a financial statement performed in accordance with the statements on standards for accounting and review services of the AICPA.
3. Examinations of prospective financial information performed in accordance with the statements on standards for attestation engagements of the AICPA.
4. Engagements performed in accordance with the government auditing standards.
5. Engagements performed in accordance with the standards of the Public Company Accounting Oversight Board.

The Hawaii Society of Certified Public Accountants ("**HSCPA**") has been approved by the Board as a sponsoring organization to administer a qualified peer review program.

Hawaii CPA firm permit holders that performed Hawaii attest engagements **as of December 31, 2014** must:

1. Enroll in HSCPA's peer review program and notify the Board of their enrollment by December 31, 2015, and
2. Complete their peer review by December 31, 2017.

Hawaii CPA firm permit holders that first performed attest work **after December 31, 2014** must:

1. Notify the Board that they are now subject to the peer review law within 30 days of the beginning of the performance of attest work;
2. Enroll with HSCPA's peer review program and notify the Board of its enrollment within one year of its initial licensing date or the performance of Hawaii attest work that required a peer review;
3. Notify the Board of the peer review due date assigned by HSCPA within 30 days of its assignment; and
4. Complete the initial peer review within 18 months of the date the Hawaii attest work was first performed.

December 31, 2017 is the renewal deadline for Hawaii firm permits for the biennium ending December 31, 2019. Therefore, firms should start planning for their initial peer review well in advance of their assigned due date to avoid unnecessary delays in their firm permit renewal application.