

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 Definition 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.

Sponsoring organizations approved by the Board of Public Accountancy ("Board") to administer a qualified peer review program are: (1) the Hawaii Society of Certified Public Accountants ("HSCPA"); (2) the AICPA, and state CPA societies fully involved in the AICPA Peer Review Program; and (3) the AICPA National Peer Review Committee.

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

1. Enroll in a Board-approved sponsoring organization's peer review program and notify the Board of their enrollment by December 31, 2015. *If firms have failed to meet this deadline, they should enroll with a Board-approved sponsoring organization's peer review program and notify the Board immediately by submitting Form CPA-PR1;* 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 by submitting Form CPA-PR2;
2. Enroll in a Board-approved sponsoring organization's peer review program and notify the Board of their enrollment within one year of their initial licensing date or the performance of Hawaii attest work that required a peer review by submitting Form CPA-PR3;
3. Notify the Board of the peer review due date assigned by the Board-approved sponsoring organization 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 license cycle of 2018-2019, commencing on January 1, 2018 and ending on 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.

Be sure to visit the Board's website at cca.hawaii.gov/pvl/boards/accountancy to review HRS sections 466-31 to 466-43 for guidance on your CPA firm's peer review requirements. The above-cited notification forms (Forms CPA-PR1, CPA-PR2, and CPA-PR3) are also available on the website or by calling the Board's office at 808-586-2696. All forms should be mailed to: Board of Public Accountancy, P. O. Box 3469, Honolulu, Hawaii 96801.