

**Article 11.--PEER REVIEW PROGRAM**

**74-11-6. Definitions.** (a) "AICPA" means the American institute of certified public accountants.

(b) "AICPA professional standards" means the "AICPA professional standards," volumes 1 and 2, published by the American institute of certified public accountants, as in effect on July 1, 2006, which are adopted by reference in K.A.R. 74-5-2.

(c) "Firm" shall have the meaning specified in K.S.A. 1-308 and amendments thereto.

(d) "Peer review" means a review of a firm's accounting and auditing practice in accordance with the standards for performing and reporting on peer reviews.

(e) "Peer review team" means persons or organizations participating in the peer review program required by the regulations in article 11. This term shall specifically include the team captain, team members, the report acceptance committee, and the oversight body, but shall not include the board.

(f) "Standards for performing and reporting on peer reviews" means either of the following:

(1) The AICPA "standards for performing and reporting on peer review" contained in volume two of the AICPA professional standards, as adopted by reference in K.A.R. 74-5-2; or

(2) standards published by the center for public company audit firms in the "peer review program manual" and "reference manual," as in effect on July 1, 2006, which are hereby adopted by reference.

(g)(1) "Substantially similar program" means a peer review program that meets the following requirements:

(A) The peer review team shall be approved by a nationally recognized accounting organization as having the qualifications, training, and experience to perform the peer review function required by this regulation.

(B)(i) The peer review shall be conducted pursuant to peer review standards as issued by a nationally recognized peer review program that has received prior approval by the board; or

(ii) the peer review shall be conducted pursuant to a written submission detailing the qualifications of the peer review team to conduct the peer review and providing a written plan for the peer review illustrating the means of compliance with this regulation with the prior specific approval of the board.

(2) Each inspection performed by the public company accounting oversight board of areas of a firm's practice related to audits of issuers, as defined by the public company accounting oversight board, shall be deemed to satisfy the peer review requirements related to this element of the firm's practice. (Authorized by and implementing K.S.A. 1-202; and K.S.A. 1-501; effective Feb. 14, 1994; amended Sept. 25, 1998; amended Sept. 10, 1999; amended Nov. 17, 2002; amended Nov. 14, 2003; amended May 27, 2005; amended May 19, 2006; amended February 16, 2007.)

**74-11-7. Renewal of a firm's registration.** (a) Each application for renewal of a firm's registration shall include one of the following:

(1) A letter issued by the administering entity stating that peer review has been completed and including a due date for the next peer review; or

(2) a completed form titled "peer review request for waiver/notification of scheduling of peer review, which shall be provided by the board and completed by the firm.

(b) If a firm has received a waiver pursuant to K.S.A. 1-501 and amendments thereto, before commencement of any attestation engagement, the firm shall have in place a system of internal quality control and shall notify the board. The firm shall provide a letter of completion to the board within 18 months after the date on which the report subject to peer review was issued.

(c) The letter of completion shall be valid until the due date for the next peer review specified in the letter of completion. (Authorized by K.S.A. 1-202; implementing K.S.A. 1-202 and K.S.A. 1-501; effective Feb. 14, 1994; amended Sept. 25, 1998; amended Nov. 2, 2001; amended Nov. 15, 2002; amended Nov. 14, 2003; amended May 19, 2006.)

**74-11-8.** (Authorized by and implementing K.S.A. 1997 Supp. 1-501; effective Feb. 14, 1994; amended Sept. 25, 1998; revoked Nov. 2, 2001.)

**74-11-9.** (Authorized by and implementing K.S.A. 1997 Supp. 1-501; effective Feb. 14, 1994; amended Sept. 25, 1998; revoked Nov. 2, 2001.)

**74-11-10.** (Authorized by and implementing K.S.A. 1997 Supp. 1-501; effective Feb. 14, 1994; amended Sept. 25, 1998; revoked Nov. 2, 2001.)

**74-11-11.** (Authorized by and implementing K.S.A. 1997 Supp. 1-501; effective Feb. 14, 1994; amended Sept. 25, 1998; revoked Nov. 2, 2001.)

**74-11-12.** (Authorized by and implementing K.S.A. 1997 Supp. 1-501; effective Feb. 14, 1994; amended Sept. 25, 1998; revoked Nov. 2, 2001.)

**74-11-13.** (Authorized by and implementing K.S.A. 1997 Supp. 1-501 and 1-311; effective Feb. 14, 1994; amended Sept. 25, 1998; revoked Nov. 2, 2001.)

**74-11-14.** (Authorized by K.S.A. 1997 Supp. 1-202 and 1-501 and implementing K.S.A. 1997 Supp. 1-501; effective Feb. 15 1994; amended Sept. 25, 1998; revoked Nov. 2, 2001.)

**74-11-15. Peer review oversight.** (a) A peer review oversight committee shall be appointed by the board to monitor the peer review process to determine whether peer reviews are conducted in accordance with the standards for performing and reporting on peer reviews.

(b) Up to three persons shall be appointed by the board to serve on the peer review oversight committee, each of whom shall meet the following qualifications:

(1) hold a current permit to practice certified public accountancy;

(2) has extensive experience in accounting and auditing services, as determined by the board; and

(3) is not a current member of the board of accountancy.

(c) Peer review oversight committee members may be reimbursed only for travel, meals, lodging and training expenses.

(d) The peer review oversight committee shall assess whether an organization that provides a peer review program endorsed or supported by the AICPA or another substantially similar program is conducting the program in accordance with the applicable standards for performing and reporting on peer reviews.

(e) The peer review committee shall report at least annually to the board concerning the qualifications of an organization to conduct peer review programs. However, information concerning specific firms and reviewers shall be confidential and shall not be reported to the Board. (Authorized by and implementing K.S.A. 1-202, and K.S.A. 1-501, effective Nov. 2, 2001; amended May 27, 2005.)