

17 CAR § 236-1904. Enrollment and participation.

(a) Enrollment in the Arkansas State Board of Public Accountancy-approved peer review program is required of each licensee that performs attest services as provided in Arkansas Code § 17-12-508(a).

(b) Enrollment is required as follows:

(1)(A) An existing licensee required to participate under subsection (a) of this section shall enroll in a board-approved peer review program administered by an approved sponsoring organization.

(B) Licensees enrolled in a board-approved peer review program shall schedule, undergo, and complete its initial peer review in compliance with the sponsoring organization's peer review standards and related guidance;

(2)(A) An existing licensee that subsequently begins providing services as set forth in subsection (a) of this section shall:

(i) Notify the board of the change in status within thirty (30) days;
and

(ii) Provide the board with enrollment information within twelve (12) months of the date the attest services were performed.

(B) Ordinarily, a licensee's initial peer review is due eighteen (18) months from the date it enrolled or should have enrolled in a board-approved peer review program;

(3)(A) Licensees enrolled in a board-approved peer review program shall schedule, undergo, and complete their subsequent peer reviews in compliance with the sponsoring organization's peer review standards and related guidance.

(B) Subsequent peer reviews shall be completed such that the peer review has taken place and all peer review materials are submitted to the sponsoring organization within three (3) years and six (6) months from the peer review year end of the previous peer review;

(4)(A) A licensee is not required to enroll in a board-approved peer review program if its highest level of service is performing compilations or preparation of financial statements under Statements on Standards for Accounting and Review

Services (SSARSs).

(B) However, if the licensee enrolls in a board-approved peer review program, it is required to have a peer review which would include compilations and preparation of financial statements within the scope of the review; and

(5) Licensees receiving inspections under the PCAOB are also required to meet the peer review requirements under a board-approved peer review program that covers the portion of the practice unit's practice not subject to the PCAOB inspection process, should the licensee have such a practice.

(c)(1) In the event that a firm licensee is merged, otherwise combined, dissolved, or separated, the sponsoring organization shall determine which firm is considered the succeeding firm.

(2) Any dispute of the sponsoring organization's determination shall be resolved by the board.

(3) The succeeding firm shall retain its peer review status and the peer review due date.

(d)(1) The board may accept extensions granted by the sponsoring organization to complete a peer review, provided the board is notified by the licensee within thirty (30) days from the date of the letter granting the extension.

(2)(A) Requests for extensions of time to undergo a peer review shall be submitted to the board in writing by the licensee no later than the earlier of a licensee renewal date or peer review due date (which is determined by the sponsoring organization) and should include any extensions approved by the sponsoring organization.

(B) Ordinarily, extensions are granted for the following reasons:

(i) Health;

(ii) Military service; or

(iii) Other good cause clearly outside of the control of the licensee.

(C) For good cause shown, the board may grant or renew applications for a reasonable period of time pending completion of the licensee's peer review.

(e) A licensee whose enrollment in a peer review program that has been rejected

by a sponsoring organization for whatever reason shall notify the board of:

- (1) The name of sponsoring organization rejecting the enrollment;
- (2) Reasons for the rejection; and
- (3) The name of the subsequently selected sponsoring organization.

(f) A licensee choosing to change to another sponsoring organization may do so only once a final acceptance letter has been issued indicating that all outstanding corrective actions have been completed and outstanding fees paid.