

## **Peer Review Extension Requests**

In circumstances expected to be rare and unusual, a firm may find that it cannot have its peer review by the date assigned. The firm should submit a letter requesting an extension to the MACPA Peer Review Program prior to the due date of the review. Ordinarily, the letter should be submitted during the planning stages of the review, but not later than 90 days prior to the due date. The letter should note the firm number and review number, cite the reasons the firm cannot undergo the review and offer an alternative due date for the review. Each extension request will be considered on a case-by-case basis. No extensions will be granted beyond the end of the calendar year except under extreme circumstances. If a firm wishes to change its peer review year-end, that request must be made separately or in addition to any request for an extension of the peer review due date.

Special Note: If the firm requesting an extension performs engagements under Government Auditing Standards (GAGAS), the firm should be aware that the U.S. Government Accountability Office (GAO) does not accept extensions granted by the administering entity beyond three months. Requests for extension beyond three months for firms that perform audits under GAGAS can only be granted by the GAO. Per GAGAS "the external peer review should be conducted within three years from the date they start field work on the first engagement under GAGAS. Subsequent external peer reviews should be conducted every three years. Extensions beyond three months can only be granted by GAO and should only be requested for extraordinary circumstances." Such requests should be addressed to: Michael C. Hrapsky, Senior Project Manager, Government Auditing Standards, U.S. Government Accountability Office, (202) 512-9535.

### **Acceptable reasons for requesting an extension**

1. The firm is a new firm as a result of a merger or dissolution.
2. The firm needs a few months to complete a major engagement (one to two months granted).
3. The timing of the review conflicts with the firm's busy season (one to two months granted).
4. The firm is unable to have the review because of an absence, loss or turnover of personnel significant to the conduct of the review (applicable only to smaller firms).
5. The firm's records or offices have been severely damaged or destroyed because of a natural catastrophe.
6. The firm needs more time because it has selected a reviewer that has a scheduling conflict and is unavailable to perform the review by the firm's due date, but is available to perform the review later in the calendar year.
7. The firm loses or gives up its audit prior to its peer review and needs more time in order to have a full year for its engagement or report review that covers a period in which no audits were performed

## **Unacceptable reasons for requesting an extension**

1. The firm indicated that it needed more time to prepare for the review or to implement new quality control policies and procedures.
2. The firm is developing a quality control document.
3. The firm is relocating or renovating its offices.
4. The nature of the firm's accounting and auditing practice changes (for example, a firm with an audit practice when it enrolled was assigned a due date, and later gave up its audit practice and the firm has not performed an audit for at least a year).

All extension requests must be submitted in writing to the MACPA Peer Review Committee for consideration. Please submit requests to the following address: Peer Review Committee, MACPA, 10280 Old Columbia Road, Suite #245, Columbia, MD; fax to 443-632-2370; or e-mail [peerreview@macpa.org](mailto:peerreview@macpa.org)

## **Sample Extension Request Letter**

December 15, 20XX

Peer Review Program  
MACPA  
10280 Old Columbia Road, Suite #245  
Columbia, MD 21046

Re: Review No. 200000, Firm No. 10000000

Dear Madam or Sir:

We respectfully request an extension of time for the completion of our peer review until \_\_\_\_\_. The reason for this extension is \_\_\_\_\_.

Thank you for your consideration.

Sincerely,

[Managing partner]  
[Name of firm]