

**TENNESSEE SOCIETY of CERTIFIED PUBLIC ACCOUNTANTS
PEER REVIEW COMMITTEE (the COMMITTEE)**

RESOLUTION REGARDING REQUESTS FOR EXTENSIONS OF DUE DATES

WHEREAS, a firm enrolled in the AICPA Peer Review Program for which the Committee is administering its peer review is required to have a peer review once every three years performed in accordance with the *AICPA Standards for Performing and Reporting on Peer Reviews*; and

WHEREAS, the Committee administers peer reviews in accordance with administrative guidance established by the AICPA Peer Review Board; and

WHEREAS, the AICPA Peer Review Board has issued guidance for granting extensions, and such guidance directs that extensions should be (a) received not later than ninety days prior to the due date, and (b) denied if the firm's basis for requesting such extension is that more time is needed to prepare for the review and/or the firm is not ready for a peer review; and

WHEREAS, peer reviews focus on the quality of a firm's auditing and/or accounting engagements and, if the firm's performance is poor or the firm is unsure of its quality of performance, a delay created by an extension is not in the firm's best interests; and

WHEREAS, the profession's peer review program is of unprecedented scope and, among other things, is relied upon by boards of accountancy, other regulators, and other bodies, including the timely completion of a peer review; and

WHEREAS, rules are necessary for a fair and diligent administration of peer reviews assigned to the Committee, and too many extensions will create an unmanageable and costly administrative burden;

NOW, THEREFORE, BE IT RESOLVED: That the Committee will only grant extension requests made in writing, citing the reasons for the request, offering an alternate date for the review or corrective action, and received prior to the due date of the review or corrective action, and solely for the following reasons: (a) a merger or dissolution is involved, (b) time is needed to complete a major engagement (no more than two months granted), (c) the timing of the review or corrective action conflicts with the firm's busy season (no more than two months granted), (d) absence or loss of key individuals significant to the conduct of the review or corrective action, (e) corrective action is more effectively measured or accomplished by a delay in its completion, and (f) other extraordinary circumstance that, in the Committee chair's judgment, warrant an extension; and

BE IT FURTHER RESOLVED: That written requests for extension will be considered on a case-by-case basis by the Committee chair or his/her designee, and no extension will be granted beyond calendar year end except in extreme circumstances as determined by the Committee chair.

October 26, 2006