

New England Peer Review

2023 Annual Report on Peer Review Activities

Date Issued: March 19, 2024

I. Administering Entity Oversight Process and Procedures

Oversight is a process in which a firm's review/reviewer is observed by another peer reviewer. Annually, the AICPA sets the minimum number of system and engagement review oversights required by each administering entity.

A member of NEPR's Peer Review Committee or other approved qualified individual will perform the oversight. Both firm and peer reviewers are subject to oversight.

Oversight may include visiting the firm as part of the peer review process or reviewing specific engagements. Oversight may also be performed after a review is complete. Oversight includes review of the reports and financial statements as well as firm work papers.

Firms may be selected for oversight based on several factors including but not limited to the types of peer review reports previously received, high risk engagements performed by the firm, or if it's the firm's first peer review.

Reviewers may be selected randomly or due to other factors including but not limited to frequent submission of pass reports, conducting reviews for firms with audits in high-risk industries, or due to performance deficiencies such as issuance of an inappropriate peer review report or failure to properly reach the appropriate conclusion during a review. Reviewers may also be chosen randomly, or on a rotating basis.

II. Number of Firms Enrolled in the Peer Review Program

Number of Professionals	AICPA Peer Review Program	New England Peer Review Program
Sole Practitioners	73	21
2-5	151	15
6-10	60	2
11-19	23	0
20-49	15	0
50+	3	0
Total Enrolled Firms	325	38

III. Summary of Peer Review Programs

Results by Type of Peer Review and Report Issued

	AICPA Peer Review Program		New England Peer Review Program	
System Reviews		%		%
Pass	55	82	6	85.7
Pass with deficiency(ies)	8	12	1	14.3
Fail	4	6	0	N/A
Totals	67	100%	7	100%
Engagement Reviews		%		%
Pass	49	83	6	85.7
Pass with deficiency(ies)	7	12	0	N/A
Fail	3	5	1	14.3
Totals	59	100%	7	100%

Type and Number of Reasons for Report Deficiencies for System Reviews

	AICPA Peer Review Program	New England Peer Review Program
Engagement performance	7	1
Human resources	3	0
Monitoring	3	1
Relevant ethical requirements	1	0
Leadership responsibilities for quality within the firm ("the tone at the top")	0	0
Acceptance and continuance of client relationships and specific engagements	2	0
Total	16	2

**Number of Engagements Not Performed or Reported on in Conformity
with Professional Standards in All Material Respects
(Nonconforming engagements)**

Engagement Type	AICPA Peer Review Program			New England Peer Review Program		
	Number of Engagements			Number of Engagements		
	Reviewed	Nonconforming engagements		Reviewed	Nonconforming engagements	
Audits:						
Single Audit	33	11	33%	1	1	100%
Government Auditing Standards – All Other	33	3	10%	0	0	0%
ERISA	35	4	11%	0	0	0%
FDICIA	1	0	0%	0	0	0%
Other	81	6	7%	3	1	33%
Reviews	115	5	4.3%	5	0	0%
Compilations and Preparations:						
With Disclosures	58	2	3%	2	0	0%
Omit Disclosures	87	0	0%	3	0	0%
Financial Forecasts & Projections						
SOC Reports	9	0	0%	0	0	0%
Agreed Upon Procedures	26	0	0%	1	1	100%
Other SSAEs	19	0	0%	0	0	0%
Totals	497	31	6.2%	15	3	20%

**Summary of Required Follow-up Actions
(Includes corrective actions and implementation plans)**

Type of Follow-Up Action	AICPA Peer Review Program	New England Peer Review Program
Submit Proof of Certain CPE Taken	25	0
Agree to Pre-issuance Review by TC/Outside Party	4	0
TC/Outside Party Review Correction of Non-Conforming Engagements	4	0
Agree to Hire TC/Outside Party to Perform Inspection	0	1
TC/Outside Party to Review Firm's Remedial Actions in its Response on the FFC	4	0
Does Not Perform Any Auditing Engagements	2	0
Join EBPAQC	0	0
Submit Evidence of Proper Firm Licensure	0	0
Submit Monitoring Report to Team Captain/Outside Party for Review	0	0
Submit to TC/Outside Party Post-issuance Review of Subsequent Engagements w/o wp's	0	0
TC/Outside Party to Review Firm's Remedial Actions in LOR	2	0
Totals	41	1

III. Oversight Process

Oversight Results

a) Peer reviews

AICPA Peer Review Program Firms

Type of Peer Review	Must Select Engagement (GAGAS, ERISA, FDICIA, SOC)	Total Oversights
System	1	2
Engagement	N/A	2

New England Peer Review Program Firms

Type of Peer Review	Must Select Engagement (GAGAS, ERISA, FDICIA, SOC)	Total Oversights
System	0	0
Engagement	0	0

b) Oversight Performed on the AE

The results of our most recent oversight performed by the AICPA Oversight Task Force, which covers only the AICPA Peer Review Program, are available on the [AICPA's website](#).