

New England Peer Review AICPA Peer Review Program 2024 Annual Report on Peer Review Activities

Date Issued: March 25, 2025

I. New England Peer Review Oversight Process and Procedures

Oversight of Peer Reviews and Reviewers

The purpose of performing oversight on a peer reviewer is to determine whether the peer reviewer has performed a peer review in accordance with standards and has reached appropriate conclusions, including:

- Reviewers, Review Acceptance Bodies (RABs) and the technical reviewer(s) are complying with standards and administrative procedures established by the AICPA Peer Review Board.
- Peer reviews are being conducted and reported upon in accordance with the Standards for Performing and Reporting on Peer Reviews (the Standards).
- Results of peer reviews are evaluated on a timely and consistent basis.
- Follow-up actions are consistently imposed and are closely monitored on a timely basis.
- Information disseminated by the administering entity is accurate and timely.

Minimum Requirements

The AICPA Oversight Task Force communicates the number of system & engagement oversights an Administering Entity should perform annually.

Oversight Selection

Firms may be selected randomly for oversight or due to other factors, including but not limited to, prior performance issues, 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 for oversight 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,
- performance deficiencies such as issuance of an inappropriate peer review report or failure to properly reach the appropriate conclusion during a peer review.
- Firms have received consecutive pass with deficiency(ies) and/or fail peer review report grade prior to the current review.

- Firms previously had an engagement peer review that was not pass and is having its first system peer review.
- Where the managing owner and/or several owners are peer reviewers that perform a high volume of reviews.

When the peer review has taken place and:

- The RAB questioned the appropriateness of the report and could not resolve its questions without an independent look at the reviewed firm;
- ii) There was a difference of opinion between the reviewed firm and the reviewer that could not be resolved without an independent look at the engagement(s) in question.

Oversight Procedures

Committee, RAB Members and technical reviewers perform all oversights. For system review and must-select engagement oversights, the committee member or technical reviewer must have completed all necessary team captain training requirements and have related experience per AICPA requirements. Selection of the oversight reviewer is on a volunteer basis. The final oversight report is prepared on the reviewer’s letterhead and submitted to the Committee.

II. Summary of the Peer Review Program

- 1) As of December 31, 2024, the New England Peer Review Administrators Peer Review for **767** Firms Enrolled in the AICPA Peer Review Program.
- 2) Results of Peer Reviews Accepted During the Calendar Year 2024.

a) Results by Type of Peer Review and Report Issued

System Reviews	Number	%
Pass	86	83
Pass with deficiency(ies)	10	10
Fail	8	7
Totals	104	100%
Engagement Reviews	Number	%
Pass	90	85
Pass with deficiency(ies)	10	9
Fail	6	6
Totals	106	100%

b) Type and Number of Reasons for Report Deficiencies for System Reviews

Engagement performance	15
Human resources	10
Monitoring	11
Relevant ethical requirements	2
Leadership responsibilities for quality within the firm (“the tone at the top”)	1
Acceptance and continuance of client relationships and specific engagements	3
Total	42

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

Engagement Type	Number of Engagements		%
	Reviewed	Nonconforming engagements	
Audits:			
Single Audit	64	22	34
Government Auditing Standards – All Other	236	25	11
ERISA	68	6	9
FDICIA	2	0	0
Other	1	00	0
Reviews	274	24	9
Compilations and Preparations:			
With Disclosures	145	4	3
Omit Disclosures	192	7	4
Financial Forecasts & Projections			
SOC Reports	3	0	0
Agreed Upon Procedures	25	1	4
Other SSAEs	13	1	8
Totals	1,023	90	9

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

Type of Follow-Up Action	
Agree to take/submit proof of certain CPE	69
Submit to review of nonconforming engagements	6
Agree to pre-issuance reviews	27
Agree to post-issuance reviews	19
Agree to review of remedial actions	14
Submit monitoring or inspection report to Team Captain or Peer Review Committee	6
Submit to outside party revisit	0
Review of Formal CPE Plan by TC/Outside Party	2
Submit evidence of proper firm licensure	3
Firm has represented in writing they no longer perform or are engaged to perform any engagements subject to peer review	7
Agree to hire outside party or consultant for inspection	1
Team Captain to review Quality Control Document	1
Submit proof of purchase of manuals	0
Agree to join an Audit Quality Center	2
Agree to remediate deficiencies noted in your firm's peer review	2
Total	159

III. Oversight Process

Oversight Results

a) Peer reviews

Type of Peer Review	Must-Select Engagement (GAGAS, ERISA, FDICIA, SOC)	Total Oversight
System	3	
Engagement	N/A	3

b) Oversight Performed on the AE

The results of our most recent oversight performed by the AICPA Oversight Task Force is available on the [AICPA's website](#)..

Note that the MassCPAs transferred its administration of the Peer Review Program to NEPR effective May16, 2024, however, the data presented for the full year includes reviews that would have been accepted in 2024 prior to that transition.