

The Ohio Society of CPAs
Annual Report on Peer Review Activities
Date Issued March 15, 2023

I. Administering Entity Oversight Process and Procedures

Oversight Process

The Ohio Society of CPAs (OSCPA) Peer Review Committee established Oversight Policies and Procedures for its oversight program in accordance with Chapter 2 of the AICPA Peer Review Program Oversight Handbook.

Types of oversight

- A system review oversight is a review of the complete peer review process, including attendance at the exit conference. It may be performed on-site at the reviewed firm's office or off-site at another location.
- An engagement oversight is the review of all peer reviewer workpapers and the reviewed firm's financial statements and working papers for a specific high-risk engagement. It is generally performed after the review has been performed. A member of the OSCP A Peer Review Committee or a qualified individual designated by the committee is assigned to perform the system review and engagement oversights.
- Engagement review oversight is performed off-site and includes a review of the selected report, financial statements and engagement working papers prepared by the reviewed firm. An OSCP A technical reviewer or a qualified individual designated by the committee is assigned to perform the engagement review oversights.

The individual performing the oversight must meet the requirements for serving as a team captain and have the appropriate must-select industry experience, if applicable and current peer reviewer training.

The AICPA Peer Review Program Oversight checklists are used for all oversights. An oversight report is issued to the OSCP A Peer Review Committee by the oversight reviewer, on their firm's letterhead. The reviewer is expected to respond to the oversight comments within 14 days of receiving the report. A copy of the report is maintained in the AICPA's PRIMA (Peer Review Integrated Management Application) system.

Oversight Selection

In 2022, a minimum of 3 oversights were required to be performed, which was based on 1% of all peer reviews performed during the twelve-month period January 1 through December 31. Within the 1% there should be a minimum of 1 of each type of review evaluated (one system review and one engagement review).

Both firms and peer reviewers are subject to oversight. The oversights may be selected randomly or targeted based on the committee's concerns about a firm or a specific peer reviewer.

Firms - all firms are subject to oversight and may be selected for oversight using a risk-based approach by considering several factors including, but not limited to the types of peer review reports the firm previously received; if the firm performs high-risk engagements; or if it is the firm's first peer review.

Reviewers - all peer reviewers are subject to oversight, and they may be selected based on several factors, including but not limited to performing high volumes of reviews; frequent submission of pass reports with no MFCs or FFCs; performing their first peer review; performing reviews with audits in high-risk industries; performance deficiencies or a history of performance deficiencies; or has received a high volume of reviewer feedback.

II. Summary of Peer Review Program(s)

The OSCP A Peer Review Program was formed in 1989 to serve as the administering entity for the AICPA Peer Review Program in the State of Ohio. The program is administered in accordance with the AICPA "Standards for Performing and Reporting on Peer Reviews" and related guidance.

The Accountancy Board of Ohio (ABO) requires all firms licensed in Ohio, providing any attestation services as part of their public accounting practice, to be enrolled in an approved practice-monitoring program and undergo a peer review accordingly. The ABO has designated OSCP A as its authorized agent to administer the program for those firms. The ABO has established a Peer Review Oversight Committee to perform periodic oversight on the OSCP A's program administration.

AICPA and OSCP A bylaws require that members engaged in the practice of public accounting be associated with a firm that is enrolled in an approved practice-monitoring program, if the services performed by such a firm are within the scope of the AICPA's practice monitoring standards, and the firm prepares reports in accordance with AICPA professional standards. Firms enrolled in the program are required to have a peer review every three years, the scope of which covers a one-year period.

There are currently 742 firms enrolled in the AICPA Peer Review Program being administered by the OSCP A.

1) Results of Peer Reviews Accepted During the Year **2022**

a) Results by Type of Peer Review and Report Issued

	AICPA Peer Review Program	
System Reviews		%
Pass	67	87%
Pass with deficiency(ies)	8	10%
Fail	2	3%
Total	77	
Engagement Reviews		%
Pass	130	88%
Pass with deficiency(ies)	10	7%
Fail	7	5%
Total	147	

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

	AICPA Peer Review Program
Acceptance and continuance of client relationships and specific engagements	2
Engagement performance	8
Human resources	4
Leadership responsibilities for quality within the firm ("the tone at the top")	1
Monitoring	5
Relevant ethical requirements	1
Total	21

c) 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		
	Number of Engagements		%
	Reviewed	Nonconforming engagements	
Audits:			
Single Audit	25	4	16%
Government Auditing Standards – All Other	24	5	21%
ERISA	61	8	13%
FDICIA	0	0	0%
Other - Audits Under Statements on Auditing Standards	89	10	11%
Reviews	75	4	6%
Reviews of Financial Statements	64	8	13%
Compilations and Preparations:			
With Disclosures	71	7	10%
Omit Disclosures	298	10	34%
Financial Forecasts & Projections	0	0	0%
SOC Reports	3	0	0%
Attestation Engagements (Examination, Review, or Agreed-upon Procedures Under GAS)	9	1	11%
Agreed Upon Procedures	47	2	4%
Other SSAEs	0	0	0%
Examination Engagements	2	0	0%
Entities subject to Securities and Exchange Commission (SEC) Independence Rules: Other	1	0	0%
Totals	769	59	8%

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

Type of Follow-Up Action	AICPA Peer Review Program
Agree to take/submit proof of certain CPE	62
Submit to review of nonconforming engagements	8
Agree to pre-issuance reviews	8
Agree to post-issuance reviews	2
Agree to review of remedial actions	0
Submit monitoring or inspection report to Team Captain or Peer Review Committee	3
Submit to outside party revisit	0
Elect to have accelerated review	0
Submit evidence of proper firm licensure	0
Firm has represented in writing they no longer perform or are engaged to perform any engagements subject to peer review	0
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	0
Other	0
Total	85

Oversight Results

- a) Peer reviews

AICPA Peer Review Program Firms

Type of Peer Review	Must Select Engagement (GAGAS, ERISA, FDICIA, SOC)	Total Oversights
System	ERISA; Credit Union	3
Engagement		1 pending

- b) Oversight Performed on the AE

Date of Last Administrative Oversight Performed by AICPA Oversight Task Force	September 21 – 23, 2022
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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](#).