

Below is an e-mail that was sent out from our Peer Review Director Kathleen Meyer to all firms in December 2017, attached to the 2018 Peer Review Annual Administrative Fee. Below the email is additional information on the 2018 Peer Review Annual Administrative Fee.

As you likely know, there have been substantial changes to the peer review program this past year. I want to make sure you're fully aware of the issues and help you better understand our resulting fee increase, which is reflected in your attached invoice. For more information related to the fee [click here](#).

In February 2016, the AICPA released a discussion paper to state CPA society CEOs of administering entities (AEs) on the *Evolution of Peer Review Administration*. With the goal of enhancing audit quality (AEQ), AICPA's exposure draft detailed issues within the peer review program. The AICPA concluded that many problems could be solved by combining state administrative programs, reducing the total number of AEs.

In response, the Missouri Society of CPAs (MOCPA) quickly established a peer review task force to review and comment on that discussion paper. Our task force recommended to the AICPA, among other things, that MOCPA remain the AE for Missouri firms as no other AE would put Missouri firms' interests first. In its response the AICPA agreed that state societies could continue the administration with the understanding that CEOs take responsibility for the program; the peer review director must be a CPA; and AEs should meet specific benchmarks diligently monitored by the AICPA. [Click here](#) for more information on *Evolving Peer Review Administration to Enhance Audit Quality*.

While this debate was underway, the AICPA introduced a new peer review management application – Peer Review Integrated Management Application (PRIMA). Administrators, peer reviewers, technical reviewers, RAB members and firms had to readjust to a completely new hands-on process for administration of peer reviews. While this system may make the peer review process easier in the future, it has been a real challenge to date. The MOCPA peer review administrator has spent an inordinate amount of time helping our firms with accessing PRIMA, working through glitches, and developing step-by-step guidance to assist firms. The learning curve will go on for several years as firms undergo peer review within PRIMA.

In light of all of this activity, MOCPA wants to assure you that we are committed to our members and their firms and will try to help you in any way we can. If you have any questions or concerns, please contact me.



Kathleen Meyer, CPA, CGMA, CAE
Chief Financial Officer

Missouri Society of CPAs | www.mocpa.org
kmeyer@mocpa.org | m: 800.264.7966 | d: 314.392.5804



AICPA Peer Review Program
Administered by the Missouri Society of CPAs

2018 Annual Peer Review Administrative Fee

All firms enrolled in the peer review program are assessed an annual administrative fee to cover the costs of administering the program.

The fee is based upon two items:

1. Flat Fee: Depending on the firms most recent peer review type
 - a. System Review: \$250
 - b. Engagement Review: \$225

2. Per personnel fee: Based upon the firms most recent peer review
 - a. \$50 per personnel

The review type and number of personnel information is based upon the firms most recently completed peer review. The number of personnel that work on A&A is provided by the firm during the peer review process. Personnel includes CPAs, non-CPAs, managers, leased or per diem, other professional staff etc. This fee will not be changed until the firms next peer review. This includes if a firm adds or reduces staff or changes from an engagement to system review.

Example #1:

Review Type: System (\$250)

of personnel: 1 (1 x \$50)

Total Fee = \$300

Example #2:

Review Type: Engagement (\$225)

of personnel: 10 (10 x 50)

Total Fee = \$725

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