

Connecticut Society of CPAs

Annual Report on Peer Review Activities

Approved at the CTCPA Peer Review Committee meeting January 16, 2025

I. Administering Entity Oversight Process and Procedures

Oversight is a process where a firm's review/reviewer is observed by another peer reviewer. The AICPA sets the minimum number of system and engagement review oversights required by each administering entity annually. For 2024 The CTCPA program was required to perform the minimum number of oversights, two engagement oversights and two system oversights.

A member of the CTCPA's Peer Review Committee or other approved qualified individual performs the oversight. The individual performing the oversight decides whether it should be performed on-site or offsite.

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

Firms may be chosen for oversight based on several factors including but 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 chosen for oversight due to factors including but not limited to a reviewer who issues an atypical percentage of pass peer review reports, conducting reviews for firms with audits in high-risk industries, or known performance deficiencies. Reviewers may also be chosen randomly, or on a rotating basis.

2024 Oversights performed:

	Total Reviews accepted	Reviews chosen for oversight	Percentage of reviews chosen for oversight	Must Select Engagement (GAGAS, ERISA, FDICA, SOC)
Engagement	59	2	3.4%	n/a
System	41	2	4.8%	2
Total	100	4	4.0%	2

Each of the four oversights was on a different peer reviewer.

II. **Summary of Peer Review Program(s)**

- 1) As of December 31, 2024, the Connecticut Society of CPAs administers peer reviews for 268 firms enrolled in the AICPA program.

Number of A & A Professionals	Engagement Reviews	System Reviews	Totals
1	55	14	69
2 - 5	80	44	124
6 - 10	20	26	46
11 - 15	3	11	14
16 - 20	-	7	7
21 - 25	-	7	7
26 or more	-	1	1
Total	158	110	268

- 2) Results of Peer Reviews Accepted During 2024.

- a) Results by Type of Peer Review and Report Issued

	AICPA Peer Review Program	
System Reviews	number	%
Pass	34	82.93%
Pass with deficiency(ies)	5	12.19%
Fail	2	4.88%
Total	41	100%
Engagement Reviews	number	%
Pass	49	83.05%
Pass with deficiency(ies)	9	15.25%
Fail	1	1.7%
Total	59	100%

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

	AICPA Peer Review Program
Leadership responsibilities for quality within the firm (“the tone at the top”)	0
Relevant ethical requirements	0
Acceptance and continuance of client relationships and specific engagements	1
Human resources	2
Engagement performance	6
Monitoring	1
Total	10

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	12	6	50%
Government Auditing Standards – All Other	21	0	0%
ERISA	22	5	22.7%
FDICIA	0	0	n/a
Other	37	4	10.8%
SSARS Review engagements	82	10	12.2%
Compilations and Preparations:			
With Disclosures	55	2	3.6%
Omit Disclosures	97	1	1%
Financial Forecasts & Projections	0	0	n/a
SOC Reports	0	0	n/a
Agreed Upon Procedures	14	2	14.3%
Other SSAEs	2	0	0%
Totals	342	30	8.8%

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	25
Submit to review of nonconforming engagements	3
Agree to pre-issuance reviews	12
Agree to post-issuance reviews	2
Agree to review of remedial actions	7
Submit monitoring or inspection report to Team Captain or Peer Review Committee	1
Submit proof of purchase of manuals	1
Other	1
Total	52

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	2	2
Engagement	n/a	2

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](#).