Dear NASBA Representative:

We have completed our monitoring and evaluation of the AICPA Peer Review Program administered by the Washington Society of CPAs for the period from January 1, 2022 through December 31, 2022. Our oversight work was performed in accordance with the Operating Agreement between the Washington State Board of Accountancy (ACB) and the Washington Society of CPAs (WSCPA) for State Oversight of the AICPA Peer Review Program.

The purpose of the Peer Review Oversight Committee (PROC) is to provide reasonable feedback to the administrative entity (AE) and report to the Board.

The WSCPA administration of the peer review program is performed by a Peer Review Committee and a Report Acceptance Body (RABs). They are assisted by four technical reviewers engaged by the WSCPA who receive peer review reports from firms upon completion of their reviews. These reports and certain review documents provided by the peer reviewer are reviewed by the technical reviewers who summarize the information and obtain explanations from peer reviewers and require revisions as considered necessary. The RABs receive this information for review, acceptance, modification, and determination of any follow up and/or monitoring actions to be performed relative to the peer review.

The data is as follows:

a) The total number of Peer Review Executive Committee meetings conducted in the year:
   
   Committee meetings - 2

b) The total number of RAB meetings conducted in the year:

   Engagement RAB – 6, System RAB - 7  No RABs for non-attest work.

c) The number of total RAB meetings attended by the PROC expressed as a percentage:

   PROC attended 83% of Engagement RAB meetings
   PROC attended 100% of System RAB meetings

d) The number of RABs working with the Administering Entity: 2

e) The number of technical reviewers January through December: 4
f) The number of total reviews conducted broken down by engagement and system reviews:

Total ACCEPTED (reports are based on Acceptance Dates) in 2022:
Engagement – 102, System – 47

g) The number of reports accepted without further monitoring expressed as a percentage of the total, broken down by engagement and system reviews.

Engagement – 83/102 = 81%, System – 40/47 = 85%

h) The number of reports accepted with additional monitoring expressed as a percentage of the total, broken down by engagement and system reviews.

Engagement – 19/102 = 19%, System – 7/47 = 15%

i) Number of firms’ reviews that were deferred to obtain additional information, broken down by engagement and system reviews

Engagement – 1, System – 1

j) The number of reports that were rated “pass” by the peer reviewer, broken down by engagement and system reviews

Engagement – 83, System – 40

k) The number of reports that were rated “pass with deficiencies”, broken down by engagement and system reviews

Engagement – 11, System - 6

l) The number of reports that were rated “fail”, broken down by engagement and system reviews

Engagement – 8, System - 1

The Washington State Society of CPA’s will no longer be administering the AICPA Peer Review program for Washington State. On May 1, 2023 the Colorado Society of CPA’s will administer the program for Washington.

Please contact me if you have any questions.

Michael Paquette, CPA
Executive Director
Washington State Board of Accountancy