<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>I. Message from the Chair</td>
<td>3</td>
</tr>
<tr>
<td>II. The California Peer Review Program</td>
<td>4</td>
</tr>
<tr>
<td>III. Peer Review Oversight Committee Responsibilities</td>
<td>4</td>
</tr>
<tr>
<td>2022 Peer Review Oversight Committee Meeting Dates</td>
<td>5</td>
</tr>
<tr>
<td>IV. Peer Review Oversight Committee Members</td>
<td>6</td>
</tr>
<tr>
<td>V. American Institute of Certified Public Accountants</td>
<td>6</td>
</tr>
<tr>
<td>VI. California Society of Certified Public Accountants</td>
<td>6</td>
</tr>
<tr>
<td>VII. Peer Review Oversight Committee Oversight of the California Peer Review Program</td>
<td>7</td>
</tr>
<tr>
<td>Peer Review Oversight Committee Oversight Activities</td>
<td>7</td>
</tr>
<tr>
<td>CalCPA Report Acceptance Body Meetings</td>
<td>7</td>
</tr>
<tr>
<td>AICPA Peer Review Board Meetings</td>
<td>8</td>
</tr>
<tr>
<td>CalCPA Peer Review Committee Meetings</td>
<td>8</td>
</tr>
<tr>
<td>Peer Review Oversight Committee Activities Conclusion</td>
<td>8</td>
</tr>
<tr>
<td>Peer Review-Related Reports and PublicationsReviewed by the Peer Review Oversight Committee</td>
<td>8</td>
</tr>
<tr>
<td>The American Institute of Certified Public Accountants Peer Review Program, National Peer Review Committee, 2020 Annual Report on Oversight, Issued February 10, 2022</td>
<td>9</td>
</tr>
<tr>
<td>Report on the American Institute of Certified Public Accountants Peer Review Program Annual Report on Oversight, Issued April 18, 2022</td>
<td>10</td>
</tr>
<tr>
<td>AICPA Peer Review State Administering Entity Oversight Visit Results</td>
<td>11</td>
</tr>
<tr>
<td>Peer Review Report and Publication Review Conclusion</td>
<td>13</td>
</tr>
<tr>
<td>VIII. Statistical Monitoring and Reporting on California Peer Review Statistics</td>
<td>13</td>
</tr>
<tr>
<td>Number of Reviews Completed by Month, and Types (System vs Engagement) Cumulatively for the Annual Reporting Period</td>
<td>14</td>
</tr>
<tr>
<td>Types (System vs. Engagement) and Number of Reviews Completed Cumulatively for the Annual Reporting Period</td>
<td>15</td>
</tr>
<tr>
<td>Types (System vs. Engagement) and Number of Reviews Receiving Pass, Pass with Deficiencies, or Fail Rating</td>
<td>15</td>
</tr>
<tr>
<td>Corrective Action Matters (Various Types: Overdue Peer Review Reports, Disagreements Pending Resolution, etc.)</td>
<td>17</td>
</tr>
<tr>
<td>Firms Expelled (Terminated) from the Program</td>
<td>18</td>
</tr>
<tr>
<td>IX. Statistical Monitoring and Reporting on California Peer Reviewer Statistics</td>
<td>19</td>
</tr>
</tbody>
</table>
X. Observations........................................................................................................23
    Recommendation................................................................................................23
XI. Conclusion.......................................................................................................24
    Appendix A.......................................................................................................25
I. Message from the Chair

I am pleased to present the California Board of Accountancy (CBA) with the Peer Review Oversight Committee’s (PROC) 2022 Annual Report. I would like to thank the CBA for its continued trust in my leadership of the PROC. I would also like to extend my sincerest appreciation to Laura L. Ross, CPA, who served as Vice Chair of the PROC this last year.

PROC members performed oversight activities by attending California Society of Certified Public Accountants (CalCPA) Report Acceptance Body (RAB) meetings, performing oversight of out-of-state Administering Entities (AE) to ensure that they are held to the same regulatory standards as California, gathering and reviewing peer review and peer reviewer-related statistics from the American Institute of Certified Public Accountants (AICPA), and reviewing the following documents:

- AICPA Peer Review Administering Entity Oversight Visit Results for the Alabama Society of CPAs, Tennessee Society of CPAs, Pennsylvania Institute of CPAs, Peer Review Alliance, Georgia Society of CPAs, Coastal Peer Review, Inc., Massachusetts Society of CPAs, and the Ohio Society of CPAs.

In 2022, PROC members also updated the PROC Procedures Manual and the Administrative Site Visit Checklist. The updated manual and checklist were approved by the CBA in July. Unfortunately, the 2022 Administrative Site Visit Checklist was not used because the Administrative Site Visit was cancelled upon the refusal of AICPA to allow staff to attend. The cancellation of the visit significantly impacted the ability of the PROC to perform its oversight in 2022. The PROC understands that this, and other topics affecting the Peer Review Program are being considered by the CBA. The PROC stands ready to assist the CBA as members deem appropriate.

It has been an honor to serve in this role and I look forward to the continued success of the PROC.

Sincerely,

Jeff De Lyser, CPA
II. The California Peer Review Program

All California-licensed accounting firms, including sole-proprietors, providing accounting and auditing services are required to undergo a peer review once every three years as a condition of license renewal.

The goal of peer review is to promote quality in the accounting and auditing services provided by accounting firms, and to ensure that licensees are adhering to professional standards. Consumer protection is increased in two crucial areas through peer review:

- The peer review requirement helps to monitor and educate accounting firms to promote quality in the accounting and auditing services they provided. This goal serves the public interest and protects the consumer through an increase in the quality of the product provided to clients.
- The CBA requires accounting firms receiving substandard peer review ratings to notify the CBA. The CBA reviews the information to assess whether to pursue enforcement actions against accounting firms receiving substandard ratings. This consumer protection mechanism provides assurance that only qualified licensees are practicing public accounting and providing services to consumers in California.

III. Peer Review Oversight Committee Responsibilities

The purpose of the PROC is to provide recommendations to the CBA on any matter upon which it is authorized to act to ensure the effectiveness of mandatory peer review. The PROC derives its authority from Business and Professions Code section 5076.1.

The roles and responsibilities of the PROC, as defined by the CBA, are:

- Hold meetings as necessary in order to conduct business and report to the CBA regarding the effectiveness of mandatory peer review.
- Ensure that the CBA-Recognized peer review program provider (provider) administers peer reviews in accordance with the standards set forth in California Code of Regulations, title 16, section 48:
  o Conduct an annual administrative site visit.
  o Attend peer review board meetings, as necessary but sufficient to evaluate and assess the effectiveness of the program.
  o Attend peer review committee meetings, as necessary but sufficient to evaluate and assess the effectiveness of the program.
  o Attend meetings conducted for the purpose of accepting peer review reports, as necessary but sufficient to evaluate and assess the effectiveness of the program.
  o Conduct reviews of peer review reports on a sample basis. Peer review report samples should include, but are not limited to firms with corrective actions, and firms that have been dropped or terminated.
  o Attend, on a regular basis, peer review training courses.
Conduct sample reviews of documents (e.g., emails and letters) and information (e.g., web pages and flyers) demonstrating that communication to firms is clear.

- Evaluate any Application to Become a Board-Recognized Peer Review Provider and recommend approval or denial to the CBA.
- Refer to the CBA any Provider that fails to respond to any request.
- Collect and analyze statistical monitoring and reporting data from the Provider on an annual basis, including but not limited to:
  - California peer reviews accepted
  - California peer reviews performed by type of peer review and rating
  - Follow-up actions required as a condition of acceptance of the firm’s peer review
  - California firms terminated from the peer review program
  - California firms that had system peer reviews in a must-select category
  - Total number of peer reviews performed nationally
  - Peer reviewer population data
  - Number and nature of inquiries to the AE
- Prepare an Annual Report to the CBA regarding the results of its oversight.
- Evaluate the peer reviewer population.

### 2022 Peer Review Oversight Committee Meeting Dates

The PROC holds meetings as necessary in order to conduct business and report to the CBA regarding the effectiveness of mandatory peer review.

The PROC met four times in 2022:

- February 18, 2022
- May 13, 2022
- August 12, 2022
- December 9, 2022

The February PROC meeting was held virtually via WebEx. The May, August, and December PROC meetings were held in-person at the CBA headquarters.
IV. Peer Review Oversight Committee Members

The PROC currently has one vacancy. Members may serve up to four two-year terms.

<table>
<thead>
<tr>
<th>Name</th>
<th>PROC Appointment</th>
<th>Current Term Expiration</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jeff De Lyser, CPA</td>
<td>August 17, 2021</td>
<td>September 30, 2023</td>
</tr>
<tr>
<td>Sharon Selleck, CPA</td>
<td>March 23, 2017</td>
<td>March 31, 2023</td>
</tr>
<tr>
<td>Fiona Tam, CPA</td>
<td>November 16, 2017</td>
<td>November 30, 2023</td>
</tr>
<tr>
<td>Laura L. Ross, CPA</td>
<td>July 23, 2021</td>
<td>July 31, 2023</td>
</tr>
<tr>
<td>Fausto Hinojosa, CPA</td>
<td>September 23, 2021</td>
<td>September 30, 2023</td>
</tr>
<tr>
<td>Nick Petersen, CPA</td>
<td>September 23, 2021</td>
<td>September 30, 2023</td>
</tr>
</tbody>
</table>

Jeff De Lyser served as the PROC Chair and Laura L. Ross served as the Vice Chair.

V. American Institute of Certified Public Accountants

The AICPA Peer Review Program is currently the sole CBA-recognized Peer Review Program Provider. The AICPA oversees its program and the peer reviews are administered by an entity, typically a state CPA society, approved by the AICPA to perform that role. Through regulation, the CBA established that the AICPA Peer Review Program meets the standards outlined in California Code of Regulations section 48. Further, the CBA accepts all AICPA-approved entities authorized to administer the AICPA Peer Review Program.

The AICPA administers and monitors its peer review program through specifically assigned AICPA institutions, programs, and systems. Those monitoring tools are as follows:

- AICPA Peer Review Board
- AICPA Oversight Task Force
- AICPA Peer Review Program Administering Entities
- AICPA Peer Review Integrated Management Application (PRIMA)

VI. California Society of Certified Public Accountants

CalCPA is one of 25 administrative entities approved in 2022 by the AICPA. CalCPA administers the AICPA Peer Review Program in California, Arizona, and Alaska. As an AE, CalCPA is responsible for ensuring that peer reviews are performed in accordance with the AICPA’s Standards for Performing and Reporting on Peer Reviews.

CalCPA upholds the integrity of its peer review administration of the AICPA Peer Review Program through use of the AICPA PRIMA system, complying with AICPA standards, reviewing and ensuring qualifications of peer reviewers, conducting peer reviewer training, maintaining on-staff CPAs and technical reviewers, and facilitating...
several RAB meetings each year. The CalCPA Peer Review Committee addresses various administrative issues at its biannual meetings.

CalCPA technical reviewers review the technical quality of the peer review reports and findings on reviewed accounting firms and review the performance of peer reviewers. During the CalCPA RAB meetings, members discuss the peer reviews, conclude on the findings, discuss peer reviewer performance feedback, and determine whether each peer review completed is acceptable.

VII. Peer Review Oversight Committee Oversight of the California Peer Review Program

The PROC provides oversight of all CBA-recognized peer review program providers and peer review-related activities.

The PROC performs various oversight activities to ensure comprehensive oversight of the California Peer Review Program. The PROC observes a sample of peer-review related meetings throughout the year and engages in an annual Administrative Site Visit. Oversight activities may also include reviewing relevant peer review-related publications, highlighting and inquiring about findings that may have potential impacts to the California Peer Review Program, and performing continual internal updates and reviews of oversight procedures to address the evolving peer review program.

Peer Review Oversight Committee Oversight Activities

The PROC actively oversees and evaluates the administration of the California Peer Review Program via observations of peer review-related meetings and activities. In 2022, the PROC engaged in the following peer review-related oversight activities:

- CalCPA Report Acceptance Body Meetings
- AICPA Peer Review Board Meetings
- CalCPA Peer Review Committee Meetings

*CalCPA Report Acceptance Body Meetings*

PROC members virtually observed 26 RAB meetings. The purpose of the observations were to determine whether the RAB meeting met expectations as to its effectiveness for its role in the peer review process. The participating PROC members reported that all the observed RAB meetings met effectiveness expectations. PROC members also stated that the technical aspects of the meeting content and discussion were relevant and appropriate. RAB members were reminded of the familiarity threat during meetings, and as a result, technical reviewers recused themselves when necessary. RAB members appeared knowledgeable and were very open and transparent with each other and asked questions if something was not their area of expertise.
AICPA Peer Review Board Meetings
PROC members observed two AICPA Peer Review Board (PRB) meetings. The objective of this aspect of PROC oversight is to observe how the PRB executes its duties in the meeting and determine whether this aspect of the peer review process is operating effectively in California. The participating PROC members concluded that the PRB meetings met expectations as to their effectiveness for its role in the peer review process.

CalCPA Peer Review Committee Meetings
PROC members observed one Peer Review Committee (PRC) meeting. The objective is to observe how the PRC executes its duties in the meeting and determine whether this aspect of the peer review process is operating effectively in California. The participating PROC members concluded that the PRC meeting met expectations as to its effectiveness for its role in the peer review process.

Peer Review Oversight Committee Activities Conclusion
The PROC concluded that the administration of the California Peer Review Program by CalCPA, inclusive of the RAB meetings, was performed in a manner consistent with peer review guidelines and met CBA expectations.

Peer Review-Related Reports and Publications Reviewed by the Peer Review Oversight Committee
The PROC annually reviews peer review-related reports and publications by the AICPA, CalCPA, and NASBA in order to remain current with the AICPA Peer Review Program, policies, procedures, and changes that affect consumers. The PROC reviewed the following peer review-related reports and publications in 2022:

- AICPA Peer Review Administering Entity Oversight Visit Results for the Alabama Society of CPAs, Tennessee Society of CPAs, Pennsylvania Institute of CPAs, Peer Review Alliance, Georgia Society of CPAs, Coastal Peer Review, Inc., Massachusetts Society of CPAs, and the Ohio Society of CPAs.
At its August 12, 2022 meeting, the PROC was presented with the Report on the American Institute of Certified Public Accountants Peer Review Program, National Peer Review Committee, 2020 Annual Report on Oversight.

The AICPA Oversight Task Force (OTF) conducted an external review of the National Peer Review Committee (NPRC) administrative functions in October 2020 and an internal review was conducted by a member of the PRB in September 2021, which covers the overall NPRC peer review process, including:

- Scheduling
- Technical Review
- Report Acceptance
- Firm Peer Review Oversight Process and Procedures including:
  - Limited oversight
  - Full oversight
  - Engagement oversight
  - Oversight of the peer reviews and reviewers
  - Enhanced oversight
  - Use of panels
- Administrative oversight
- Annual verification of reviewers’ resumes.
- Peer reviewer performance.
- Results of the National Peer Review Program.
- Peer reviews of quality control materials.
- Oversight of acceptance process.

The external review of the NPRC administrative functions conducted by the member of the OTF concluded that the NPRC has complied with the administrative procedures and standards in all material respects; however, the OTF included the following observations and recommendations:

- Greater care should be exercised to ensure current confidentiality agreements are being utilized.
- Technical reviewer evaluations specific to the role as a technical reviewer should be performed.
- RAB packages should include the firm representation letter, checklist, and the single audit engagement profile.

The NPRC evaluated the recommendations and implemented a new review process of confidentiality letter templates, developed a technical reviewer evaluation form to be used in conjunction with other monitoring tools to track qualifications and is evaluating how best to use available technology to provide additional materials to the RAB. Peer review documents will continue to be made available to RAB members upon request.
The internal review of the NPRC administrative functions conducted by the PRB concluded that the NPRC complied with the administrative procedures and standards in all material respects.

*Report on the American Institute of Certified Public Accountants Peer Review Program Annual Report on Oversight, Issued April 18, 2022*

At its August 12, 2022 meeting, the PROC was presented with the Report on the American Institute of Certified Public Accountants Peer Review Program Annual Report (Report) on Oversight.

The Report provided an overview of oversight procedures performed in 2019-2021 in accordance with the AICPA Peer Review Oversight Handbook (AICPA Oversight Handbook), which includes:

- RAB Observations – The RAB observation focus group reviewed 78 RAB meetings and 327 peer reviews were selected in 2021.
- Enhanced Oversight – Subject matter experts performed oversight on must-select engagements that included the reviews of financial statements and working papers.
- Evolution Focus Group – The focus group reviewed the results of the benchmark summary forms submitted by the AEs and evaluated AE performance and whether modifications to the benchmarks were needed.
- Plan of Administration Focus Group – The focus group reviewed and approved the plans submitted annually by the AEs agreeing to administer the Program in compliance with standards and guidance.
- Reviewer Performance Focus Group – The focus group reviewed the reviewer performance monitoring report prepared by Program staff.

In 2018, an increased focus was placed on evaluating noncompliance with the risk assessment standards with the PRB issuing guidance effective for peer reviews commencing on or after October 1, 2018. This increased focus impacted the peer review program, as neither peer reviewers nor subject matter experts were raising risk assessment issues to the level of nonconforming, whereas these engagements with these issues are now being deemed nonconforming.
Table 1: Annual Results of Nonconforming Rates

<table>
<thead>
<tr>
<th>Year</th>
<th>Sample Size</th>
<th>Total nonconforming engagements identified</th>
<th>%</th>
<th>Nonconforming engagements with only risk assessment issues</th>
<th>Adj %</th>
<th>Number of nonconforming engagements identified by peer reviewer</th>
<th>Percent of nonconforming engagements identified by peer reviewer</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>90</td>
<td>40</td>
<td>44%</td>
<td>N/A</td>
<td>44%</td>
<td>7</td>
<td>18%</td>
</tr>
<tr>
<td>2015</td>
<td>190</td>
<td>104</td>
<td>55%</td>
<td>N/A</td>
<td>55%</td>
<td>42</td>
<td>40%</td>
</tr>
<tr>
<td>2016</td>
<td>108</td>
<td>38</td>
<td>35%</td>
<td>N/A</td>
<td>35%</td>
<td>18</td>
<td>47%</td>
</tr>
<tr>
<td>2017</td>
<td>87</td>
<td>43</td>
<td>49%</td>
<td>N/A</td>
<td>49%</td>
<td>27</td>
<td>63%</td>
</tr>
<tr>
<td>2018</td>
<td>185</td>
<td>158</td>
<td>58%</td>
<td>11</td>
<td>52%</td>
<td>68</td>
<td>63%</td>
</tr>
<tr>
<td>2019</td>
<td>79</td>
<td>46</td>
<td>58%</td>
<td>17</td>
<td>37%</td>
<td>37</td>
<td>80%</td>
</tr>
<tr>
<td>20201</td>
<td>*</td>
<td>*</td>
<td>*</td>
<td>*</td>
<td>*</td>
<td>*</td>
<td>*</td>
</tr>
<tr>
<td>20212</td>
<td>32</td>
<td>13</td>
<td>41%</td>
<td>0</td>
<td>41%</td>
<td>7</td>
<td>54%</td>
</tr>
</tbody>
</table>

The Report highlighted oversight activities conducted by AEs in accordance with the AICPA Peer Review Oversight Handbook, which included the following:

- Administrative Oversight of the AE – There were 26 administrative visits performed for the years 2020-2021.
- Oversight of Peer Reviews and Reviewers – For 2021, AEs conducted oversight on 133 reviews. There were 87 system and 46 engagement reviews.
- Annual Verification of Reviewers’ Resumes – Due to the ongoing COVID-19 pandemic, AEs were not required to perform resume verification procedures in 2020 or 2021; however, AEs could use the verification process to monitor reviewer performance issues.

Based on the results of the oversight procedures, the AICPA OTF has concluded that the objectives of the PRB oversight program were met for the oversight initiatives performed during 2019-21.

**AICPA Peer Review State Administering Entity Oversight Visit Results**

The PROC monitors out-of-state AEs that operate under the CBA-Recognized Peer Review Program Provider, the AICPA, to ensure that they are held to the same regulatory standards as in California.

Out-of-state oversight procedures include a review of the current list of AICPA approved AEs, with focus on the top 20 jurisdictions (states) with a high-volume of Out-of-State Firm Registrants under the current California mobility program and require the following:

- At each PROC meeting, select two out-of-state AEs from the list of AEs.
- Review available prior AICPA AE oversight reports.

---

1 The OTF suspended the enhanced oversight process due to the COVID-19 pandemic; therefore, no oversights were performed for 2020 and resumed in September 2021.
2 As of the date of this report, the 2021 enhanced oversight sample is 94% complete.
• Complete the PROC Out-of-State Administering Entities Checklist.
• Present and discuss as necessary the following items:
  o Findings
  o Recommendations
  o Develop items to include in a written inquiry to the AICPA regarding the findings and request for explanations, corrective actions, and timeframe for completion, if applicable.
• Follow-up and review future published AICPA AE oversight report(s) to ensure all findings have been addressed and corrected.

In 2022, the PROC reviewed the oversight reports for the following AEs:

<table>
<thead>
<tr>
<th>Administering Entity</th>
<th>Licensing Jurisdiction</th>
</tr>
</thead>
<tbody>
<tr>
<td>The Alabama Society of CPAs</td>
<td>Alabama, Arkansas, Mississippi</td>
</tr>
<tr>
<td>The Tennessee Society of CPAs</td>
<td>Tennessee</td>
</tr>
<tr>
<td>The Pennsylvania Society of CPAs</td>
<td>Pennsylvania, New York, Delaware, Virgin Islands</td>
</tr>
<tr>
<td>Peer Review Alliance</td>
<td>Illinois, Indiana, Iowa, Kentucky, South Carolina, West Virginia, Wisconsin</td>
</tr>
<tr>
<td>The Georgia Society of CPAs</td>
<td>Georgia</td>
</tr>
<tr>
<td>Coastal Peer Review, Inc.</td>
<td>Maryland, North Carolina</td>
</tr>
<tr>
<td>The Massachusetts Society of CPAs</td>
<td>Massachusetts, New Hampshire</td>
</tr>
<tr>
<td>The Ohio Society of CPAs</td>
<td>Ohio</td>
</tr>
</tbody>
</table>

Each AE reviewed by the PROC received a report noting that they had complied with the administrative procedures and standards in all material respects as established by the AICPA Peer Review Board; however, some AEs received recommendations for improvement.

The AICPA Oversight Report for the Pennsylvania Society of CPAs recommended:

• The CPA on staff should ensure that technical reviews are presented to the RAB within 120 days after the review documents are received.

The AICPA Oversight Reports for the Peer Review Alliance recommended:

• A process should be established to ensure that all open reviews, including those with corrective actions or implementations plans, are identified and monitored for timely completion.

The AICPA Oversight Report for the Georgia Society of CPAs recommended:

• Technical reviewers should exercise greater care in performing technical reviews to identify issues before the report acceptance process.
• The AE should ensure the appropriate confidentiality agreements are utilized based on each individual’s role in the program.

The AICPA Oversight Report for the Coastal Peer Review, Inc. recommended:

• The AE should ensure the appropriate confidentiality agreements are utilized based on each individual’s role in the program.

The AICPA Oversight Report for the Massachusetts Society of CPAs recommended:

• Reviewer performance feedback needs to be updated to SharePoint (web-based collaborative platform).
• Links located on the Massachusetts State Certified Public Accountants website need to be updated.

The AICPA Oversight Reports for the Alabama Society of CPAs, Tennessee Society of CPAs, and Ohio Society of CPAs had no recommendations.

Peer Review Report and Publication Review Conclusion
The PROC concluded that the AICPA OTF’s reviews of compliance were met and that the AICPA NPRC procedures performed in administering the program complied with AICPA peer review standards in all material respects. Additionally, the PROC found that the AE reviewed performed procedures in administering the program that complied with AICPA peer review standards in all material respects. In five of the AEs, the OTF noted recommendations for improvement which did not impact their overall conclusion on compliance.

VIII. Statistical Monitoring and Reporting on California Peer Review Statistics
The PROC annually reports on peer review-related statistics specific to the state of California. The source of the data is the AICPA and it includes firms that chose to opt out of the Facilitated State Board Access program. The AICPA data is provided to the PROC by CalCPA. The PROC collects the following data points:

• Number of reviews completed by month, and types (system vs engagement) cumulatively for the annual reporting period.
• Types (system vs. engagement) and number of reviews receiving a pass, pass with deficiencies, or fail rating.
• Corrective action matters.
• Firms expelled from the program.

The following statistical information is not currently available:

• Types and number of reviews in progress.
- Extensions requested and status.
- Delinquent reviews
- Must-select engagements

The PROC asked that CBA staff provide statistical updates biannually, once prior to the PROC Administrative Site Visit to CalCPA, and a second time to consider for inclusion in the PROC Annual Report.

The following 2021 peer review-related statistical information was provided directly from the CalCPA on November 4, 2022.

Number of Reviews Completed by Month, and Types (System vs Engagement) Cumulatively for the Annual Reporting Period

**Table 2: California Peer Reviews Accepted**

The data in Table 2 provides the number of both system and engagement reviews accepted on a monthly basis starting from January 1, 2017 to December 31, 2021. It should be noted that the reduced number of accepted reviews in 2020 is most likely attributed to the automatic six-month extension for all firms with due dates ranging from January 1, 2020 to September 30, 2020 granted by the AICPA in response to the COVID-19 pandemic.

<table>
<thead>
<tr>
<th>Month</th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>January</td>
<td>64</td>
<td>52</td>
<td>125</td>
<td>114</td>
<td>121</td>
</tr>
<tr>
<td>February</td>
<td>243</td>
<td>173</td>
<td>145</td>
<td>99</td>
<td>86</td>
</tr>
<tr>
<td>March</td>
<td>162</td>
<td>138</td>
<td>123</td>
<td>100</td>
<td>96</td>
</tr>
<tr>
<td>April</td>
<td>95</td>
<td>132</td>
<td>120</td>
<td>83</td>
<td>109</td>
</tr>
<tr>
<td>May</td>
<td>49</td>
<td>112</td>
<td>72</td>
<td>62</td>
<td>84</td>
</tr>
<tr>
<td>June</td>
<td>14</td>
<td>82</td>
<td>74</td>
<td>67</td>
<td>53</td>
</tr>
<tr>
<td>July</td>
<td>23</td>
<td>138</td>
<td>94</td>
<td>43</td>
<td>55</td>
</tr>
<tr>
<td>August</td>
<td>63</td>
<td>114</td>
<td>102</td>
<td>37</td>
<td>60</td>
</tr>
<tr>
<td>September</td>
<td>78</td>
<td>154</td>
<td>124</td>
<td>63</td>
<td>94</td>
</tr>
<tr>
<td>October</td>
<td>108</td>
<td>97</td>
<td>103</td>
<td>31</td>
<td>84</td>
</tr>
<tr>
<td>November</td>
<td>137</td>
<td>117</td>
<td>58</td>
<td>71</td>
<td>58</td>
</tr>
<tr>
<td>December</td>
<td>86</td>
<td>111</td>
<td>75</td>
<td>90</td>
<td>111</td>
</tr>
</tbody>
</table>

| Total   | 1,122| 1,420| 1,215| 860  | 1,011|

The annual average of reviews completed in California during 2017-2021 was 1,125.

---

3 The total number of reviews completed in 2018 slightly varies from the total reflected in Tables 4-5, as the numbers provided by AICPA were generated on different dates.
Types (System vs. Engagement) and Number of Reviews Completed Cumulatively for the Annual Reporting Period

Table 3: California Peer Reviews Performed During the Calendar Years 2017-2021 by Type Cumulatively for the Annual Reporting Period

<table>
<thead>
<tr>
<th>Type of Review</th>
<th>2017</th>
<th>2018&lt;sup&gt;4&lt;/sup&gt;</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>System</td>
<td>349</td>
<td>554</td>
<td>403</td>
<td>316</td>
<td>356</td>
</tr>
<tr>
<td>Engagement</td>
<td>773</td>
<td>866</td>
<td>812</td>
<td>544</td>
<td>655</td>
</tr>
<tr>
<td>Total</td>
<td>1,122</td>
<td>1,420</td>
<td>1,215</td>
<td>860</td>
<td>1,011</td>
</tr>
</tbody>
</table>

Types (System vs. Engagement) and Number of Reviews Receiving Pass, Pass with Deficiencies, or Fail Rating

Table 4: California Peer Reviews Performed by Type of Peer Review and Rating

System Reviews

<table>
<thead>
<tr>
<th>Rating</th>
<th>2017 QTY</th>
<th>2017 %</th>
<th>2018 QTY</th>
<th>2018 %</th>
<th>2019 QTY</th>
<th>2019 %</th>
<th>2020 QTY</th>
<th>2020 %</th>
<th>2021 QTY</th>
<th>2021 %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pass</td>
<td>243</td>
<td>70%</td>
<td>302</td>
<td>63%</td>
<td>253</td>
<td>63%</td>
<td>208</td>
<td>66%</td>
<td>278</td>
<td>78%</td>
</tr>
<tr>
<td>Pass with Deficiency</td>
<td>75</td>
<td>21%</td>
<td>140</td>
<td>29%</td>
<td>119</td>
<td>29%</td>
<td>83</td>
<td>26%</td>
<td>67</td>
<td>19%</td>
</tr>
<tr>
<td>Fail</td>
<td>31</td>
<td>9%</td>
<td>39</td>
<td>8%</td>
<td>31</td>
<td>8%</td>
<td>25</td>
<td>8%</td>
<td>11</td>
<td>3%</td>
</tr>
<tr>
<td>Total System</td>
<td>349</td>
<td>100%</td>
<td>481</td>
<td>100%</td>
<td>403</td>
<td>100%</td>
<td>316</td>
<td>100%</td>
<td>356</td>
<td>100%</td>
</tr>
</tbody>
</table>

Engagement Reviews

<table>
<thead>
<tr>
<th>Rating</th>
<th>2017 QTY</th>
<th>2017 %</th>
<th>2018 QTY</th>
<th>2018 %</th>
<th>2019 QTY</th>
<th>2019 %</th>
<th>2020 QTY</th>
<th>2020 %</th>
<th>2021 QTY</th>
<th>2021 %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pass</td>
<td>586</td>
<td>76%</td>
<td>637</td>
<td>75%</td>
<td>604</td>
<td>74%</td>
<td>452</td>
<td>83%</td>
<td>550</td>
<td>84%</td>
</tr>
<tr>
<td>Pass with Deficiency</td>
<td>92</td>
<td>12%</td>
<td>87</td>
<td>10%</td>
<td>96</td>
<td>12%</td>
<td>60</td>
<td>11%</td>
<td>66</td>
<td>10%</td>
</tr>
<tr>
<td>Fail</td>
<td>95</td>
<td>12%</td>
<td>124</td>
<td>15%</td>
<td>112</td>
<td>14%</td>
<td>32</td>
<td>6%</td>
<td>39</td>
<td>6%</td>
</tr>
<tr>
<td>Total Engagement</td>
<td>773</td>
<td>100%</td>
<td>848</td>
<td>100%</td>
<td>812</td>
<td>100%</td>
<td>544</td>
<td>100%</td>
<td>655</td>
<td>100%</td>
</tr>
</tbody>
</table>

<sup>4</sup> The total number of reviews completed in 2018 slightly varies from the total reflected in Tables 4-5, as the numbers provided by AICPA were generated on different dates.
Graph 1 – System Reviews

Graph 2 – Engagement Reviews
Table 5: California Peer Reviews Performed by Types of Peer Review and Rating

The data in Table 5 is a combination of both system and engagement reviews and indicates relative changes in percentages for the total number of California reviews performed.

<table>
<thead>
<tr>
<th>System and Engagement</th>
<th>2017 QTY</th>
<th>2017 %</th>
<th>2018 QTY</th>
<th>2018 %</th>
<th>2019 QTY</th>
<th>2019 %</th>
<th>2020 QTY</th>
<th>2020 %</th>
<th>2021 QTY</th>
<th>2021 %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pass</td>
<td>829</td>
<td>74%</td>
<td>939</td>
<td>71%</td>
<td>857</td>
<td>70%</td>
<td>660</td>
<td>77%</td>
<td>828</td>
<td>82%</td>
</tr>
<tr>
<td>Pass with Deficiency</td>
<td>167</td>
<td>15%</td>
<td>227</td>
<td>17%</td>
<td>215</td>
<td>18%</td>
<td>143</td>
<td>17%</td>
<td>133</td>
<td>13%</td>
</tr>
<tr>
<td>Fail</td>
<td>126</td>
<td>11%</td>
<td>163</td>
<td>12%</td>
<td>143</td>
<td>12%</td>
<td>57</td>
<td>6%</td>
<td>50</td>
<td>5%</td>
</tr>
<tr>
<td>Summary Total</td>
<td>1,122</td>
<td>100%</td>
<td>1,329</td>
<td>100%</td>
<td>1,215</td>
<td>100%</td>
<td>860</td>
<td>100%</td>
<td>1,011</td>
<td>100%</td>
</tr>
</tbody>
</table>

Corrective Action Matters (Various Types: Overdue Peer Review Reports, Disagreements Pending Resolution, etc.)

Table 6: Summary of Required Follow-up Actions Under AICPA and CalCPA Peer Review Program

The CalCPA Peer Review Committee is authorized by the AICPA Peer Review Program Standards to decide on the need for and nature of any additional follow-up actions required as a condition of acceptance of the firm’s peer review. During the report acceptance process, the CalCPA Peer Review Committee evaluates the need for follow-up actions based on the nature, significance, pattern and pervasiveness of engagement deficiencies.

The CalCPA Peer Review Committee also considers the comments noted by the reviewer and the firm’s response thereto. If the firm’s response contains remedial actions that are comprehensive, genuine, and feasible, then the committee may decide to not recommend further follow-up actions. Follow-up actions are remedial and educational in nature and are imposed in an attempt to strengthen the performance of the firm. A review can have multiple follow-up actions.

<table>
<thead>
<tr>
<th>Type of Follow-up Action</th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Submit proof of continuing professional education taken</td>
<td>209</td>
<td>339</td>
<td>424</td>
<td>283</td>
<td>317</td>
</tr>
<tr>
<td>Submit copy of monitoring report</td>
<td>6</td>
<td>16</td>
<td>15</td>
<td>11</td>
<td>9</td>
</tr>
<tr>
<td>Submit copy of inspection report to committee</td>
<td>0</td>
<td>2</td>
<td>5</td>
<td>2</td>
<td>1</td>
</tr>
<tr>
<td>Submit evidence of proper firm licensure</td>
<td>0</td>
<td>7</td>
<td>4</td>
<td>3</td>
<td>2</td>
</tr>
<tr>
<td>Submit to Team Captain revisit – General</td>
<td>12</td>
<td>12</td>
<td>3</td>
<td>2</td>
<td>3</td>
</tr>
<tr>
<td>Submit to Team Captain review of subsequent engagements with work papers</td>
<td>66</td>
<td>132</td>
<td>111</td>
<td>90</td>
<td>100</td>
</tr>
<tr>
<td>No longer perform any audit engagements&lt;sup&gt;5&lt;/sup&gt;</td>
<td>30</td>
<td>2</td>
<td>0</td>
<td>0</td>
<td>2</td>
</tr>
</tbody>
</table>

<sup>5</sup> The decision to cease performing audit engagements is most often arrived at by the reviewed firm.
<table>
<thead>
<tr>
<th>Type of Follow-up Action</th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agree to pre-issuance review by Team Captain or outside party</td>
<td>0</td>
<td>9</td>
<td>11</td>
<td>5</td>
<td>1</td>
</tr>
<tr>
<td>Team Captain or outside party review correction of non-conforming engagements</td>
<td>0</td>
<td>5</td>
<td>1</td>
<td>0</td>
<td>2</td>
</tr>
<tr>
<td>Team Captain or outside party to review quality control document</td>
<td>0</td>
<td>4</td>
<td>2</td>
<td>1</td>
<td>0</td>
</tr>
<tr>
<td>Team Captain or outside party to review firms’ remedial actions in the letter of response</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>2</td>
<td>4</td>
</tr>
<tr>
<td>Submit inspection report to Team Captain or outside party for review</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>3</td>
<td>2</td>
</tr>
<tr>
<td>Request to have accelerated review</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Agree to remediate deficiencies noted in firm’s peer review</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>2</td>
</tr>
<tr>
<td>Join Governmental Audit Quality Center</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>1</td>
</tr>
<tr>
<td>Other</td>
<td>0</td>
<td>3</td>
<td>7</td>
<td>7</td>
<td>11</td>
</tr>
<tr>
<td>Total</td>
<td>323</td>
<td>510</td>
<td>583</td>
<td>410</td>
<td>458</td>
</tr>
</tbody>
</table>

Firms Expelled (Terminated) from the Program

**Table 7: California Terminated Firms**

Accounting firms that have commenced their peer review process may be terminated by the AICPA for the following reasons:

- Failure to cooperate
- Consecutive failed reports.
- Failure to submit a signed acknowledgement letter.
- Failure to complete a corrective action.
- Non-cooperation related to omission or misrepresentation of information.
- Failure to complete its peer review after it has commenced.
- Failure to complete an implementation plan.
- Failure to correct deficiencies or significant deficiencies after consecutive correction actions.

<table>
<thead>
<tr>
<th>Action</th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Terminated</td>
<td>3</td>
<td>11</td>
<td>6</td>
<td>0</td>
<td>2</td>
<td>22</td>
</tr>
</tbody>
</table>

Firms terminated for specific reasons can appeal for reenrollment in the California Peer Review Program and be evaluated by the AE or a hearing panel of the AICPA Peer Review Board. In response to the pandemic, the AICPA initiated a moratorium on terminating firms in 2020. The moratorium was lifted completely in July 2021.

---

N/A indicates the follow-up action was not used by CalCPA in the given year.
The CBA Enforcement Division proactively initiates investigations of California-licensed accounting firms identified to have been terminated from the AICPA Peer Review Program. Results from each investigation vary on a case-by-case basis.

IX. Statistical Monitoring and Reporting on California Peer Reviewer Statistics

The AICPA provides peer review-related statistics twice annually. There are approximately 21,400 firms currently enrolled in the AICPA Peer Review Program within the United States and its territories that have a peer review performed once every three years. In recent years, the AICPA has noted a decrease in the number of firms enrolled. This is attributed to firm mergers and firms no longer performing the accounting and auditing engagements that would subject them to a peer review. There are also approximately 1,400 firms enrolled in the AICPA Peer Review Program that indicated they do not currently perform any engagements subject to peer review. Approximately 7,900 peer reviews are performed each year by a pool of approximately 1,600 qualified peer reviewers.

The data provided in tables 8-11, 13, and 14 was provided by the AICPA and is California-specific. Table 12 represents national data.

On September 13, 2021, there were 3,306 California firms enrolled in the AICPA Peer Review Program and on October 23, 2022, there were 2,913 California firms enrolled, reflecting a decrease of 393 firms.
### Table 8: Number of California Firm Peer Reviews Accepted

<table>
<thead>
<tr>
<th>Administering Entity</th>
<th>1/1/2018 - 12/31/2020</th>
<th>1/1/2021 - 6/30/2021</th>
<th>7/1/2021 - 12/31/2021</th>
<th>1/1/2022-6/30/2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>California Society of CPAs</td>
<td>3,435</td>
<td>553</td>
<td>459</td>
<td>525</td>
</tr>
<tr>
<td>Colorado Society of CPAs</td>
<td>2</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Georgia Society of CPAs</td>
<td>1</td>
<td>1</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Peer Review Alliance</td>
<td>0</td>
<td>0</td>
<td>1</td>
<td>0</td>
</tr>
<tr>
<td>Coastal Peer Review, Inc.</td>
<td>1</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>National Peer Review Committee</td>
<td>66</td>
<td>7</td>
<td>8</td>
<td>13</td>
</tr>
<tr>
<td>Oregon Society of CPAs</td>
<td>5</td>
<td>1</td>
<td>0</td>
<td>1</td>
</tr>
<tr>
<td>Pennsylvania Institute of CPAs</td>
<td>1</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Tennessee Society of CPAs</td>
<td>2</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Texas Society of CPAs</td>
<td>1</td>
<td>0</td>
<td>1</td>
<td>0</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>3,514</strong></td>
<td><strong>562</strong></td>
<td><strong>469</strong></td>
<td><strong>539</strong></td>
</tr>
</tbody>
</table>

### Table 9: Number of California Firms that Had System Peer Reviews Accepted

<table>
<thead>
<tr>
<th>Administering Entity</th>
<th>1/1/2018 - 12/31/2020</th>
<th>1/1/2021 - 6/30/2021</th>
<th>7/1/2021 - 12/31/2021</th>
<th>1/1/2022-6/30/2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>California Society of CPAs</td>
<td>1,240</td>
<td>195</td>
<td>164</td>
<td>223</td>
</tr>
<tr>
<td>Colorado Society of CPAs</td>
<td>2</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Georgia Society of CPAs</td>
<td>1</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Peer Review Alliance</td>
<td>0</td>
<td>0</td>
<td>1</td>
<td>0</td>
</tr>
<tr>
<td>National Peer Review Committee</td>
<td>64</td>
<td>7</td>
<td>8</td>
<td>12</td>
</tr>
<tr>
<td>Oregon Society of CPAs</td>
<td>2</td>
<td>1</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Tennessee Society of CPAs</td>
<td>1</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>1,310</strong></td>
<td><strong>203</strong></td>
<td><strong>173</strong></td>
<td><strong>235</strong></td>
</tr>
</tbody>
</table>

---

7 Data in Tables 2-7 and Tables 8-11 differ due to being generated on different dates. The AICPA provided data was generated after the CalCPA provided data. Given the tables only include active firms, the decline in firms is most likely attributed to firms becoming inactive in PRIMA during that time period.
Table 10: Number of California Firms that Had System Peer Reviews Accepted in a Must-Select Category

<table>
<thead>
<tr>
<th>Must-Select Category</th>
<th>1/1/2018 - 12/31/2020</th>
<th>1/1/2021 - 6/30/2021</th>
<th>7/1/2021 - 12/31/2021</th>
<th>1/1/2022 - 6/30/2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employee Retirement Income Security Act (380, 390, 400, 403)</td>
<td>510</td>
<td>79</td>
<td>77</td>
<td>138</td>
</tr>
<tr>
<td>Federal Deposit Insurance Corporation Improvement Act (7, 8)</td>
<td>1</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Government Auditing Standards (5,13, 325)</td>
<td>540</td>
<td>69</td>
<td>71</td>
<td>122</td>
</tr>
<tr>
<td>Broker Dealers (440, 450)</td>
<td>20</td>
<td>4</td>
<td>3</td>
<td>2</td>
</tr>
<tr>
<td>Service Organization Controls 1 and 2 (312, 313)</td>
<td>27</td>
<td>5</td>
<td>1</td>
<td>7</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>1,098</strong></td>
<td><strong>157</strong></td>
<td><strong>152</strong></td>
<td><strong>269</strong></td>
</tr>
</tbody>
</table>

Table 11: Number of California Firms That Had Engagement Peer Reviews Accepted

<table>
<thead>
<tr>
<th>Administering Entity</th>
<th>1/1/2018 - 12/31/2020</th>
<th>1/1/2021 - 6/30/2021</th>
<th>7/1/2021 - 12/31/2021</th>
<th>1/1/2022 - 6/30/2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>California Society of CPAs</td>
<td>2,195</td>
<td>358</td>
<td>295</td>
<td>302</td>
</tr>
<tr>
<td>North Carolina</td>
<td>1</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>National Peer Review Committee</td>
<td>2</td>
<td>0</td>
<td>0</td>
<td>1</td>
</tr>
<tr>
<td>Oregon Society of CPAs</td>
<td>3</td>
<td>0</td>
<td>0</td>
<td>1</td>
</tr>
<tr>
<td>Pennsylvania Institute of CPAs</td>
<td>1</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Tennessee Society of CPAs</td>
<td>1</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Texas Society of CPAs</td>
<td>1</td>
<td>0</td>
<td>1</td>
<td>0</td>
</tr>
<tr>
<td>Georgia Society of CPAs</td>
<td>0</td>
<td>1</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>2,204</strong></td>
<td><strong>359</strong></td>
<td><strong>296</strong></td>
<td><strong>304</strong></td>
</tr>
</tbody>
</table>
Table 12: Total Peer Reviews Performed Nationally

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Reviews Performed</td>
<td>28,250</td>
<td>26,436</td>
<td>24,337</td>
</tr>
</tbody>
</table>

Table 13: Total Number of Reviewers Who Created a New Resume

<table>
<thead>
<tr>
<th>Administering Entity</th>
<th>1/1/2021-6/30/2021</th>
<th>7/1/2021-12/31/2021</th>
<th>1/1/2022 - 6/30/2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>California Address</td>
<td>6</td>
<td>1</td>
<td>0</td>
</tr>
<tr>
<td>Non-California Address</td>
<td>35</td>
<td>41</td>
<td>25</td>
</tr>
<tr>
<td>Total</td>
<td>41</td>
<td>42</td>
<td>25</td>
</tr>
</tbody>
</table>

Graph 3\(^8\) – Number of Reviews Performed by Individual Firms in 2022

The PROC has made progress on its goal of reporting robust and representative data regarding the sufficiency of the peer reviewer population including Table 13 and Graph 3. Table 13 estimates the number of reviewers who may be authorized to conduct peer reviews in the near future. Graph 3 illustrates the number of peer reviews firms conducted as a means of looking at potential concentration concerns. The graph shows that two firms conducted more than 76 peer reviews in 2022.

---

\(^8\) The data in Graph 3 is a visual display of the data represented in Appendix A. A peer review is attributed to the firm where the peer review captain is employed.
Additionally, Appendix A displays the number and percent of California peer reviews performed by individual firms. The data illustrates that two firms are performing approximately 27% of all peer reviews and a large number of firms are doing very few peer reviews. Additionally, the data illustrates that approximately a third of California peer reviews are performed by non-California firms. Note that the data does not capture number of reviews by individual peer reviewers.

The PROC recommends that they continue to engage in efforts to accurately report on the sufficiency of the peer reviewer population as well as anticipated recruitment activities for presentation to the CBA at a future date.

X. Observations

Based on PROC members’ 2022 observations of the various peer review bodies’ meetings cited in this report, the PROC offers the following findings and recommendation to the CBA.

The PROC found that AICPA PRB meetings and review of written material, such as the AICPA Peer Review Program Annual Report on Oversight and the AICPA Peer Review State Administering Entity Oversight Visit Results, met expectations as to their effectiveness in their role in the peer review process.

Through participating in CalCPA RAB and PRC meetings, the PROC found that CalCPA gave ample consideration to the quality of the profession, and exhibited a high level of technical knowledge and diligence in striving to improve the quality of the peer review program and the peer reviewers through their handling of a variety of issues.

The Administrative Site Visit (ASV) to CalCPA is the most comprehensive oversight activity that the PROC performs. The PROC did not complete the ASV in 2022.

The ASV was conducted solely by members of the PROC prior to 2021. Relying solely on the PROC to advise the CBA has inherent risk, including lack of consistency for conducting the ASV, key person dependence, and the inability for staff to observe and validate that the peer review program is being conducted as directed by the CBA and in accordance with relevant statutes and regulations. In 2022, the AICPA refused to allow staff to observe the ASV as staff had done in 2021. Upon this action by the AICPA, the CBA Executive Officer cancelled the 2022 ASV pending a mutually agreed upon resolution.

Recommendation

The PROC recommends that the committee engage in activities to gather additional information from the AICPA and the CalCPA regarding the sufficiency of the peer reviewer population and anticipated recruitment activities for presentation to the CBA at a future date.
XI. Conclusion

Various oversight activities performed by the PROC indicated that certain functions (e.g., RAB, PRB) met expectations as to their effectiveness in their role in the peer review process. Unfortunately, the inability to perform the ASV has resulted in a lack of sufficient information needed to draw a program-wide conclusion as to the effectiveness of the AICPA peer review program administered by CalCPA.
### Appendix A

**Number and Percent of California Peer Reviews Performed by Individual Firms**

<table>
<thead>
<tr>
<th>Reviewing Firm</th>
<th>Reviewing Firm State</th>
<th>Reviews Performed 2021</th>
<th>% of Reviews Performed 2021</th>
<th>Reviews Performed 2022</th>
<th>% of Reviews Performed 2022</th>
<th>Reviews Performed 2021-22</th>
<th>% of Reviews Performed 2021-22</th>
</tr>
</thead>
<tbody>
<tr>
<td>Firm EM</td>
<td>Not CA</td>
<td>161</td>
<td>15.72%</td>
<td>156</td>
<td>16.65%</td>
<td>317</td>
<td>16.17%</td>
</tr>
<tr>
<td>Firm BN</td>
<td>CA</td>
<td>116</td>
<td>11.33%</td>
<td>100</td>
<td>10.67%</td>
<td>216</td>
<td>11.01%</td>
</tr>
<tr>
<td>Firm BK</td>
<td>CA</td>
<td>48</td>
<td>4.69%</td>
<td>45</td>
<td>4.80%</td>
<td>93</td>
<td>4.74%</td>
</tr>
<tr>
<td>Firm AR</td>
<td>CA</td>
<td>42</td>
<td>4.10%</td>
<td>47</td>
<td>5.02%</td>
<td>89</td>
<td>4.54%</td>
</tr>
<tr>
<td>Firm BV</td>
<td>CA</td>
<td>37</td>
<td>3.61%</td>
<td>45</td>
<td>4.80%</td>
<td>82</td>
<td>4.18%</td>
</tr>
<tr>
<td>Firm AC</td>
<td>CA</td>
<td>38</td>
<td>3.71%</td>
<td>30</td>
<td>3.20%</td>
<td>68</td>
<td>3.47%</td>
</tr>
<tr>
<td>Firm EK</td>
<td>Not CA</td>
<td>35</td>
<td>3.42%</td>
<td>24</td>
<td>2.56%</td>
<td>59</td>
<td>3.01%</td>
</tr>
<tr>
<td>Firm EJ</td>
<td>Not CA</td>
<td>28</td>
<td>2.73%</td>
<td>25</td>
<td>2.67%</td>
<td>53</td>
<td>2.70%</td>
</tr>
<tr>
<td>Firm BC</td>
<td>CA</td>
<td>28</td>
<td>2.73%</td>
<td>24</td>
<td>2.56%</td>
<td>52</td>
<td>2.65%</td>
</tr>
<tr>
<td>Firm BI</td>
<td>CA</td>
<td>22</td>
<td>2.15%</td>
<td>22</td>
<td>2.35%</td>
<td>44</td>
<td>2.24%</td>
</tr>
<tr>
<td>Firm BO</td>
<td>CA</td>
<td>21</td>
<td>2.05%</td>
<td>22</td>
<td>2.35%</td>
<td>43</td>
<td>2.19%</td>
</tr>
<tr>
<td>Firm AK</td>
<td>CA</td>
<td>22</td>
<td>2.15%</td>
<td>20</td>
<td>2.13%</td>
<td>42</td>
<td>2.14%</td>
</tr>
<tr>
<td>Firm AG</td>
<td>CA</td>
<td>19</td>
<td>1.86%</td>
<td>19</td>
<td>2.03%</td>
<td>38</td>
<td>1.94%</td>
</tr>
<tr>
<td>Firm BT</td>
<td>CA</td>
<td>12</td>
<td>1.17%</td>
<td>25</td>
<td>2.67%</td>
<td>37</td>
<td>1.89%</td>
</tr>
<tr>
<td>Firm AD</td>
<td>CA</td>
<td>27</td>
<td>2.64%</td>
<td>8</td>
<td>0.85%</td>
<td>35</td>
<td>1.78%</td>
</tr>
<tr>
<td>Firm AS</td>
<td>CA</td>
<td>25</td>
<td>2.44%</td>
<td>10</td>
<td>1.07%</td>
<td>35</td>
<td>1.78%</td>
</tr>
<tr>
<td>Firm AB</td>
<td>CA</td>
<td>12</td>
<td>1.17%</td>
<td>20</td>
<td>2.13%</td>
<td>32</td>
<td>1.63%</td>
</tr>
<tr>
<td>Firm EA</td>
<td>Not CA</td>
<td>17</td>
<td>1.66%</td>
<td>12</td>
<td>1.28%</td>
<td>29</td>
<td>1.48%</td>
</tr>
<tr>
<td>Firm AV</td>
<td>CA</td>
<td>15</td>
<td>1.46%</td>
<td>12</td>
<td>1.28%</td>
<td>27</td>
<td>1.38%</td>
</tr>
<tr>
<td>Firm BR</td>
<td>CA</td>
<td>11</td>
<td>1.07%</td>
<td>14</td>
<td>1.49%</td>
<td>25</td>
<td>1.27%</td>
</tr>
<tr>
<td>Firm DF</td>
<td>Not CA</td>
<td>13</td>
<td>1.27%</td>
<td>9</td>
<td>0.96%</td>
<td>22</td>
<td>1.12%</td>
</tr>
<tr>
<td>Firm BE</td>
<td>CA</td>
<td>9</td>
<td>0.88%</td>
<td>12</td>
<td>1.28%</td>
<td>21</td>
<td>1.07%</td>
</tr>
<tr>
<td>Firm BS</td>
<td>CA</td>
<td>7</td>
<td>0.68%</td>
<td>14</td>
<td>1.49%</td>
<td>21</td>
<td>1.07%</td>
</tr>
<tr>
<td>Firm AJ</td>
<td>CA</td>
<td>8</td>
<td>0.78%</td>
<td>12</td>
<td>1.28%</td>
<td>20</td>
<td>1.02%</td>
</tr>
<tr>
<td>Firm BJ</td>
<td>CA</td>
<td>13</td>
<td>1.27%</td>
<td>7</td>
<td>0.75%</td>
<td>20</td>
<td>1.02%</td>
</tr>
<tr>
<td>Firm BM</td>
<td>CA</td>
<td>8</td>
<td>0.78%</td>
<td>10</td>
<td>1.07%</td>
<td>18</td>
<td>0.92%</td>
</tr>
<tr>
<td>Firm AH</td>
<td>CA</td>
<td>6</td>
<td>0.59%</td>
<td>11</td>
<td>1.17%</td>
<td>17</td>
<td>0.87%</td>
</tr>
<tr>
<td>Firm AU</td>
<td>CA</td>
<td>15</td>
<td>1.46%</td>
<td>2</td>
<td>0.21%</td>
<td>17</td>
<td>0.87%</td>
</tr>
</tbody>
</table>

---

\(^9\) The data is displayed so that each row represents an individual unidentified or unidentifiable firm (firm name is replaced with a random string of 2 letters). The location (California or not) is determined by the headquarters of that firm. In order to provide non-duplicative counts, the data represents the firm where the peer review team captain is employed. The data does not capture number of reviews by individual peer reviewers.
<table>
<thead>
<tr>
<th>Reviewing Firm</th>
<th>Reviewing Firm State</th>
<th>Reviews Performed 2021</th>
<th>% of Reviews Performed 2021</th>
<th>Reviews Performed 2022</th>
<th>% of Reviews Performed 2022</th>
<th>Reviews Performed 2021-22</th>
<th>% of Reviews Performed 2021-22</th>
</tr>
</thead>
<tbody>
<tr>
<td>Firm AW</td>
<td>CA</td>
<td>9</td>
<td>0.88%</td>
<td>8</td>
<td>0.85%</td>
<td>17</td>
<td>0.87%</td>
</tr>
<tr>
<td>Firm AZ</td>
<td>CA</td>
<td>10</td>
<td>0.98%</td>
<td>6</td>
<td>0.64%</td>
<td>16</td>
<td>0.82%</td>
</tr>
<tr>
<td>Firm DR</td>
<td>Not CA</td>
<td>7</td>
<td>0.68%</td>
<td>9</td>
<td>0.96%</td>
<td>16</td>
<td>0.82%</td>
</tr>
<tr>
<td>Firm AT</td>
<td>CA</td>
<td>12</td>
<td>1.17%</td>
<td>3</td>
<td>0.32%</td>
<td>15</td>
<td>0.76%</td>
</tr>
<tr>
<td>Firm BB</td>
<td>CA</td>
<td>7</td>
<td>0.68%</td>
<td>8</td>
<td>0.85%</td>
<td>15</td>
<td>0.76%</td>
</tr>
<tr>
<td>Firm CK</td>
<td>Not CA</td>
<td>8</td>
<td>0.78%</td>
<td>6</td>
<td>0.64%</td>
<td>14</td>
<td>0.71%</td>
</tr>
<tr>
<td>Firm AY</td>
<td>CA</td>
<td>7</td>
<td>0.68%</td>
<td>6</td>
<td>0.64%</td>
<td>13</td>
<td>0.66%</td>
</tr>
<tr>
<td>Firm BG</td>
<td>CA</td>
<td>8</td>
<td>0.78%</td>
<td>5</td>
<td>0.53%</td>
<td>13</td>
<td>0.66%</td>
</tr>
<tr>
<td>Firm DZ</td>
<td>Not CA</td>
<td>10</td>
<td>0.98%</td>
<td>3</td>
<td>0.32%</td>
<td>13</td>
<td>0.66%</td>
</tr>
<tr>
<td>Firm DD</td>
<td>Not CA</td>
<td>9</td>
<td>0.88%</td>
<td>3</td>
<td>0.32%</td>
<td>12</td>
<td>0.61%</td>
</tr>
<tr>
<td>Firm EB</td>
<td>Not CA</td>
<td>11</td>
<td>1.07%</td>
<td>0</td>
<td>0.00%</td>
<td>11</td>
<td>0.56%</td>
</tr>
<tr>
<td>Firm EL</td>
<td>Not CA</td>
<td>5</td>
<td>0.49%</td>
<td>6</td>
<td>0.64%</td>
<td>11</td>
<td>0.56%</td>
</tr>
<tr>
<td>Firm AA</td>
<td>CA</td>
<td>2</td>
<td>0.20%</td>
<td>7</td>
<td>0.75%</td>
<td>9</td>
<td>0.46%</td>
</tr>
<tr>
<td>Firm AE</td>
<td>CA</td>
<td>5</td>
<td>0.49%</td>
<td>4</td>
<td>0.43%</td>
<td>9</td>
<td>0.46%</td>
</tr>
<tr>
<td>Firm AQ</td>
<td>CA</td>
<td>6</td>
<td>0.59%</td>
<td>3</td>
<td>0.32%</td>
<td>9</td>
<td>0.46%</td>
</tr>
<tr>
<td>Firm BA</td>
<td>CA</td>
<td>6</td>
<td>0.59%</td>
<td>3</td>
<td>0.32%</td>
<td>9</td>
<td>0.46%</td>
</tr>
<tr>
<td>Firm BD</td>
<td>CA</td>
<td>4</td>
<td>0.39%</td>
<td>5</td>
<td>0.53%</td>
<td>9</td>
<td>0.46%</td>
</tr>
<tr>
<td>Firm BY</td>
<td>CA</td>
<td>3</td>
<td>0.29%</td>
<td>6</td>
<td>0.64%</td>
<td>9</td>
<td>0.46%</td>
</tr>
<tr>
<td>Firm CC</td>
<td>Not CA</td>
<td>4</td>
<td>0.39%</td>
<td>5</td>
<td>0.53%</td>
<td>9</td>
<td>0.46%</td>
</tr>
<tr>
<td>Firm AI</td>
<td>CA</td>
<td>5</td>
<td>0.49%</td>
<td>3</td>
<td>0.32%</td>
<td>8</td>
<td>0.41%</td>
</tr>
<tr>
<td>Firm CA</td>
<td>Not CA</td>
<td>3</td>
<td>0.29%</td>
<td>5</td>
<td>0.53%</td>
<td>8</td>
<td>0.41%</td>
</tr>
<tr>
<td>Firm AL</td>
<td>CA</td>
<td>2</td>
<td>0.20%</td>
<td>4</td>
<td>0.43%</td>
<td>6</td>
<td>0.31%</td>
</tr>
<tr>
<td>Firm AN</td>
<td>CA</td>
<td>3</td>
<td>0.29%</td>
<td>3</td>
<td>0.32%</td>
<td>6</td>
<td>0.31%</td>
</tr>
<tr>
<td>Firm BF</td>
<td>CA</td>
<td>5</td>
<td>0.49%</td>
<td>1</td>
<td>0.11%</td>
<td>6</td>
<td>0.31%</td>
</tr>
<tr>
<td>Firm BL</td>
<td>CA</td>
<td>2</td>
<td>0.20%</td>
<td>4</td>
<td>0.43%</td>
<td>6</td>
<td>0.31%</td>
</tr>
<tr>
<td>Firm BU</td>
<td>CA</td>
<td>6</td>
<td>0.59%</td>
<td>0</td>
<td>0.00%</td>
<td>6</td>
<td>0.31%</td>
</tr>
<tr>
<td>Firm CW</td>
<td>Not CA</td>
<td>2</td>
<td>0.20%</td>
<td>4</td>
<td>0.43%</td>
<td>6</td>
<td>0.31%</td>
</tr>
<tr>
<td>Firm AF</td>
<td>CA</td>
<td>1</td>
<td>0.10%</td>
<td>4</td>
<td>0.43%</td>
<td>5</td>
<td>0.25%</td>
</tr>
<tr>
<td>Firm AO</td>
<td>CA</td>
<td>3</td>
<td>0.29%</td>
<td>2</td>
<td>0.21%</td>
<td>5</td>
<td>0.25%</td>
</tr>
<tr>
<td>Firm AX</td>
<td>CA</td>
<td>3</td>
<td>0.29%</td>
<td>2</td>
<td>0.21%</td>
<td>5</td>
<td>0.25%</td>
</tr>
<tr>
<td>Firm CX</td>
<td>Not CA</td>
<td>2</td>
<td>0.20%</td>
<td>3</td>
<td>0.32%</td>
<td>5</td>
<td>0.25%</td>
</tr>
<tr>
<td>Firm CD</td>
<td>Not CA</td>
<td>3</td>
<td>0.29%</td>
<td>1</td>
<td>0.11%</td>
<td>4</td>
<td>0.20%</td>
</tr>
<tr>
<td>Firm DC</td>
<td>Not CA</td>
<td>3</td>
<td>0.29%</td>
<td>1</td>
<td>0.11%</td>
<td>4</td>
<td>0.20%</td>
</tr>
<tr>
<td>Firm DW</td>
<td>Not CA</td>
<td>2</td>
<td>0.20%</td>
<td>2</td>
<td>0.21%</td>
<td>4</td>
<td>0.20%</td>
</tr>
<tr>
<td>Firm AP</td>
<td>CA</td>
<td>1</td>
<td>0.10%</td>
<td>2</td>
<td>0.21%</td>
<td>3</td>
<td>0.15%</td>
</tr>
<tr>
<td>Firm BP</td>
<td>CA</td>
<td>0</td>
<td>0.00%</td>
<td>3</td>
<td>0.32%</td>
<td>3</td>
<td>0.15%</td>
</tr>
<tr>
<td>Firm CL</td>
<td>Not CA</td>
<td>0</td>
<td>0.00%</td>
<td>3</td>
<td>0.32%</td>
<td>3</td>
<td>0.15%</td>
</tr>
<tr>
<td>Reviewing Firm</td>
<td>Reviewing Firm State</td>
<td>Reviews Performed 2021</td>
<td>% of Reviews Performed 2021</td>
<td>Reviews Performed 2022</td>
<td>% of Reviews Performed 2022</td>
<td>Reviews Performed 2021-22</td>
<td>% of Reviews Performed 2021-22</td>
</tr>
<tr>
<td>---------------</td>
<td>----------------------</td>
<td>------------------------</td>
<td>-----------------------------</td>
<td>------------------------</td>
<td>-----------------------------</td>
<td>-----------------------------</td>
<td>-----------------------------</td>
</tr>
<tr>
<td>Firm DU</td>
<td>Not CA</td>
<td>2</td>
<td>0.20%</td>
<td>1</td>
<td>0.11%</td>
<td>3</td>
<td>0.15%</td>
</tr>
<tr>
<td>Firm ED</td>
<td>Not CA</td>
<td>2</td>
<td>0.20%</td>
<td>1</td>
<td>0.11%</td>
<td>3</td>
<td>0.15%</td>
</tr>
<tr>
<td>Firm EE</td>
<td>Not CA</td>
<td>1</td>
<td>0.10%</td>
<td>2</td>
<td>0.21%</td>
<td>3</td>
<td>0.15%</td>
</tr>
<tr>
<td>Firm AM</td>
<td>CA</td>
<td>1</td>
<td>0.10%</td>
<td>1</td>
<td>0.11%</td>
<td>2</td>
<td>0.10%</td>
</tr>
<tr>
<td>Firm CE</td>
<td>Not CA</td>
<td>0</td>
<td>0.00%</td>
<td>2</td>
<td>0.21%</td>
<td>2</td>
<td>0.10%</td>
</tr>
<tr>
<td>Firm CH</td>
<td>Not CA</td>
<td>1</td>
<td>0.10%</td>
<td>1</td>
<td>0.11%</td>
<td>2</td>
<td>0.10%</td>
</tr>
<tr>
<td>Firm CO</td>
<td>Not CA</td>
<td>1</td>
<td>0.10%</td>
<td>1</td>
<td>0.11%</td>
<td>2</td>
<td>0.10%</td>
</tr>
<tr>
<td>Firm CR</td>
<td>Not CA</td>
<td>1</td>
<td>0.10%</td>
<td>1</td>
<td>0.11%</td>
<td>2</td>
<td>0.10%</td>
</tr>
<tr>
<td>Firm CT</td>
<td>Not CA</td>
<td>0</td>
<td>0.00%</td>
<td>2</td>
<td>0.21%</td>
<td>2</td>
<td>0.10%</td>
</tr>
<tr>
<td>Firm CZ</td>
<td>Not CA</td>
<td>1</td>
<td>0.10%</td>
<td>1</td>
<td>0.11%</td>
<td>2</td>
<td>0.10%</td>
</tr>
<tr>
<td>Firm DO</td>
<td>Not CA</td>
<td>0</td>
<td>0.00%</td>
<td>2</td>
<td>0.21%</td>
<td>2</td>
<td>0.10%</td>
</tr>
<tr>
<td>Firm BH</td>
<td>CA</td>
<td>0</td>
<td>0.00%</td>
<td>1</td>
<td>0.11%</td>
<td>1</td>
<td>0.05%</td>
</tr>
<tr>
<td>Firm BQ</td>
<td>CA</td>
<td>1</td>
<td>0.10%</td>
<td>0</td>
<td>0.00%</td>
<td>1</td>
<td>0.05%</td>
</tr>
<tr>
<td>Firm BW</td>
<td>CA</td>
<td>0</td>
<td>0.00%</td>
<td>1</td>
<td>0.11%</td>
<td>1</td>
<td>0.05%</td>
</tr>
<tr>
<td>Firm BX</td>
<td>CA</td>
<td>0</td>
<td>0.00%</td>
<td>1</td>
<td>0.11%</td>
<td>1</td>
<td>0.05%</td>
</tr>
<tr>
<td>Firm BZ</td>
<td>Not CA</td>
<td>1</td>
<td>0.10%</td>
<td>0</td>
<td>0.00%</td>
<td>1</td>
<td>0.05%</td>
</tr>
<tr>
<td>Firm CB</td>
<td>Not CA</td>
<td>1</td>
<td>0.10%</td>
<td>0</td>
<td>0.00%</td>
<td>1</td>
<td>0.05%</td>
</tr>
<tr>
<td>Firm CF</td>
<td>Not CA</td>
<td>0</td>
<td>0.00%</td>
<td>1</td>
<td>0.11%</td>
<td>1</td>
<td>0.05%</td>
</tr>
<tr>
<td>Firm CG</td>
<td>Not CA</td>
<td>1</td>
<td>0.10%</td>
<td>0</td>
<td>0.00%</td>
<td>1</td>
<td>0.05%</td>
</tr>
<tr>
<td>Firm CI</td>
<td>Not CA</td>
<td>0</td>
<td>0.00%</td>
<td>1</td>
<td>0.11%</td>
<td>1</td>
<td>0.05%</td>
</tr>
<tr>
<td>Firm CJ</td>
<td>Not CA</td>
<td>1</td>
<td>0.10%</td>
<td>0</td>
<td>0.00%</td>
<td>1</td>
<td>0.05%</td>
</tr>
<tr>
<td>Firm CM</td>
<td>Not CA</td>
<td>1</td>
<td>0.10%</td>
<td>0</td>
<td>0.00%</td>
<td>1</td>
<td>0.05%</td>
</tr>
<tr>
<td>Firm CN</td>
<td>Not CA</td>
<td>1</td>
<td>0.10%</td>
<td>0</td>
<td>0.00%</td>
<td>1</td>
<td>0.05%</td>
</tr>
<tr>
<td>Firm CP</td>
<td>Not CA</td>
<td>0</td>
<td>0.00%</td>
<td>1</td>
<td>0.11%</td>
<td>1</td>
<td>0.05%</td>
</tr>
<tr>
<td>Firm CQ</td>
<td>Not CA</td>
<td>1</td>
<td>0.10%</td>
<td>0</td>
<td>0.00%</td>
<td>1</td>
<td>0.05%</td>
</tr>
<tr>
<td>Firm CS</td>
<td>Not CA</td>
<td>0</td>
<td>0.00%</td>
<td>1</td>
<td>0.11%</td>
<td>1</td>
<td>0.05%</td>
</tr>
<tr>
<td>Firm CU</td>
<td>Not CA</td>
<td>0</td>
<td>0.00%</td>
<td>1</td>
<td>0.11%</td>
<td>1</td>
<td>0.05%</td>
</tr>
<tr>
<td>Firm CV</td>
<td>Not CA</td>
<td>0</td>
<td>0.00%</td>
<td>1</td>
<td>0.11%</td>
<td>1</td>
<td>0.05%</td>
</tr>
<tr>
<td>Firm CY</td>
<td>Not CA</td>
<td>1</td>
<td>0.10%</td>
<td>0</td>
<td>0.00%</td>
<td>1</td>
<td>0.05%</td>
</tr>
<tr>
<td>Firm DA</td>
<td>Not CA</td>
<td>1</td>
<td>0.10%</td>
<td>0</td>
<td>0.00%</td>
<td>1</td>
<td>0.05%</td>
</tr>
<tr>
<td>Firm DB</td>
<td>Not CA</td>
<td>0</td>
<td>0.00%</td>
<td>1</td>
<td>0.11%</td>
<td>1</td>
<td>0.05%</td>
</tr>
<tr>
<td>Firm DE</td>
<td>Not CA</td>
<td>1</td>
<td>0.10%</td>
<td>0</td>
<td>0.00%</td>
<td>1</td>
<td>0.05%</td>
</tr>
<tr>
<td>Firm DG</td>
<td>Not CA</td>
<td>1</td>
<td>0.10%</td>
<td>0</td>
<td>0.00%</td>
<td>1</td>
<td>0.05%</td>
</tr>
<tr>
<td>Firm DH</td>
<td>Not CA</td>
<td>0</td>
<td>0.00%</td>
<td>1</td>
<td>0.11%</td>
<td>1</td>
<td>0.05%</td>
</tr>
<tr>
<td>Firm DI</td>
<td>Not CA</td>
<td>1</td>
<td>0.10%</td>
<td>0</td>
<td>0.00%</td>
<td>1</td>
<td>0.05%</td>
</tr>
<tr>
<td>Firm DJ</td>
<td>Not CA</td>
<td>0</td>
<td>0.00%</td>
<td>1</td>
<td>0.11%</td>
<td>1</td>
<td>0.05%</td>
</tr>
<tr>
<td>Firm DK</td>
<td>Not CA</td>
<td>1</td>
<td>0.10%</td>
<td>0</td>
<td>0.00%</td>
<td>1</td>
<td>0.05%</td>
</tr>
<tr>
<td>Reviewing Firm</td>
<td>Reviewing Firm State</td>
<td>Reviews Performed 2021</td>
<td>% of Reviews Performed 2021</td>
<td>Reviews Performed 2022</td>
<td>% of Reviews Performed 2022</td>
<td>Reviews Performed 2021-22</td>
<td>% of Reviews Performed 2021-22</td>
</tr>
<tr>
<td>----------------</td>
<td>----------------------</td>
<td>------------------------</td>
<td>-----------------------------</td>
<td>------------------------</td>
<td>-----------------------------</td>
<td>-----------------------------</td>
<td>-----------------------------</td>
</tr>
<tr>
<td>Firm DL</td>
<td>Not CA</td>
<td>1</td>
<td>0.10%</td>
<td>0</td>
<td>0.00%</td>
<td>1</td>
<td>0.05%</td>
</tr>
<tr>
<td>Firm DM</td>
<td>Not CA</td>
<td>0</td>
<td>0.00%</td>
<td>1</td>
<td>0.11%</td>
<td>1</td>
<td>0.05%</td>
</tr>
<tr>
<td>Firm DN</td>
<td>Not CA</td>
<td>0</td>
<td>0.00%</td>
<td>1</td>
<td>0.11%</td>
<td>1</td>
<td>0.05%</td>
</tr>
<tr>
<td>Firm DP</td>
<td>Not CA</td>
<td>1</td>
<td>0.10%</td>
<td>0</td>
<td>0.00%</td>
<td>1</td>
<td>0.05%</td>
</tr>
<tr>
<td>Firm DQ</td>
<td>Not CA</td>
<td>0</td>
<td>0.00%</td>
<td>1</td>
<td>0.11%</td>
<td>1</td>
<td>0.05%</td>
</tr>
<tr>
<td>Firm DS</td>
<td>Not CA</td>
<td>0</td>
<td>0.00%</td>
<td>1</td>
<td>0.11%</td>
<td>1</td>
<td>0.05%</td>
</tr>
<tr>
<td>Firm DT</td>
<td>Not CA</td>
<td>0</td>
<td>0.00%</td>
<td>1</td>
<td>0.11%</td>
<td>1</td>
<td>0.05%</td>
</tr>
<tr>
<td>Firm DV</td>
<td>Not CA</td>
<td>1</td>
<td>0.10%</td>
<td>0</td>
<td>0.00%</td>
<td>1</td>
<td>0.05%</td>
</tr>
<tr>
<td>Firm DX</td>
<td>Not CA</td>
<td>0</td>
<td>0.00%</td>
<td>1</td>
<td>0.11%</td>
<td>1</td>
<td>0.05%</td>
</tr>
<tr>
<td>Firm DY</td>
<td>Not CA</td>
<td>1</td>
<td>0.10%</td>
<td>0</td>
<td>0.00%</td>
<td>1</td>
<td>0.05%</td>
</tr>
<tr>
<td>Firm EC</td>
<td>Not CA</td>
<td>0</td>
<td>0.00%</td>
<td>1</td>
<td>0.11%</td>
<td>1</td>
<td>0.05%</td>
</tr>
<tr>
<td>Firm EF</td>
<td>Not CA</td>
<td>0</td>
<td>0.00%</td>
<td>1</td>
<td>0.11%</td>
<td>1</td>
<td>0.05%</td>
</tr>
<tr>
<td>Firm EG</td>
<td>Not CA</td>
<td>0</td>
<td>0.00%</td>
<td>1</td>
<td>0.11%</td>
<td>1</td>
<td>0.05%</td>
</tr>
<tr>
<td>Firm EH</td>
<td>Not CA</td>
<td>0</td>
<td>0.00%</td>
<td>1</td>
<td>0.11%</td>
<td>1</td>
<td>0.05%</td>
</tr>
<tr>
<td>Firm EI</td>
<td>Not CA</td>
<td>1</td>
<td>0.10%</td>
<td>0</td>
<td>0.00%</td>
<td>1</td>
<td>0.05%</td>
</tr>
<tr>
<td>Firm EN</td>
<td>Not CA</td>
<td>1</td>
<td>0.10%</td>
<td>0</td>
<td>0.00%</td>
<td>1</td>
<td>0.05%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td><strong>1,024</strong></td>
<td><strong>100.00%</strong></td>
<td><strong>937</strong></td>
<td><strong>100.00%</strong></td>
<td><strong>1,961</strong></td>
<td><strong>100.00%</strong></td>
</tr>
</tbody>
</table>

**Total Number and Percent of Peer Reviewers Located Inside California and Peer Reviewers Located Outside of California**

<table>
<thead>
<tr>
<th>Location</th>
<th>2021 Number of Reviews</th>
<th>2021 % Reviews for the Period</th>
<th>2022 Number of Reviews</th>
<th>2022 % Reviews for the Period</th>
<th>Total Number of Reviews</th>
<th>Total % Reviews for the Period</th>
</tr>
</thead>
<tbody>
<tr>
<td>CA</td>
<td>673</td>
<td>65.72%</td>
<td>627</td>
<td>66.92%</td>
<td>1,300</td>
<td>66.29%</td>
</tr>
<tr>
<td>Not CA</td>
<td>351</td>
<td>34.28%</td>
<td>310</td>
<td>33.08%</td>
<td>661</td>
<td>33.71%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>1,024</strong></td>
<td><strong>100.00%</strong></td>
<td><strong>937</strong></td>
<td><strong>100.00%</strong></td>
<td><strong>1,961</strong></td>
<td><strong>100.00%</strong></td>
</tr>
</tbody>
</table>

---

10 The total number of reviews accepted in 2021 slightly varies from the total reflected in Tables 2-5, as the reports were generated on different dates.