

Missouri Society of CPAs
2025 Annual Report on Peer Review Activities
Issued February 25, 2026

Purpose of this Report

The purpose of this Annual Report on Peer Review Activities is to provide a general overview of the AICPA Peer Review Program administered by the Missouri Society of CPAs (MOCPA), and the results of the oversight procedures performed by the MOCPA Peer Review Executive Committee (Committee) during 2025.

I. Administering Entity Oversight Process and Procedures

The Committee monitors the oversight process and has established Oversight Policies and Procedures in accordance with the AICPA Peer Review Program Oversight Handbook and the Clarified Peer Review Standards.

Minimum Requirements

In accordance with Chapter 2 of the Oversight Handbook, the MOCPA Peer Review Program, at a minimum, must conduct oversights on two percent of all reviews performed during the calendar year and, within the two percent selected, there will be at least two system reviews and two engagement reviews evaluated. All oversights will be conducted in a matter that adheres to AICPA procedures and policies. All costs associated with the oversight visit shall be paid by the administering entity.

Oversight Selection Process

Oversight selections may be made randomly or targeted using a high-risk approach to address concerns relating to the firm being reviewed or the peer reviewer. Selection for oversight will be made by the Committee Chair based on input from the Peer Review Manager, technical reviewers, the CPA on staff, Report Acceptance Body (RAB) members and/or other Committee members.

All firms are subject to oversight and are selected based on a number of factors including but not limited to the types of peer review reports the firm has previously received, whether it is the firm's first system review (after previously having an engagement review), and whether the firm conducts engagements in high-risk industries. All peer reviewers are subject to oversight and may be selected based on a number of factors, including random selection, frequent submission of pass reports, conducting a significant number of reviews for firms with audits in high-risk industries, the performance of their first peer review, or performing high volumes of reviews. Oversight of a review may also occur due to performance deficiencies or a history of performance deficiencies, such as issuance of an inappropriate peer review report, improperly considering matters that turn out to be significant, or failure to select an appropriate number of engagements.

Oversight Process

Oversight will be performed by a Committee member or RAB member unless the Committee Chair designates an experienced reviewer to perform oversight. At least one individual conducting a system review oversight shall have the

qualifications required of a system review team captain. Individuals conducting engagement review oversights shall have the qualifications required of an engagement review captain. All individuals performing oversight are subject to normal conflict of interest consideration and are responsible for alerting the administering entity if a conflict of interest arises.

The following summarizes the different peer review types, objectives, and reporting requirements as defined under the AICPA Standards:

System reviews are for firms that perform engagements under the SASs or Government Auditing Standards, examination under the SSAEs, or audits of non-SEC issuers performed pursuant to the standards of the PCAOB, in addition to reviews, compilations, or other attestation engagements. The peer reviewer's objectives are to obtain reasonable assurance that the reviewed firm's system of quality control for its accounting and auditing practice has been designed and complied with to provide the firm reasonable assurance of performing and reporting in conformity with the requirements of applicable professional standards in all material respects and report on the reviewed firm's system of quality control and communicate as required by the Standards for Performing and Reporting on Peer Reviews. The peer review report rating may be Pass (firm's system of quality control is adequately designed and the firm has complied with its system of quality control); Pass with deficiencies (firm has less than reasonable assurance of conformity with professional standards in one or more areas); or Fail (firm's system of quality control is not adequately designed or complied with and there is little or no assurance of conforming with professional standards).

A system review oversight includes a review of the complete peer review process, including attendance at the exit conference. An engagement oversight (performed either off-site or on-site) is the review of all peer reviewer workpapers and the reviewed firm's financial statements and working papers on the engagement.

Engagement reviews are for firms that only perform services under SSARS or services under the SSAEs other than examinations. Engagement reviews focus on work performed and reports and financial statements issued on particular engagements (reviews, compilations, preparations, or agreed-upon procedures). The peer review report may be a rating of Pass (nothing came to the reviewer's attention that caused the reviewer to believe the engagements submitted for review were not performed and/or reported on in conformity with applicable professional standards in all material respects); Pass with deficiencies (at least one but not all of the engagements submitted for review were not performed and/or reported on in conformity with applicable professional standards in all material respects except for the deficiencies described in the report); or Fail (the reviewer concludes that, all the engagements submitted for review were not performed and/or reported on in conformity with applicable professional standards in all material respects).

An engagement review oversight includes a review of the selected report, financial statements and engagement working papers prepared by the reviewed firm that the review captain previously reviewed, as well as the peer review report and

complete reviewer's working papers.

Oversighters are required to document the results of the oversight by completing an AICPA Oversight Checklist and preparing a report for the committee. An electronic copy of all oversight reports are maintained in the AICPA Peer Review Integrated Management Application (PRIMA). The reviewer is expected to respond to the comments in the oversight report within 14 days of receiving the report via PRIMA.

Oversight reviewers are compensated for their time at the current CART rates, plus all direct travel and out-of-pocket expenses by the MOCPA Peer Review Program.

The MOCPA Peer Review Program is committed to adhering to AICPA policies and procedures established by the AICPA Peer Review Board.

Administrative Oversight

Biennially, the AICPA Peer Review Board performs an oversight of the MOCPA's administration of the AICPA Peer Review Program. A member of the AICPA Peer Review Board Oversight Task Force reviews files and interviews the staff. In addition, the AICPA member meets with the technical reviewers, attends a peer review committee meeting and observes the RAB process. The overseer will issue a report that is presented to the AICPA Peer Review Board for approval.

II. Summary of Peer Review Program

MOCPA has administered the AICPA Peer Review Program since 1989. Peer Review at that time was voluntary. On January 1, 2004, the Missouri State Board of Accountancy (MOSBA), by Statute and Rule, required Peer Review for all firms engaged to perform more than two attest services in any calendar year. On January 1, 2008, all firms providing attest, review or compilation services were required to be enrolled in the AICPA Peer Review Program administered by the Missouri Society of CPAs and by Rule, and as a condition to the renewal of permits, firms were required to undergo, no more frequently than once every three years, peer reviews conducted in a manner as the board shall specify.

The scope of a peer review covers a one-year period. The review is conducted by an independent evaluator known as a peer reviewer and is not considered final until accepted by a committee of their peers, also known as report acceptance bodies (RABs). RABs must consist of at least three qualified individuals who are independent of the reviewed firm and the peer reviewer. In certain circumstances, reviewed firms are asked by the RAB to voluntarily complete one or more follow-up actions as a condition of acceptance by the RAB. Oversight reports are included in the RAB process and all oversight reports are reviewed by the Committee.

MOCPA administers the Peer Review Program for Missouri firms only. MOCPA follows the AICPA "Standards for Performing and Reporting on Peer Reviews" and related guidance when administering the AICPA Peer Review Program in Missouri.

1) Number of Enrolled Firms by Firm Size *

Number of Professionals*	Number of Enrolled Firms
Sole Practitioners	81
2 – 5	146
6- 10	54
11+	40
Total Number of Enrolled Firms	321

**Includes all personnel who perform professional services for which the firm is responsible, whether or not they are CPAs*

2) Results of Peer Reviews Accepted During the Year **2025**

a) Results by Type of Peer Review and Report Issued

	AICPA Peer Review Program	
System Reviews		%
Pass	23	74%
Pass with deficiency(ies)	2	7%
Fail	6	19%
Total	31	100%
Engagement Reviews		%
Pass	35	88%
Pass with deficiency(ies)	3	7%
Fail	2	5%
Total	40	100%

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

	AICPA Peer Review Program
Human resources	6
Engagement performance	6
Monitoring	6
Acceptance and continuance of client relationships and specific engagements	1
Leadership responsibilities for quality within the firm (“the tone at the top”)	1
Relevant ethical requirements	0
Total	20

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	22	8	36%
Government Auditing Standards – All Other	19	5	26%
ERISA	26	4	15%
FDICIA	1	0	0%
Other	60	6	10%
Reviews	58	11	19%
Compilations:			
With Disclosures	20	1	5%
Omit Disclosures	102	3	3%
Prospective Financial Statements	1	0	0%
Preparations:			
With Disclosures	0	0	0%
Omit Disclosures	18	2	11%
SOC Reports	4	0	0%
Attestation Engagements (Examination, Review or Agreed Upon Procedures under GAS)	4	0	0%
Agreed Upon Procedures	14	2	14%
Agreed Upon Procedures (SSAE)	1	0	0%
Examination Engagements	13	3	23%
Total	363	45	12%

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	22
Submit to review of nonconforming engagements	1
Agree to pre-issuance reviews	7
Agree to post-issuance reviews	4
Agree to review of remedial actions	7
Submit monitoring or inspection report to Team Captain or Peer Review Committee	0
Submit to outside party revisit	0
Elect to have accelerated review	0
Submit evidence of proper firm licensure	1
Firm has represented in writing they no longer perform or are engaged to perform any engagements subject to peer review	3
Agree to hire outside party or consultant for inspection	0
Team Captain to review Quality Control Document	0
Submit proof of purchase of manuals	0
Agree to join an Audit Quality Center	0
Other	0
Total	45

III. Oversight Process Results

a) Peer reviews

AICPA Peer Review Program		
Type of Peer Review	Must Select Engagement (GAGAS, ERISA, FDICIA, SOC)	Total Oversight
System	GAGAS, OMB Single Audit/ Yellow Book, State & Local Governments	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](#).