

## The future of peer review in Iowa

For over 25 years, ISCPA has administered the peer review program for Iowa CPA firms. For the past year, ISCPA Board of Directors, staff and Peer Review Committee participated in extensive discussions about the administration process, measured the commitment of staff resources to administer the program, and evaluated the future complexity of practice monitoring.

The board determined that the best interest of ISCPA and its members is to outsource the administration of the program. This will allow ISCPA staff to focus on strategic objectives identified by the board that will benefit our members, now and in the future.

After careful examination of several state CPA societies that administer the AICPA Peer Review Program, the Illinois CPA Society has been selected to administer the peer review program for Iowa firms. The selection was based on a number of factors, including the comparability of the size of the firms they administer to Iowa firms, and that they have dedicated, experienced full-time staff who will offer the kind of assistance to Iowa firms that you have come to expect.

**What does this mean for Iowa firms?** The transition will be effective **Jan. 1, 2015**. Firms will continue to select their team/review captain from qualified Iowa reviewers, just as they have always done. Iowa firms will work with the Illinois CPA Society staff in all aspects of their review, from scheduling through acceptance, including payment of fees. The Illinois CPA Society staff will provide assistance and consultation throughout the review process. Some members of the ISCPA Peer Review Committee may serve on the Illinois CPA Society Peer Review Committee if they so choose.

During the transition, if a firm's field work commences prior to Jan. 1, 2015, Iowa will administer that firm's peer review through acceptance and completion, including any monitoring action (if applicable). If a firm's due date is on or after Jan. 1, 2015, and the review has not commenced, the Illinois CPA Society will administer the review through acceptance and completion, even if it was originally scheduled through ISCPA. Firms with due dates in 2015 will receive further communications to clarify the transition timing for their particular situation.

We are pleased to partner with the Illinois CPA Society in administering this important program, and will work closely together to ensure a smooth transition for all of our firms. If you have any questions, please contact Judy Chaplin at [jchaplin@iacpa.org](mailto:jchaplin@iacpa.org), (515)223-8161 or (800)659-6375.

## PEER REVIEW FEE INFORMATION

**What is the fee structure?** A firm's direct peer review costs will have two components: (1) an annual administrative fee paid to the Illinois CPA Society to cover the costs of running the Program and (2) the fee paid to the peer reviewer for the actual review.

**Annual State Society Administrative Fees** – This fee will be billed annually by the Illinois CPA Society in May for the period June 1st – May 31st. The current administrative fees are based on the following formula:

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| 1. Flat fee charged to firms with accounting or auditing practice                              | \$145   |
| 2. Plus a per-professional* charge of:   | \$65    |
| 3. With a maximum cap of:  | \$1,500 |
| OR   |         |
| 4. If you are a firm that does not perform any accounting or auditing services, a flat fee of: | \$25    |

The per-professional\* charge begins after the first professional. For example, a sole practitioner with no professional staff will pay the flat fee of \$145. For a two-professional firm, the total fee would be \$205.

\*A firm should count as professionals all CPAs and other individuals performing accounting and auditing services. This includes all partners, shareholders, members, proprietors, etc. It also includes all full and part-time staff as well as per diem employees if they are doing professional level work in accounting or auditing. You may use full-time equivalents for more than one part-time staff or per diem employee.

**CART Review Option** – For firms performing only compilation engagements, the Illinois CPA Society offers a Committee Appointed Review Team (CART) program whereby firms may elect to have the Society choose its peer reviewer from a list of qualified reviewers. The program is designed to reduce peer review costs by maximizing the efficiency of the reviewer's time and minimizing reviewer expenses. Firms are billed only for the reviewer's time in reviewing, evaluating and discussing engagements, and preparation of the peer review report. Time spent in gathering engagement documents for the reviewer, telephone, copying, etc. is absorbed by the Society. CART reviews provide a timely, efficient, and cost effective alternative for eligible firms. Firms must schedule their reviews timely to choose this program.