

Peer Review FAQ

Why the change in administration?

The KSCPA board of directors, peer review committee and staff evaluated the challenges and infrastructure needed going forward to implement the AICPA enhanced requirements to administer the peer review program. Based on the evaluation, the decision was made to transfer the peer review administration to the Oklahoma Society of CPAs.

What are the benefits of transition to Oklahoma?

An out-of-state Administering Entity can provide Kansas firms with a broader perspective. In addition, the presence of OSCPA members on the Report Acceptance Body (RAB) can mitigate concerns about reviews being looked at by local competitors.

Will Kansas firms be notified of the change in administration?

Yes, Kansas firms were notified by email in October. The email will include information on peer review administration fees, transition dates, and state society contact information.

When is the transition effective?

The transition is effective November 1, 2020.

What does it mean for Kansas firms?

For firms with a peer review **due date** prior to January 1, 2021, the KSCPA will continue to administer that firm's peer review through acceptance and completion. For all firms with a peer review **due date** after January 1, 2021, the OSCPA will administer the review from scheduling through acceptance and completion.

Peer review due dates determine if Kansas or Oklahoma will administer the peer review.

What if my peer review due in February 2021 was submitted to Kansas in October?

If Kansas receives a peer review due in February 2021 before November 1 then Kansas will administer the peer review through completion. We do not want to hold peer reviews from being accepted due to the change in administration.

Will my reviewer change?

In all cases, firms will continue to select their team/review captain from qualified reviewers, just as they have always done. Members of the KSCPA Report Acceptance Body and Kansas Technical Reviewers have been invited to serve on the OSCPA Report Acceptance Body. In addition, the OSCPA staffing will be including a CPA on staff to oversee the Peer Review Program which is a requirement of program for all Administering Entities.

Does the change impact my peer review in progress?

Moving the peer review administration to Oklahoma does not impact the firm's peer review in progress as both Kansas and Oklahoma administers the AICPA peer review program.

Will peer review in process letters continue to be required?

Yes. Firms will be required to submit either a peer review completion letter or an in process letter as in the past. Kansas will issue in process letters in November and

December on Oklahoma Society of CPAs letterhead. Starting January 1, 2021, Oklahoma will issue in process letters.

Is my firm's peer review extension still in effect?

Yes, extensions previously approved will remain in place.

What happens to my peer review follow up actions?

All open follow up actions will remain in place with the assigned due dates. Some follow up actions include the phrase 'reviewer acceptable to the Committee' – if the reviewer was acceptable to Kansas, then the reviewer should be acceptable to Oklahoma.

Will the report acceptance body continue to meet monthly?

Yes, the report acceptance body will continue to meet monthly.

What will be the administrative fee?

The OSCPA's collect the peer review administration fee on an annual basis to cover the operational costs of the program and is reflective of the heightened peer review admin requirements. The fee structure for November 1, 2020 – October 31, 2021 is

- Engagement reviews \$310
- System reviews - \$410 plus \$25 per CPAs working in audit and attest with a cap of 15 CPAs (after the first professional)
- Industry engagement fees – an additional fee will be charged to peer review firms at the time the peer review is scheduled (every three years) if the firm performs specific industry engagements – Yellow Book/A-133 engagements (\$150); ERISA engagements (\$150)
- Base fee for non-member firms – the base fee for peer review firms whose partners do not maintain membership in KSCPA is a \$50 increase and failure to also maintain membership in the AICPA is an additional \$100 increase.

Who do we contact if we have transition questions?

If you have any questions or concerns regarding the transition, please contact Rita Barnard at rita@kscpa.org or 785 272 4526. In addition, for all firms with a peer review due date after January 1, 2021, the OSCPA's point of contact is Patty Hurley (phurley@oscpa.com or 1-800-522-8261 ext 3805).