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NEWS RELEASE

PEER REVIEW OVERSIGHT COMMITTEE REPORT HIGHLIGHTS PEER REVIEW ACCOMPLISHMENTS

(Sacramento, CA) – The CBA’s Peer Review Oversight Committee (PROC) has presented its 2013 Annual Report to the CBA, highlighting the accomplishments made in the final year of mandatory peer review’s phase in. Peer review is the study of a firm’s accounting and auditing practice by an independent Certified Public Accountant (CPA) using professional standards, for the purpose of promoting quality in the accounting and auditing services provided by CPAs.

According to CBA President Michael M. Savoy, CPA, the PROC report underscores the success of the PROC itself in 2013.

“This committee, charged with oversight of a very important consumer protection initiative, accomplished what it set out to do,” said Mr. Savoy. “I congratulate PROC Chair Nancy Corrigan and all of the committee members on a job well-done.”

Among the report highlights:

- The PROC installed processes and procedures to oversight administering entities which accept peer reviews of California firms, regardless if the administering entity is located in-state, out-of-state, or on a nation-wide basis.
- The PROC implemented a procedure for providing oversight to AICPA’s administering entities in other states that administer peer reviews to California-licensed accounting firms. This year the PROC reviewed the AICPA’s oversight reports for Nevada, Oregon, Texas, and New York; each of these states administered at least ten peer reviews to California-licensed firms.

- The PROC continued to provide a comprehensive level of oversight to the California Society of Certified Public Accountants (CalCPA), the administering entity responsible for administering peer reviews to the vast majority of accounting firms in California.
- Effective January 1, 2014, Title 16, California Code of Regulations (CCR) sections 40 and 45 were amended requiring licensees to report specific peer review information on the Peer Review Reporting Form at the time of license renewal. The revised language also clarifies that any firm that performs specific services for the first time, whether it is newly licensed or simply new to performing those services, must complete a peer review within 18 months of the date it completes those services.
- Effective January 1, 2013, BPC section 5076 was amended to allow licensees to renew their license into an inactive status without having a peer review. A peer review is required prior to the licensee converting or renewing back to an active status.

For more information, please visit the CBA website, www.cba.ca.gov.

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Created by statute in 1901, the CBA's mandate requires that protection of the public shall be its highest priority in exercising licensing, regulatory, and disciplinary functions. The CBA currently regulates more than 87,000 licensees, the largest group of licensed accounting professionals in the nation, including individuals, partnerships, and corporations.

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