

Puerto Rico Society of CPAs
Annual Report on Peer Review Activities
Issued March 31, 2025

I. Administering Entity Oversight Process and Procedures

- **Oversight Process:**

The Peer Review Committee has an oversight subcommittee that selects Peer Reviews and Reviewers to be oversighted during the year. The Committee selects oversights for Peer Reviewers, Engagements and Firms. The selection for each category is made based on input from AE, Technical Reviewers and Committee members based on their own experience placing emphasis on matters outlined by the AICPA Peer Review Program oversight handbook.

The oversights are performed by a Peer Review Committee member or its designee. On an annual basis at least two system reviews and two engagements reviews (depending on how many were completed since we only may have one or two engagement reviews per year, if any.) are selected for oversight.

- **Oversight procedures performed to firms and peer reviewers:**

During 2024 we performed four onsite oversights. These oversights were performed by Committee/RAB members with proper qualifications, as required by AICPA. The oversighters completed the oversight procedures in accordance with the AICPA requirements.

- **General results of the oversight program for the year 2024:**

As a result of these four oversights or 15% of total reviews completed during the year, it was noted that all of them were performed in agreement with AICPA procedures. Each oversight was performed to a different reviewer, thus covering four reviewers, four firms.

II. Summary of the Peer Review Program(s)

1) Our Society administers two (2) peer review programs:

- a. **AICPA Peer Review Program:** ninety-eight (98) members. Participation in this program is mandatory for AICPA members; however, AICPA membership itself is voluntary.

In 2024, following discussions with the AICPA and based on cost-benefit considerations, it was determined that maintaining the PRIMA system for both AICPA and State Programs was no longer feasible. Consequently, the AICPA requested that State Societies transition their State Program members into the AICPA Peer Review Program—even if those individuals are not AICPA members.

As a result, six (6) participants from our State Program were integrated into the AICPA Peer Review Program.

- b. **Programa Voluntario de Revisión de Calidad entre Colegas de PR (State Program):** Participation in this program is voluntary as in Puerto Rico peer review is not mandatory as it is in the other US jurisdictions. As mentioned above, six (6) members from this program system review section were integrated into the AICPA Peer Review Program. The other sections of this program are being reorganized.

2) Results of Peer Reviews Accepted During the Year2024:

a) Results by Type of Peer Review and Report Issued

Type of Peer Review		%
System Reviews		
Pass	23	85%
Pass with deficiency(ies)	2	7.5%
Fail	2	7.5%
Total	27	100%
Engagement Reviews		%
Pass	1	100%
Pass with deficiency(ies)		
Fail		
Total	1	100%

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

Leadership responsibilities for quality within the firm (the tone at the top")	1
Relevant ethical requirements	1
Acceptance and continuance of client relationships and specific engagements	1
Human resources	1
Engagement performance	3
Monitoring	1
Total	8

c) Number of Engagements Not Performed or Reported on in Conformity with Professional Standards in All Material Respects (Nonconforming engagements)

Engagement Type	Number of Engagements		%
	Reviewed	Nonconforming engagements	
Audits:			
Single Audit	19	7	37%
Government Auditing Standards – All Other	10	1	10%
ERISA	7	2	29%
FDICIA			
Other	26	1	4%
Reviews	7	1	14%
Compilations and Preparations:			
With Disclosures	23	0	-
Omit Disclosures			-
Financial Forecasts & Projections	1	0	-
SOC Reports	1	0	-
Agreed Upon Procedures	15	1	7%
Other SSAEs	3	0	-
Totals	112	13	12%

d) **Summary of Required Follow-up Actions (includes corrective actions and implementation plans):**

Type of Follow-Up Action	
Agree to take/submit proof of certain CPE	2
Submit to review of nonconforming engagements	-
Agree to pre-issuance reviews	1
Agree to post-issuance reviews	--
Agree to review of remedial actions	2
Submit monitoring or inspection report to Team Captain or Peer Review Committee	1
Submit to outside party revisit	-
Elect to have accelerated review	-
Submit evidence of proper firm licensure	-
Firm has represented in writing they no longer perform or are engaged to perform any engagements subject to peer review	-
Agree to hire an outside party or consultant for inspection	-
Team Captain to review Quality Control Document	-
Submit proof of purchase of manuals	-
Type of Follow-Up Action	
Agree to join an Audit Quality Center	-
Other	-
Total	6

III. Oversight Process

Oversight Results:

a) **Peer reviews**

Type of Peer Review	Must-Select Engagement (GAGAS, ERISA, FDICIA, SOC)	Total Oversight
System	4	4
Engagement	0	0

b) **Oversight Performed on the AE**

The results of our most recent oversight performed by the AICPA Oversight Task Force are available on the [AICPA's website](#).