



ILLINOIS CPA SOCIETY[™]

Peer Review Program
Annual Report on Oversight
Issued
December 1, 2016

TABLE OF CONTENTS

	Page(s)
Introduction	3
Oversight of Peer Reviews and Peer Reviewers	4
Administrative Oversight	5
Verification of Peer Reviewer Resumes	6
Exhibits	
A Number of Enrolled Firms by Number of Professionals	8
B Results by Type of Peer Review and Report Issued	9-11
C Number and Reasons for Report Modifications – System Reviews Only	12-14
D Number of Engagements Not Performed or Reported on in Accordance with Professional Standards in all Material Respects – System Reviews Only	15-17
E Summary of Required Follow-up Actions	18-20
F Oversight of Peer Reviews	21-23
G Verification of Peer Reviewer Resumes	24
H Administrative Oversights	24

Introduction

Purpose of this Report

The purpose of this Annual Report on Oversight (Report) is to provide a general overview of the Peer Review Program (PRP) as administered by the Illinois CPA Society; past and current statistics and information; and the results of various oversight procedures performed by the Illinois Peer Review Committee.

Years Presented in this Report

Information presented in this Report is reported on a calendar year basis for peer reviews and oversight procedures actually performed in 2013, 2014 or 2015. Some procedures performed in those years may not have been completed until the subsequent calendar year.

Overview

The Illinois CPA Society has administered peer reviews for Illinois firms and sole practitioners since 1989. In 2010, the Society was approved to serve as a peer review administrator for the state of Illinois' mandatory peer review requirement. In addition, for peer reviews commencing on or after January 1, 2015, the Illinois CPA was contracted by the Iowa Society of CPAs to begin administering peer reviews for firms headquartered in Iowa. See **Exhibit A** for a summary of enrolled firms by number of professionals.

AICPA bylaws require that members engaged in the practice of public accounting be associated with a firm that is enrolled in an approved practice-monitoring program or, if practicing in firms not eligible to enroll, are themselves enrolled in such a program, if the services performed by such firm or individual are within the scope of the AICPA's practice monitoring standards, and the firm or individual issues reports purporting to be in accordance with AICPA professional standards. For purposes of peer review under the AICPA program, an accounting and auditing practice is "all engagements performed under Statements on Auditing Standards (SASs); Statements on Standards for Accounting and Review Services (SSARS); Statements on Standards for Attestation Engagements (SSAEs); *Government Auditing Standards* (the Yellow Book) issued by the U.S. Government Accountability Office (GAO); and engagements performed under Public Company Accounting Oversight Board (PCAOB) standards. Engagements covered in the scope of the program are those included in the firm's accounting and auditing practice that are not subject to PCAOB permanent inspection."

The state of Illinois adopted the AICPA *Standards for Performing and Reporting on Peer Reviews* as its minimum standards for review. Therefore, the Illinois Peer Review Program operates exactly the same as the AICPA Program with one major exception. Non-AICPA member firms are only subject to peer review if they perform audits and/or reviews of historical financial statements and/or examinations of prospective financial statements (collectively referred to as "licensed services"). Those performing only compilation engagements and/or attestation engagements other than examinations of prospective financial statements are not subject to the state's mandatory peer review requirement.

In Iowa, a firm's completion of a peer review program endorsed or supported by the AICPA, National Society of Accountants or other substantially similar review program approved by Iowa Accountancy Examining Board satisfies the Board's licensing requirement. The Iowa Peer Review Program operates exactly the same as the AICPA Program.

Firms enrolled in any of the three programs are required to have a peer review every three years, the scope of which 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 its peers, also known as a report acceptance body (RAB). 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 corrective or monitoring actions as a condition for acceptance of their peer review. See **Exhibit E** for a summary for required follow-up actions.

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

System Reviews: System reviews are for firms that perform engagements under the SASs or Government Auditing Standards, examination-level engagements under the SSAEs, or audits of non-SEC issuers performed pursuant to the standards of the PCAOB. The objective of a system review is to determine whether the firm's system of quality control for performing and reporting on auditing and accounting engagements is designed to ensure conformity with professional standards and whether the firm is complying with its system appropriately. The peer review report rating may be *Pass* (firm's system of quality control is adequately designed and 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).

Engagement Reviews: Engagement reviews are for firms that only perform services under SSARS or services under the SSAEs not requiring a System Review. The objective an engagement review is to determine whether the work performed and the reports and financial statements issued on particular engagements (reviews, compilations, or agreed-upon procedures) are in conformity with professional standards in all material respects. The peer review report rating may be a *Pass* (nothing came to the reviewer's attention that caused him or her 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* (nothing came to the reviewer's attention that caused him or her to believe 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* (reviewer concludes that, as a result of the deficiencies described in the report, 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 report with a rating of *Fail* is issued when deficiencies are evident on all of the engagements submitted for review.

See **Exhibit B** for a summary of results by type of peer review and report issued; **Exhibit C** for a summary of report modifications; and **Exhibit D** for a summary of engagements not performed and/or reported on in conformity with professional standards in all material respects. Note: **Exhibits C and D** relate only to system reviews.

Oversight of Peer Reviews and Peer Reviewers

Minimum Requirements

The AICPA Peer Review Program Oversight Handbook specifies certain minimum requirements for oversight. At a minimum, the Illinois CPA Society is required to conduct oversight on 2% of all peer reviews performed in a twelve-month period of time, and within the 2% selected, there must be at least two of each type of peer review evaluated (system and engagement reviews). Also, at least two “must-select” engagement oversights must be performed on an annual basis. Must-select engagements are industries that have a significant public interest, including audits of employee benefits plans under ERISA, engagements performed under GAGAS, audits of insured depository institutions subject to FDICIA, audits of carrying broker-dealers, or examinations of service organizations (Service Organization Control [SOC] 1 and 2 engagements). The two must-select oversights may be performed either on or off-site, must include a review of all peer reviewer materials and reviewed firm’s financial statements and working papers on the engagement, but may not be from the same industry.

Oversight Selection

The Illinois Peer Review Committee selects various reviews throughout the year for oversight. The selections may be random or targeted and are based on the criterion for selection as outlined in the Oversight Handbook and meet the minimum requirements discussed above.

Firms

All firms are subject to oversight and are selected based on a number of factors including but not limited to: (a) the types of peer review reports the firm has received previously; (b) whether it is the firm’s first system review (after previously having an engagement review), and/or (c) whether the firm conducts engagements in high risk industries.

Peer Reviewers

All peer reviewers are subject to oversight and are selected based on a number of factors including but not limited to: (a) random selection, (b) frequent submission of peer review reports with a rating of *pass* and few or no Matter for Further Consideration (MFC) or Finding for Further Consideration (FFC) forms, (c) conducting a significant number of reviews for firms with audits in high risk industries, (d) performance of their first peer review, and/or (e) performance of a high volume of reviews. Oversight of a reviewer can also occur due to performance deficiencies or a history of performance deficiencies, such as: (f) issuance of an inappropriate peer review report, (g) not considering matters that are deemed by the RAB or oversight reviewer to be significant, and/or (h) failure to select an appropriate number of engagements.

Oversight Process

The Illinois Peer Review Committee performs four to six on-site oversight visits each year, at least two of which include the must-select engagements discussed above. Oversight reviewers selected to perform in-the-field or must-select oversights must be qualified at the team captain level and are chosen based on geographic location, areas of expertise, and experience as a reviewer. Oversight reviewers are reimbursed for their time at a standard hourly rate plus out of pocket expenses.

The Committee also performs ten to fifteen desk oversights each year. Selections include both system and engagement reviews with different opinions, review teams and report acceptance bodies (RABs). Working papers are requested from the peer reviewer and provided to the oversight reviewer. Any comments noted by the oversight reviewer are shared with the peer reviewer and/or the RABs as feedback for future peer reviews. Agreement is obtained from the

peer reviewer on any comments that would have caused a revision in the peer review report or Finding for Further Consideration (FFC) form. Desk oversights are performed as part of the committee members' volunteer time. See **Exhibit F** for a summary of peer review oversights.

Administrative Oversight

Every two years, the Illinois CPA Society is subject to an on-site oversight visit by a member of the AICPA Oversight Task Force (OTF). In the years between OTF visits, one or more members of Illinois Peer Review Executive Committee review the administrative functions of the Illinois CPA Society peer review department and issue a report of observations and conclusions. The administrative oversight report is reviewed and approved by the Executive Committee and submitted to the AICPA as part of Society's annual peer review plan of administration. The report is also reviewed by the OTF member during his or her visit. See **Exhibit H** for dates of Illinois' most recent administrative oversights.

Verification of Peer Reviewer Resumes

To qualify as a peer reviewer, an individual must be an AICPA member and have spent the last five years in the practice of public accounting in an accounting or auditing function. All firms with which the peer reviewer is associated must have received a peer review with a rating of *Pass* on either its system or engagement review. In addition, the peer reviewer should obtain at least 48 hours of continuing professional education in subjects related to accounting and auditing every three years, with a minimum of 8 hours in any one year. A peer reviewer of an engagement in a must-select industry should possess current knowledge of professional standards and accounting practices specific to that industry as well as current practice experience in the industry. If the peer reviewer does not have such experience, the reviewer may be called upon to justify why he or she should be permitted to review engagements in that industry. The Illinois CPA Society has the authority to decide whether the review team's experience is sufficient to perform a particular review.

Ensuring that reviewers' resumes are updated annually and are accurate is a critical element in determining if the peer reviewer or review team has the appropriate knowledge and experience to perform a specific peer review. In accordance with the AICPA Peer Review Program Oversight Handbook, the Illinois CPA Society is required to verify information within a sample of reviewers' resumes on an annual basis. Resumes for all active reviewers are verified over a three-year period, with at least one-third of the resumes verified each year.

Verification procedures include:

- Obtaining specific information regarding the number of engagements a peer reviewer is involved with and in what capacity
- Comparing such information with the peer reviewer resume on file with the AICPA and the peer reviewer's firm's most recent background information to determine whether the peer reviewer's firm performed those types of engagements during its most recent peer review
- Determining a peer reviewer's qualifications and experience related to the must-select engagements discussed above
- Reviewing a list of continuing professional education (CPE) courses to determine whether the peer reviewer obtained at least 48 hours of accounting and auditing CPE over a three-year period, with at least 8 hours in any one year, including qualified reviewer training course(s) and compliance with the Yellow Book CPE requirements, if applicable. Peer reviewers may be requested to provide CPE certificates.

- Determining whether the peer reviewer is a partner, manager or supervisor in a firm enrolled in an approved peer review program
- Verifying that the peer reviewer's firm(s) received a *Pass* report on its most recent peer review

See **Exhibit G** for a summary of peer reviewer resume verifications.

Exhibit A**Number of Enrolled Firms by Number of Professionals*
As of November 7, 2016**

	AICPA Peer Review Program^	Illinois Peer Review Program~	Iowa Peer Review Program+	Total
Sole Practitioners	277	74	14	365
2-5 Professionals	464	49	20	533
6-10 Professionals	163	8	2	173
11-19 Professionals	78	2	-	80
20-49 Professionals	51	1	-	52
50-99 Professionals	8	-	-	8
100+ Professionals	3	-	-	3
No acctg or auditing	64	15	3	82
Totals	1,108	149	39	1,296

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

^ At least one owner of the firm must be a member of the AICPA to enroll in the AICPA Peer Review Program

~At least one owner of the firm must be a member of the Illinois CPA Society to enroll in the Illinois Peer Review Program

+At least one owner of the firm must be a member of the Iowa Society of CPAs to enroll in the Iowa Peer Review Program

Exhibit B

Results by Type of Peer Review and Report Issued

	2013		
	AICPA Peer Review Program^	Illinois Peer Review Program~	Total
System Reviews:			
Pass	129	6	135
Pass with deficiencies	22	4	26
Fail	7	7	14
Subtotal – System	158	17	175
Engagement Reviews:			
Pass	74	3	77
Pass with deficiencies	24	2	26
Fail	13	2	15
Subtotal – Engagement	111	7	118
Totals	269	24	293

Note: The above data reflects peer review results as of November 7, 2016.

^ At least one owner of the firm must be a member of the AICPA to enroll in the AICPA Peer Review Program

~ At least one owner of the firm must be a member of the Illinois CPA Society to enroll in the Illinois Peer Review Program

Exhibit B – Cont'd

Results by Type of Peer Review and Report Issued

	2014		
	AICPA Peer Review Program^	Illinois Peer Review Program~	Total
System Reviews:			
Pass	129	12	141
Pass with deficiencies	38	8	46
Fail	13	9	22
Subtotal – System	180	29	209
Engagement Reviews:			
Pass	88	6	94
Pass with deficiencies	21	1	22
Fail	5	-	5
Subtotal – Engagement	114	7	121
Totals	294	36	330

Note: The above data reflects peer review results as of November 7, 2016.

^ At least one owner of the firm must be a member of the AICPA to enroll in the AICPA Peer Review Program

~ At least one owner of the firm must be a member of the Illinois CPA Society to enroll in the Illinois Peer Review Program

Exhibit B – Cont'd

Results by Type of Peer Review and Report Issued

	2015			
	AICPA Peer Review Program^	Illinois Peer Review Program~	Iowa Peer Review Program+	Total
System Reviews:				
Pass	170	29	-	199
Pass with deficiencies	44	16	-	60
Fail	17	12	-	29
Subtotal – System	231	57	-	288
Engagement Reviews:				
Pass	130	18	7	155
Pass with deficiencies	17	3	-	20
Fail	7	2	-	9
Subtotal – Engagement	154	23	7	184
Totals	385	80	7	472

Note: The above data reflects peer review results as of November 7, 2016. Approximately 0% of 2015 reviews are in process.

^ At least one owner of the firm must be a member of the AICPA to enroll in the AICPA Peer Review Program

~ At least one owner of the firm must be a member of the Illinois CPA Society to enroll in the Illinois Peer Review Program

+ At least one owner of the firm must be a member of the Iowa Society of CPAs to enroll in the Iowa Peer Review Program

Exhibit C

Number and Reasons for Report Modifications – System Reviews Only

	2013		
	AICPA Peer Review Program [^]	Illinois Peer Review Program [~]	Total
Reasons for Report Modifications:			
Leadership Responsibilities for Quality Within the Firm (“Tone at the Top”)	-	4	4
Relevant Ethical Requirements	-	2	2
Acceptance & Continuance of Client Relationships and Specific Engagements	2	1	3
Human Resources	5	2	7
Engagement Performance	29	13	42
Monitoring	15	6	21
Totals	51	28	79

Note: The above data reflects peer review results as of November 7, 2016.

[^] At least one owner of the firm must be a member of the AICPA to enroll in the AICPA Peer Review Program

[~] At least one owner of the firm must be a member of the Illinois CPA Society to enroll in the Illinois Peer Review Program

Exhibit C – Cont'd

Number and Reasons for Report Modifications – System Reviews Only

	2014		
	AICPA Peer Review Program^	Illinois Peer Review Program~	Total
Reasons for Report Modifications:			
Leadership Responsibilities for Quality Within the Firm (“Tone at the Top”)	5	3	8
Relevant Ethical Requirements	1	2	3
Acceptance & Continuance of Client Relationships and Specific Engagements	9	4	13
Human Resources	13	7	20
Engagement Performance	51	17	68
Monitoring	23	7	30
Totals	102	40	142

Note: The above data reflects peer review results as of November 7, 2016.

^ At least one owner of the firm must be a member of the AICPA to enroll in the AICPA Peer Review Program

~ At least one owner of the firm must be a member of the Illinois CPA Society to enroll in the Illinois Peer Review Program

Exhibit C – Cont'd

Number and Reasons for Report Modifications – System Reviews Only

	2015			
	AICPA Peer Review Program [^]	Illinois Peer Review Program [~]	Iowa Peer Review Program ⁺	Total
Reasons for Report Modifications:				
Leadership Responsibilities for Quality Within the Firm (“Tone at the Top”)	5	3	-	8
Relevant Ethical Requirements	-	1	-	1
Acceptance & Continuance of Client Relationships and Specific Engagements	4	4	-	8
Human Resources	16	12	-	28
Engagement Performance	58	30	-	88
Monitoring	36	19	-	55
Totals	119	69	-	188

Note: The above data reflects peer review results as of November 7, 2016. Approximately 0% of 2015 reviews are in process.

[^] At least one owner of the firm must be a member of the AICPA to enroll in the AICPA Peer Review Program

[~] At least one owner of the firm must be a member of the Illinois CPA Society to enroll in the Illinois Peer Review Program

⁺ At least one owner of the firm must be a member of the Iowa Society of CPAs to enroll in the Iowa Peer Review Program

Exhibit D

Number of Engagements Not Performed or Reported on in Accordance with Professional Standards in All Material Respects – System Reviews Only

2013				
Engagement Type	AICPA Peer Review Program [^]		Illinois Peer Review Program [~]	
	Number of Engagements		Number of Engagements	
	Reviewed	Not Performed in Accordance with Professional Standards	Reviewed	Not Performed in Accordance with Professional Standards
Audits – Single Audit Act (A-133)	67	18	3	-
Audits – Governmental – All Other	50	11	3	2
Audits – ERISA	105	9	3	2
Audits – FDICIA	-	-	-	-
Audits – Carrying Broker-Dealers	1	-	-	-
Audits – Non-carrying Broker-Dealers	6	-	1	1
Audits – Other	221	26	22	14
Reviews	163	7	19	9
Compilations with Disclosures	89	5	9	3
Compilations without Disclosures	410	77	17	6
Financial Forecasts & Projections	1	-	-	-
Agreed-Upon Procedures	53	-	2	-
SOC 1 & 2 Engagements	3	-	1	-
Other SSAEs	2	-	-	-
Totals	1,171	153	80	37
% Not in Conformity with Professional Standards		13.1%		46.3%

Note: The above data reflects peer review results as of November 7, 2016. .

[^]At least one owner of the firm must be a member of the AICPA to enroll in the AICPA Peer Review Program

[~]At least one owner of the firm must be a member of the Illinois CPA Society to enroll in the Illinois Peer Review Program

Exhibit D – Cont'd

Number of Engagements Not Performed or Reported on in Accordance with Professional Standards in All Material Respects – System Reviews Only

2014				
Engagement Type	AICPA Peer Review Program [^]		Illinois Peer Review Program [~]	
	Number of Engagements		Number of Engagements	
	Reviewed	Not Performed in Accordance with Professional Standards	Reviewed	Not Performed in Accordance with Professional Standards
Audits – Single Audit Act (A-133)	69	19	3	2
Audits – Governmental – All Other	49	14	8	3
Audits – ERISA	126	39	8	8
Audits – FDICIA	1	-	-	-
Audits – Carrying Broker-Dealers	-	-	-	-
Audits – Non-carrying Broker-Dealers	11	1	-	-
Audits – Other	247	34	29	14
Reviews	182	9	15	1
Compilations with Disclosures	117	7	9	1
Compilations without Disclosures	438	54	40	7
Financial Forecasts & Projections	1	-	-	-
Agreed-Upon Procedures	53	1	2	-
SOC 1 & 2 Engagements	4	1	-	-
Other SSAEs	2	-	2	-
Totals	1,300	179	116	36
% Not in Conformity with Professional Standards		13.8%		31.0%

Note: The above data reflects peer review results as of November 7, 2016.

[^]At least one owner of the firm must be a member of the AICPA to enroll in the AICPA Peer Review Program

[~]At least one owner of the firm must be a member of the Illinois CPA Society to enroll in the Illinois Peer Review Program

Exhibit D – Cont'd

Number of Engagements Not Performed or Reported on in Accordance with Professional Standards in All Material Respects – System Reviews Only

2015						
Engagement Type	AICPA Peer Review Program [^]		Illinois Peer Review Program [~]		Iowa Peer Review Program ⁺	
	Number of Engagements		Number of Engagements		Number of Engagements	
	Reviewed	Not Performed in Accordance with Professional Standards	Reviewed	Not Performed in Accordance with Professional Standards	Reviewed	Not Performed in Accordance with Professional Standards
Audits – Single Audit Act (A-133)	95	30	4	3	-	0
Audits – Governmental – All Other	104	25	8	6	-	-
Audits – ERISA	132	40	7	3	-	-
Audits – FDICIA	1	-	-	-	-	-
Audits – Carrying Broker-Dealers	-	-	-	-	-	-
Audits – Non-carrying Broker-Dealers	1	-	-	-	-	-
Audits – Other	268	39	61	25	-	-
Reviews	233	13	49	6	1	-
Compilations with Disclosures	149	3	24	3	-	-
Compilations without Disclosures	619	43	64	6	7	-
Preparation Engagements	3	-	2	1	-	-
Financial Forecasts & Projections	7	-	1	-	-	-
Agreed-Upon Procedures	80	-	2	-	-	-
SOC 1 & 2 Engagements	2	-	-	-	-	-
Other SSAEs	5	-	-	-	-	-
Totals	1,699	193	222	53	8	-
% Not in Conformity with Professional Standards		11.4%		23.9%		0%

Note: The above data reflects peer review results as of November 7, 2016. Approximately 0% of the 2015 reviews are in progress.

[^]At least one owner of the firm must be a member of the AICPA to enroll in the AICPA Peer Review Program

[~]At least one owner of the firm must be a member of the Illinois CPA Society to enroll in the Illinois Peer Review Program

⁺At least one owner of the firm must be a member of the Iowa Society of CPAs to enroll in the Iowa Peer Review Program

Exhibit E

Summary of Required Follow-up Actions

The Peer Review Committee is authorized by the Standards to decide on the need for and nature of any additional follow-up actions required as a condition for acceptance of the firm's peer review. During the report acceptance process, the peer review committee evaluates the need for follow-up actions based on the nature, significance, pattern, and pervasiveness of engagement deficiencies. The peer review committee also considers the comments noted by the review team and the reviewed firm's responses thereto. If the firm's response contains remedial actions which are comprehensive, genuine, and feasible, the committee may decide to not recommend any further follow-up actions. Follow-up actions are remedial and educational in nature and are imposed in an attempt to strengthen the performance of the firm. A peer review can have multiple follow-up actions.

Type of Follow-up Action	2013		
	AICPA Peer Review Program [^]	Illinois Peer Review Program [~]	Total
Agree to take certain continuing professional education (CPE)	29	10	39
Agree to hire consultant for pre-issuance reviews	7	7	14
Submit proof of CPE taken	2	2	4
Submit to TC revisit – general	10	2	12
Submit to TC review of subsequent engagements w/ working papers	13	5	18
Agree to have accelerated review	2	-	2
Submit to TC review of quality control document	1	2	3
Submit to TC review of subsequent engagements w/o working papers	25	4	29
Submit monitoring report to the committee	3	-	3
Submit monitoring report to the team captain	2	-	2
Submit evidence of proper firm licensure	2	-	2
Totals	96	32	128

Note: The above data reflects peer review results as of November 7, 2016.

[^] At least one owner of the firm must be a member of the AICPA to enroll in the AICPA Peer Review Program

[~] At least one owner of the firm must be a member of the Illinois CPA Society to enroll in the Illinois Peer Review Program

Exhibit E – Cont'd

Summary of Required Follow-up Actions

The Peer Review Committee is authorized by the Standards to decide on the need for and nature of any additional follow-up actions required as a condition for acceptance of the firm's peer review. During the report acceptance process, the peer review committee evaluates the need for follow-up actions based on the nature, significance, pattern, and pervasiveness of engagement deficiencies. The peer review committee also considers the comments noted by the review team and the reviewed firm's responses thereto. If the firm's response contains remedial actions which are comprehensive, genuine, and feasible, the committee may decide to not recommend any further follow-up actions. Follow-up actions are remedial and educational in nature and are imposed in an attempt to strengthen the performance of the firm. A peer review can have multiple follow-up actions.

Type of Follow-up Action	2014		
	AICPA Peer Review Program^	Illinois Peer Review Program~	Total
Agree to take certain continuing professional education (CPE)	48	13	61
Agree to hire consultant for pre-issuance reviews	2	1	3
Submit proof of CPE taken	5	1	6
Submit to TC revisit – general	20	10	30
Submit to TC review of subsequent engagements w/ working papers	33	3	36
Agree to have accelerated review	2	1	3
Submit to TC review of quality control document	1	1	2
Submit to TC review of subsequent engagements w/o working papers	9	2	11
Submit monitoring report to the committee	-	1	1
Submit monitoring report to the team captain	3	-	3
Submit evidence of proper firm licensure	1	1	2
Totals	124	34	158

Note: The above data reflects peer review results as of November 7, 2016.

^ At least one owner of the firm must be a member of the AICPA to enroll in the AICPA Peer Review Program

~At least one owner of the firm must be a member of the Illinois CPA Society to enroll in the Illinois Peer Review Program

Exhibit E – Cont'd

Summary of Required Follow-up Actions

The Peer Review Committee is authorized by the Standards to decide on the need for and nature of any additional follow-up actions required as a condition for acceptance of the firm's peer review. During the report acceptance process, the peer review committee evaluates the need for follow-up actions based on the nature, significance, pattern, and pervasiveness of engagement deficiencies. The peer review committee also considers the comments noted by the review team and the reviewed firm's responses thereto. If the firm's response contains remedial actions which are comprehensive, genuine, and feasible, the committee may decide to not recommend any further follow-up actions. Follow-up actions are remedial and educational in nature and are imposed in an attempt to strengthen the performance of the firm. A peer review can have multiple follow-up actions.

Type of Follow-up Action	2015			
	AICPA Peer Review Program^	Illinois Peer Review Program~	Iowa Peer Review Program+	Total
Agree to take certain continuing professional education (CPE)	68	39	-	107
Agree to hire consultant for pre-issuance reviews	5	2	-	7
Submit proof of CPE taken	5	1	-	6
Submit to TC revisit – general	25	19	-	44
Submit to TC review of subsequent engagements w/ working papers	34	13	-	47
Agree to have accelerated review	1	-	-	1
Submit to TC review of quality control document	3	2	-	5
Submit to TC review of subsequent engagements w/o working papers	7	2	-	9
Submit monitoring report to the committee	2	1	-	3
Submit monitoring report to the team captain	1	-	-	1
Oversight of monitoring by the team captain	1	-	-	1
Submit evidence of proper firm licensure	3	8	-	11
Agree to join Employee Benefit Plan Audit Quality Center	1	-	-	1
Agree to join Government Audit Quality Center	1	-	-	1
Totals	157	87	-	244

Note: The above data reflects peer review results as of November 7, 2016. Approximately 0% of 2015 reviews are in process.

^ At least one owner of the firm must be a member of the AICPA to enroll in the AICPA Peer Review Program

~ At least one owner of the firm must be a member of the Illinois CPA Society to enroll in the Illinois Peer Review Program

+ At least one owner of the firm must be a member of the Iowa Society of CPAs to enroll in the Iowa Peer Review Program

Exhibit F

Oversight of Peer Reviews

	2013		
	AICPA Peer Review Program [^]	Illinois Peer Review Program [~]	Total
Type of Peer Review:			
System	10	1	11
Engagement	4	1	5
Totals	14	2	16
Type of Oversight Review:			
On-site	6	-	6
Desk	8	2	10
Totals	14	2	16
“Must Select” Engagements Included in the Above Oversight Reviews:			
ERISA	2	-	2
GAGAS	2	-	2
FDICIA	-	-	-
Carrying Broker-Dealer	-	-	-
SOC 1 & 2 Engagement	-	-	-
Totals	4	-	4

[^] At least one owner of the firm must be a member of the AICPA to enroll in the AICPA Peer Review Program

[~] At least one owner of the firm must be a member of the Illinois CPA Society to enroll in the Illinois Peer Review Program

Exhibit F – Cont'd

Oversight of Peer Reviews

	2014		
	AICPA Peer Review Program^	Illinois Peer Review Program~	Total
Type of Peer Review:			
System	10	1	11
Engagement	2	-	2
Totals	12	1	13
Type of Oversight Review:			
On-site	3	1	4
Desk	9	-	9
Totals	12	1	13
"Must Select" Engagements Included in the Above Oversight Reviews:			
ERISA	1	1	2
GAGAS	2	-	2
FDICIA	-	-	-
Carrying Broker-Dealer	-	-	-
SOC 1 & 2 Engagement	-	-	-
Totals	3	1	4

^ At least one owner of the firm must be a member of the AICPA to enroll in the AICPA Peer Review Program

~At least one owner of the firm must be a member of the Illinois CPA Society to enroll in the Illinois Peer Review Program

Exhibit F – Cont'd

Oversight of Peer Reviews

	2015			
	AICPA Peer Review Program^	Illinois Peer Review Program~	Iowa Peer Review Program+	Total
Type of Peer Review:				
System	9	-	-	9
Engagement	5	-	-	5
Totals	14	-	-	14
Type of Oversight Review:				
On-site	3	-	-	3
Must-select engagement review	1	-	-	1
Full working paper review by technical reviewer	1	-	-	1
Desk	9	-	-	9
Totals	14	-	-	14
"Must Select" Engagements Included in the Above Oversight Reviews:				
ERISA	3	-	-	3
GAGAS	3	-	-	3
FDICIA	-	-	-	-
Carrying Broker-Dealer	-	-	-	-
SOC 1 & 2 Engagement	-	-	-	-
Totals	6	-	-	6

^ At least one owner of the firm must be a member of the AICPA to enroll in the AICPA Peer Review Program

~At least one owner of the firm must be a member of the Illinois CPA Society to enroll in the Illinois Peer Review Program

+At least one owner of the firm must be a member of the Iowa Society of CPAs to enroll in the Iowa Peer Review Program

Exhibit G

Verification of Peer Reviewer Resumes

	2013	2014	2015#
Total Number of Active Peer Reviewers	95	93	117
Number of Reviewer Resumes Tested	27	41	39
% of Reviewers Tested	28%	44%	33%

Includes active Iowa peer reviewers

Exhibit H

Administrative Oversight

Date of last administrative oversight performed by the Illinois Peer Review Executive Committee	November 17, 2016
Date of last AICPA Oversight Task Force Visit (covers only the AICPA Peer Review Program)	October 9, 2015