

**Tennessee Society of CPAs (TSCPA) Peer Review
Annual Report on Peer Review Activities
Issued: March 31, 2026**

I. Administering Entity Oversight Process and Procedures

The TSCPA Peer Review Oversight Policy is attached.

II. Summary of the Peer Review Program

- 1) Number of firms enrolled and name of peer review program administered:

424 firms enrolled, AICPA Peer Review Program*

**38 are classified as No A&A firms*

- 2) Results of Peer Reviews Accepted During the Year _____2025_____

- a) Results by Type of Peer Review and Report Issued

System Reviews		%
Pass	40	87%
Pass with deficiency(ies)	2	4%
Fail	4	9%
Total	46	
Engagement Reviews		%
Pass	87	90%
Pass with deficiency(ies)	5	5%
Fail	5	5%
Total	97	

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

Engagement performance	6
Monitoring	5
Human resources	2
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
Total	16

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	11	2	18%
Government Auditing Standards – All Other	29	1	3%
ERISA	21	2	10%
FDICIA	0	0	0%
Other	53	8	15%
Reviews	99	13	13%
Compilations and Preparations:			
With Disclosures	44	2	5%
Omit Disclosures	175	5	3%
Financial Forecasts & Projections	0	0	0%
SOC Reports	2	1	50%
Agreed Upon Procedures	13	0	0%
Other SSAEs	1	0	0%
Totals	448	34	8%

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	27
Agree to pre-issuance reviews	18
Agree to post-issuance reviews	1
Agree to review of remedial actions	1
Submit a CPE Plan to the Committee	1
Join EBPAQC	1
Other	1
Submit to review of nonconforming engagements	0
Submit monitoring or inspection report to Team Captain or Peer Review Committee	0
Submit to outside party revisit	0
Elect to have accelerated review	0

Submit evidence of proper firm licensure	0
Firm has represented in writing they no longer perform or are engaged to perform any engagements subject to peer review	0
Agree to hire outside party or consultant for inspection	0
Team Captain to review Quality Control Document	0
Submit proof of purchase of manuals	0
Total	50

III. Oversight Process

Oversight Results

a) Peer reviews

Type of Peer Review	Must-Select Engagement (GAGAS, ERISA, FDICIA, SOC)	Total Oversights
System		2
Engagement		2

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](#).

TSCPA Peer Review Committee

Guidelines for Oversight of the Peer Review Program

In conjunction with the Committee's administration of the AICPA Peer Review Program, the Committee has accepted responsibility to ensure that:

- Reviews are administered in compliance with the administrative procedures established by the AICPA Peer Review Board.
- Reviews are being performed and reported upon in accordance with the *Standards for Performing and Reporting on Peer Reviews*.
- Review results are being evaluated on a consistent basis.
- Information disseminated by the Tennessee Society of CPAs with respect to peer reviews is current and accurate.

This responsibility involves a need to oversight selected peer reviews and selected peer reviewers in both a random and an as-needed basis.

During the selection process, special consideration will be given to firms and/or reviewers who appear in the referral database of the AICPA. Special consideration will also be given to reviews performed by Committee members or reviews performed on Committee members' firms. Additionally, the Committee Chair will be subject to an oversight at least once during their term as Chair. Chair terms typically are 3 years in duration.

Additional optional oversight procedures, including resume verification may be executed at the direction of the CPA on Staff, Committee and / or Technical Reviewers in accordance with guidance from the AICPA Peer Review Board.

In fulfilling its oversight responsibilities the Committee will be guided by Chapter 2 "Administering Entities' Oversight Requirements" in the *AICPA Peer Review Program Oversight Handbook*, which states that Oversight will be performed on a minimum of 2% of all reviews administered annually and will include a minimum of two system (on-site) reviews. These oversights will include peer reviewer materials involving the selected engagement and the reviewed firm's reports and related financial statements and the underlying working papers.

Reasonable deviations from or modifications to this guidance are allowed if directed by the Committee Chair. Periodically or no less than annually, the Committee Chair or his/her designee will report to the Committee on the extent of and results of recent administrative oversight procedures.

Reviewed: Aug. 28, 2024

Revised: September 28, 2022

Revised: October 4, 2019

Revised: November 29, 2012

Adopted: December 15, 2005