

**Michigan Association of CPAs**  
**Annual Report on Peer Review Activities**  
**For Peer Review accepted from 1/1/2025 – 12/31/2025**  
**Date Issued: January 13, 2026**

## **I. Administering Entity Oversight Process and Procedures**

In accordance with the AICPA Peer Review Program Standards, all peer reviews and peer reviewers are subject to oversight. The MICPA will conduct annual oversights on a sample of reviews/reviewers as dictated in Program Standards.

A member of the MICPA Peer Review Report Acceptance Body (RAB) or designee will perform the oversight. Both firms and peer reviewers are subject to oversight.

Oversights may include visiting the firm as part of the peer review process or reviewing specific engagements. Oversights may also be performed after a review is complete. The oversight reviewer will follow the guidance laid out in the AICPA Peer Review oversight manual to conduct the oversight.

Firms may be selected for oversight based on several factors included by not limited to the type of peer review reports received in the past, high risk engagements, a firm's first peer review, or just by random selection.

Reviewers may be selected for oversight due to factors such as but not limited to, frequent submission of pass reports, conducting reviews for firms with audits in high-risk industries, past performance deficiencies, or random selection.

## **II. Summary of Peer Review Program(s)**

- 1) The Michigan Association of CPAs administers the AICPA Peer Review Program for firms whose main office is in Michigan. Currently there are 535 firms enrolled in the program.
- 2) Results of Peer Reviews Accepted During the Year 2025 (there were 210 Peer Reviews accepted during this time period)

a) Results by Type of Peer Review and Report Issued

	<b>AICPA Peer Review Program</b>	
<b>System Reviews</b>		%
Pass	66	82%
Pass with deficiency(ies)	10	12%
Fail	5	6%
Total	81	
<b>Engagement Reviews</b>		%
Pass	119	92%
Pass with deficiency(ies)	6	5%
Fail	4	3%
Total	129	

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

	<b>AICPA Peer Review Program</b>
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	9
Engagement performance	10
Monitoring	3
<b>Total</b>	<b>25</b>

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

Engagement Type	AICPA Peer Review Program		
	Number of Engagements		
	Reviewed	Nonconforming engagements	
Audits:			
Single Audit	30	8	27%
Government Auditing Standards – All Other	24	1	4%
ERISA	32	3	9%
Other	96	20	21%
Reviews	126	12	10%
Compilations and Preparations:	77	5	6%
Comps With Disclosures			
Comps Omit Disclosures	222	4	2%
Preps with Disclosures	3	0	0
Preps without Disclosures	20	0	0
SOC Reports	4	3	75%
Agreed Upon Procedures	33	2	6%
<b>Totals</b>	667	58	9%

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

Type of Follow-Up Action	AICPA Peer Review Program
Agree to take/submit proof of certain CPE	45
Submit to review of nonconforming engagements	0
Agree to pre-issuance reviews	13
Agree to post-issuance reviews	13
Agree to review of remedial actions	10
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	1

Firm has represented in writing they no longer perform or are engaged to perform any engagements subject to peer review	1
Agree to hire outside party or consultant for inspection	0
Team Captain to review Quality Control Document	1
Submit proof of purchase of manuals	0
Agree to join an Audit Quality Center	1
Other	2
Total	87

### III. Oversight Process

#### Oversight Results

##### a) Peer reviews

##### AICPA Peer Review Program Firms

Type of Peer Review	Must Select Engagement (GAGAS, ERISA, FDICIA, SOC)	Total Oversight
System	1 ERISA, 1 other	2
Engagement		2

##### b) Oversight Performed on the AE

The results of our most recent oversight performed by the AICPA Oversight Task Force, which covers only the AICPA Peer Review Program, are available on the [AICPA's website](#).