

Oversight Handbook Exhibit 2-32

Florida Institute of CPAs

Annual Report on Peer Review Activities For the Year Ended December 31, 2025

I. Administering Entity Oversight Process and Procedures

General Oversight Policy

PR-C 400.06 requires an administering entity to annually submit a comprehensive and written oversight program that meets minimum requirements established by the board and ensures the program is performed in accordance with standards. (Ref: par.. A7)

The following outlines the policies and procedures used by the Florida Institute of CPAs (FICPA) Peer Review Committee (committee) in fulfilling its oversight responsibilities.

Types of Oversight: There are three types of oversights performed.

- Oversight of Peer Reviews
 - Oversight of Reviewers
 - Administrative Entity Oversight
1. **Oversight of Peer Reviews** – Annually, the FICPA will perform random and targeted oversights on reviews and reviewers. The selections are based on the criterion for selection as outlined in the AICPA Peer Review Program Oversight Handbook (“Handbook”), Chapter 2. At least 2% of all reviews performed in a calendar year are subject to oversight and will include at least two system and two engagement reviews. At a minimum, two system review oversights should be complete oversights and not just engagement specific oversights. The Committee and any Report Acceptance Body (RAB) may also recommend oversight on a particular review, or reviewer, at any of their meetings. Recommendations on oversights are considered and approved by the full committee or its designee.

Each committee member, as part of his or her committee service, is expected to participate on at least one oversight during his or her three-year committee term.

Peer Review Oversight Policies and Procedures

1. Priorities for oversight:
 - a. Problem reviews or reviewers
 - b. Problem firms
 - c. Frequent reviewers or reviewers with excessive experience listed on their resume

- d. Firms of frequent reviewers
 - e. New reviewers
 - f. Random or risk-based selection using the risk criteria described in Chapter 2 of the Handbook
2. Process for recommending oversight:
- a. On an annual basis, FICPA staff and the executive committee will make recommendations to the full committee regarding reviewers and firms to be considered for oversight.
 - b. The committee or a RAB may approve a specific review for oversight or recommend that a particular reviewer be subject to oversight on a future review.
3. Frequency of selection:
- a. Reevaluated at each full committee meeting, as needed, using a risk-based approach considering the number of reviews administered by FICPA.
 - b. For each state, in which the program is administered by the FICPA, reviews selected for oversight will include the following minimum selections, unless otherwise approved by the AICPA OTF:
 - i. At least two percent of total reviews
 - ii. At least two of each type of review (system and engagement)
 - c. As permitted by the Handbook, the committee may annually request a waiver of these minimum selections from AICPA's OTF for those states where fewer than 100 reviews are administered annually by FICPA.
4. Individuals performing oversight:
- a. System review on-site oversights – performed by committee members who meet the requirements of a team captain. FICPA technical staff may also participate in an unofficial capacity.
 - b. Engagement review oversights – performed by committee members, FICPA technical staff, or other designee.
 - c. For system review on-site or full working paper (off-site) engagement oversights, the individual performing the oversight should have recent experience (within the last two years) in the “must-select” engagement’s industry.
 - d. Individuals who oversight a peer review, at the request of the committee, can participate in or be present during any discussion related to the acceptance of the peer review of the firm subject to oversight but is not able to vote on any motion related to the review.
5. Materials reviewed during oversight:
- a. All oversights will encompass all steps included on the oversight checklists provided by the AICPA OTF.
 - b. Engagement review oversights will also include a review of the related firm’s report and financial statements.
 - c. Engagement specific oversights of system reviews will include all working papers included on the appropriate AICPA working paper oversight list, as well as the report,

financial statements and related working papers of the firm that was reviewed during the peer review.

2. **Oversight of Reviewers**– In May 2022 the AICPA Peer Review Board agreed to permanently suspend nine of the eleven resume verification procedures that are automatically checked during the peer review scheduling process in PRIMA based on information entered by the reviewer in his or her resume. The only current manual resume verification process that remains is verifying a reviewer’s compliance with 1) Continuing professional education (CPE) requirements, and 2) Yellow Book CPE requirements, if applicable.

The Oversight Task Force recommended continuing the manual process for the two items above when circumstances warrant.

3. **Administrative Entity Oversight** – The committee provides ongoing oversight of the administering entity (FICPA). Statistics pertaining to the status of open reviews and the processing turnaround time for reviews is presented at each full committee meeting. Additionally, an on-site oversight is performed every three years by the AICPA’s Oversight Taskforce (OTF). An internal administrative review is to be performed by the FICPA Peer Review Committee Chair at least once during the Chair’s two-year term in years not coinciding with the AICPA AE Oversight. The Committee Chair has an option to perform such a review annually with significant staff changes. Although the OTF has permanently removed the requirement for Administrative Oversight by the AE, the FICPA has elected to continue this requirement. The following items are considered in connection with this review, in addition to the items specified in Chapter 2 of AICPA’s Oversight Handbook (handbook),

- Administrative procedures:
 - Policies & procedures for granting extensions
 - Timeliness of scheduling and technical review processes, and the preparation of acceptance and follow-up letters
 - Appropriate and timely follow-up on assigned corrective actions
 - Cross-training procedures
- Content of web site includes accurate and timely information
- Work paper retention policies are being followed
- Technical review procedures
- Presentation and acceptance of reviews on a timely and consistent basis
- Reviewer feedback and deficiency letters policies
- Formal and well-documented oversight program

The FICPA shall also compile an annual oversight report, based on current AICPA guidance. The annual report shall be presented to the full committee for approval and posted to the website upon approval.

Monitoring & Administration - The oversight program will be coordinated and scheduled by the FICPA staff as the administering entity under the direction of the FICPA Peer Review Committee. The Peer Review Executive Committee monitors the oversight program, evaluating reviews for consistency in the treatment of identified matters and findings, and other duties, as specified by the committee.

II. Summary of the Peer Review Program

- 1) The Florida Institute of CPAs (FICPA) serves as the administering entity for firms enrolled in the AICPA Peer Review Program in the State of Florida. The State of Florida requires firms to enroll in an approved practice monitoring program (aka peer review) if it performs audits and/or attestation engagements. All firms under the state requirement are enrolled in the AICPA Peer Review Program, whether they are members of the AICPA or not.

As of February 23, 2026, the FICPA currently administers 761 firms enrolled in the AICPA Peer Review Program.

- 2) Results of Peer Reviews Accepted During the Calendar Year 2025.

a) Results by Type of Peer Review and Report Issued

System Reviews		%
Pass	133	85%
Pass with deficiency(ies)	14	9%
Fail	9	6%
Total	156	
Engagement Reviews		%
Pass	104	91%
Pass with deficiency(ies)	8	7%
Fail	2	2%
Total	114	

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

Leadership responsibilities for quality within the firm (“the tone at the top”)	6
Relevant ethical requirements	4
Acceptance and continuance of client relationships and specific engagements	4
Human resources	13
Engagement performance	20
Monitoring	12
Total	59

- 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	48	8	17%
Government Auditing Standards – All Other	78	7	9%
ERISA	64	11	17%
FDICIA	0	0	0%
Other	189	21	11%
Reviews	173	15	9%
Compilations and Preparations:			
With Disclosures	110	4	4%
Omit Disclosures	278	13	5%
Financial Forecasts & Projections	0	0	0%
SOC Reports	8	0	0%
Agreed Upon Procedures	74	3	4%
Other SSAEs	6	0	0%
Totals	1028	82	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	58
Submit to review of nonconforming engagements	7
Agree to pre-issuance reviews	5
Agree to post-issuance reviews	41
Agree to review of remedial actions	4
Submit monitoring or inspection report to Team Captain or Peer Review Committee	11
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	0
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	0
Other	
Total	128

III. Oversight Process

Oversight Results

a) Peer reviews

Type of Peer Review	Total Oversights
System	6
Engagement	4

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](#).