

June 21, 2023

REQUEST FOR INFORMATION (RFI)

Accounting peer review program

ANNOUNCEMENT

The Washington State Board of Accountancy is charged with protection of the public interest and ensuring the dependability of information used for guidance in financial transactions or for accounting for or assessing the status or performance of commercial and noncommercial enterprises.

The Board is seeking information to create proposals for the design and third-party administration of a limited scope peer review program.

BACKGROUND

The Board relies on third-party quality assurance programs, such as peer review, to monitor CPA firm's or individual CPA's compliance with audit, compilation, review, and other attestation standards.

A peer review is an external review of a CPA firm's or individual CPA's quality control system in accounting and auditing practices. The peer reviewer examines issued work product, workpapers, and internal firm processes and issues a final score of pass, fail, or pass with deficiencies. The reviewer also recommends required quality or training improvements if any work is found to be substandard. The peer reviewer's report and other documents are made available to the Board as part of the license renewal process.

All firms licensed in Washington State offering and/or performing attest services or compilation services, or other professional services for which a report expressing assurance is prescribed by professional standards, are required to participate in a Board-approved peer review program as a condition of renewing each CPA firm license.

Small local firms in Washington have expressed an interest in an alternative program that is designed for smaller firms who provide limited amounts of compilation only services to Washington clients.

The Board is seeking requests for information for the design and third-party administration of a limited scope peer review program. The limitations include:

- The program would be limited to Washington firms that only provide compilation services to Washington domiciled clients.

Accounting peer review program

June 21, 2023

Page 2

- Washington firms that provide any audits and reviews would be excluded from this program and required to use an existing program administered by the American Institute of Certified Public Accountants (AICPA).
- Washington firms that provide compilation services to clients domiciled in other states would be excluded from this program and required to use the AICPA program.
- Washington firms or CPAs that are members of the AICPA are required by virtue of that membership to use the AICPA program and would therefore be excluded from this program.

Any firm or persons administering the program would not be required to be licensed CPA or a CPA firm. However, any administrator would need a sufficient understanding of the Statements on Standards for Accounting and Review Services, other relevant requirements, and related professional standards.

Like the AICPA program, the administrator would issue participants a score of pass, pass with deficiencies, and or fail, and for the latter two scores, make recommendations for required quality improvements by the reviewed firm.

QUESTIONS

The Board would appreciate your thoughts, input and comments related to the program, and how the program could be designed and administered.

RFI PROCESS

Responses to this RFI should be submitted electronically to the RFI Coordinator listed below no later than July 21, 2023.

A response to this RFI is not a mandatory requirement for participation in any subsequent solicitations released by the State of Washington. The results of this RFI may be used in the development of future solicitations. All vendor communications concerning this RFI must be directed to the RFI Coordinator.

Jennifer Sciba

RFI Coordinator

Board of Accountancy

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PUBLIC RECORDS

The vendor acknowledges that state agencies are subject to Chapter 42.56 RCW, the Public Disclosure Act. Vendor responses to this RFI will become public record as defined in the RCW. For the purposes of this RFI no information considered confidential or proprietary should be included.

NO OBLIGATION TO CONTRACT

Release of this RFI in no way obligates the State of Washington to award a contract.

TO SUMMARIZE

The state of Washington appreciates your thoughts and input and would also welcome any additional thoughts and comments related to this commodity.