FREQUENTLY ASKED QUESTIONS
AICPA Peer Review Fee to Enhance Audit Quality

Q. What is the peer review enhancing audit quality fee?

A. The peer review enhancing audit quality fee is billed annually by the AICPA to provide the investment required for a more robust Peer Review Program (Program), a major component of the AICPA’s Enhancing Audit Quality (EAQ) initiative.

Q. How will the peer review enhancing audit quality fee be used?

A. The fee is used to support the Program’s ongoing initiatives to drive audit quality, including, but not limited to:
   - Developing tools and resources for firms, auditees and other stakeholders to support quality improvement where it’s most needed
   - The Enhanced Oversight Program: surprise inspections of engagements previously reviewed by peer reviewers to identify instances where firms have failed to perform audit engagements in conformity with professional standards (in all material respects) and peer reviewers have failed to detect this non-conformity
   - Additional training and remediation for firms and peer reviewers
   - Initiatives to increase the likelihood that firms that should be enrolled in Peer Review are enrolled and that all engagements that should be included in Peer Review scope are included
   - Investments in technology to facilitate, advance and modernize the Program

Q. Why is the AICPA focused on enhancing audit quality?

A. Audited information provides valuable insights to businesses, investors and the community. The EAQ initiative, launched in 2014, supports the CPA profession’s commitment to performing high-quality audits. EAQ uses a holistic, data-driven approach to detect quality trends and develop related resources and education for auditors, auditees and other stakeholders.

Q. What progress has the Program made toward greater audit quality since the launch of the EAQ initiative?

A. Numerous reforms have been enacted to increase the Program’s effectiveness, including:
   - More effective remediation for peer reviewers
   - New peer reviewer qualifications, including enhanced training requirements
   - More robust reviews of firms’ quality control systems
   - More effective remediation for firms, and increased accountability in instances of non-cooperation
• Clarifications to the peer review report and firms’ representation letters

These reforms have been working. When the EAQ initiative began in 2014, peer reviewers were catching 22% of all the non-conformity that exists in practice. Today, that number has more than tripled to 80%. As Peer Review continues to move through its three-year cycle and reviewers continue to improve their detection of quality issues, more firms will get the necessary feedback to enhance their performance, leading to elevated quality over time.

Q. Which firms are subject to the peer review enhancing audit quality fee?

A. All firms enrolled in the Program that perform engagements requiring the firm to undergo a system review are required to pay the fee annually.

Q. How much is the peer review enhancing audit quality fee?

A. The fee varies based on the number of CPAs employed by a firm, as follows:

<table>
<thead>
<tr>
<th>Number of CPAs</th>
<th>Cost Per Firm</th>
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</thead>
<tbody>
<tr>
<td>Sole Practitioner</td>
<td>$90</td>
</tr>
<tr>
<td>2-10</td>
<td>$380</td>
</tr>
<tr>
<td>11-49</td>
<td>$1,470</td>
</tr>
<tr>
<td>50-99</td>
<td>$3,570</td>
</tr>
<tr>
<td>100-399</td>
<td>$8,925</td>
</tr>
<tr>
<td>400-999</td>
<td>$12,075</td>
</tr>
<tr>
<td>1,000+</td>
<td>$17,850</td>
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Q. When do the invoices need to be paid?

A. Remittance for the fee to support Program improvements for the period of August 1, 2021 to July 31, 2022 is due November 30, 2021.

Q. How can I get additional information on the peer review enhancing audit quality fee?

A. If you have further questions or require additional information, contact prsupport@aicpa.org or 919.402.4502.