

## **The Benefits of Peer Review**

Peer Review is a process which applies to all Certified Public Accountants who prepare financial statements. With the authority of the American Institute of Certified Public Accountants (AICPA), each CPA firm is required to let another CPA firm have access to their files and review its work once every three years for the purpose of reporting on the quality of their work to the state in which the firm operates. For most CPA firms, this is a welcome but tense process. Although usually open to ideas and suggestions to help improve efficiency and quality, it is also a tense period because obviously nobody wants to fail their review. Paresky Flitt & Company LLP (PFC) successfully passed every peer review we have had, including our most recent review during 2009.

For the past few years, PFC partner Chris Jones and I have qualified to be on the AICPA approved list of peer reviewers and have gone into other accounting firms to evaluate the quality of their work. This has been a mutually beneficial experience as it gives us insight into how other CPA firms conduct the audit and accounting portion of their practice and how they meet the high level of quality control established by the AICPA. Chris and I have been able to share insight we have gathered through what we have seen in the industry with other CPA's, providing them with ideas and examples of how they can become more efficient and improve client value in their firm. At the same time, we can get ideas from other firms to help PFC improve.

Since December 2008 I have been honored to be a part of the Massachusetts Society of Certified Public Accountants Review Approval Board (RAB). The RAB actually approves the work of the peer reviewers and acts as an intermediary to resolve conflicts that occur between reviewers and CPA firms. Working with other CPA's on the RAB has given me a strong appreciation for how our industry works together to improve our profession as a whole. It has also given me tremendous insight to the quality and professionalism of many firms. One of the most satisfying aspects of my involvement with peer review and the RAB is helping peers in my profession handle particular situations and enlighten them to procedures and trends in the industry to streamline workflow and improve quality. I have been able to apply this knowledge to our clients, making sure their financial statements contain proper classifications and all required disclosures. We take pride in hearing a third party user, such as a bank loan officer, comment on how thorough and professional our financial statements appear. My work on the RAB is on a volunteer basis in nature, but the knowledge and experience I gain and using that knowledge to help other professionals and our clients, is truly invaluable.

Our firm is committed to our product. We strive to be the best firm that we can be. But we also help other firms try to improve as well. Our belief is that through the sharing of experience and knowledge, CPA's can help each other and benefit our clients and the business world as well. It is a situation where everybody wins.