

TXCPA Executive Board Peer Review Resolution
TXCPA Member Firms Enrolled in the TXCPA Peer Review Program
(Adopted November 12, 2004 with amendments through January 1, 2009)

WHEREAS, a firm enrolled in the Texas Society of CPAs (TXCPA) peer review program is required to have a peer review once every three years performed in conformity with the AICPA *Standards for Performing and Reporting on Peer Reviews*; and

WHEREAS, a firm enrolled in the TXCPA peer review program is required under the TXCPA Bylaws to cooperate with the Society in all matters related to the review;

NOW, THEREFORE, BE IT RESOLVED: A firm that fails to cooperate with the Peer Review Committee (Committee) will be notified that the Committee will consider whether the firm's enrollment in the peer review program should be terminated and may not resign from the program until the matter has been resolved. If the Committee proposes to terminate a firm from the peer review program the matter will be referred to the TXCPA Executive Board for final approval; and

BE IT FURTHER RESOLVED: The following is a non-exclusive list of items that will be deemed to constitute failure by a firm to cooperate with the Committee: (1) failing to timely file with the Committee the report and the response thereto related to its peer review, if applicable (2) failing to timely acknowledge and complete required corrective or monitoring actions, or (3) failing to receive a report with a rating of pass after (a) receiving at least two consecutive peer reviews prior to the third that had a report with a rating of pass with deficiencies and/or fail (previously referred to as modified or adverse) and (b) receiving notification after the second consecutive report with a peer review rating of pass with deficiencies and/or fail (previously referred to as modified or adverse reports), that a third consecutive failure to receive a report with a peer review rating of pass (previously referred to as an unmodified peer review report) may be considered a failure to cooperate. Report reviews containing significant comments are considered equivalent to failing to receive a report with a peer review rating of pass (previously referred to as an unmodified report) for the purposes of this resolution; and timely pay in full the fees and expenses of the review team formed by the Committee, or timely pay fees related to the administration of the program that have been authorized by the TXCPA Executive Board.

BE IT FURTHER RESOLVED: The Committee has the authority to determine if a firm's response is sufficiently substantive. If the Committee determines that a response is not sufficiently substantive, and the firm does not adequately revise its response or submits additional responses to the satisfaction of the Committee, this would also be deemed a firm's failure to cooperate; and

BE IT FURTHER RESOLVED: A firm's enrollment in the TXCPA peer review program may be terminated by the Executive Board for failure to cooperate with the Committee; and

BE IT FURTHER RESOLVED: Pursuant to the TXCPA Bylaws, the fact that a firm's enrollment in the TXCPA peer review program has been terminated will be published in such form and manner as the Executive Board may determine.