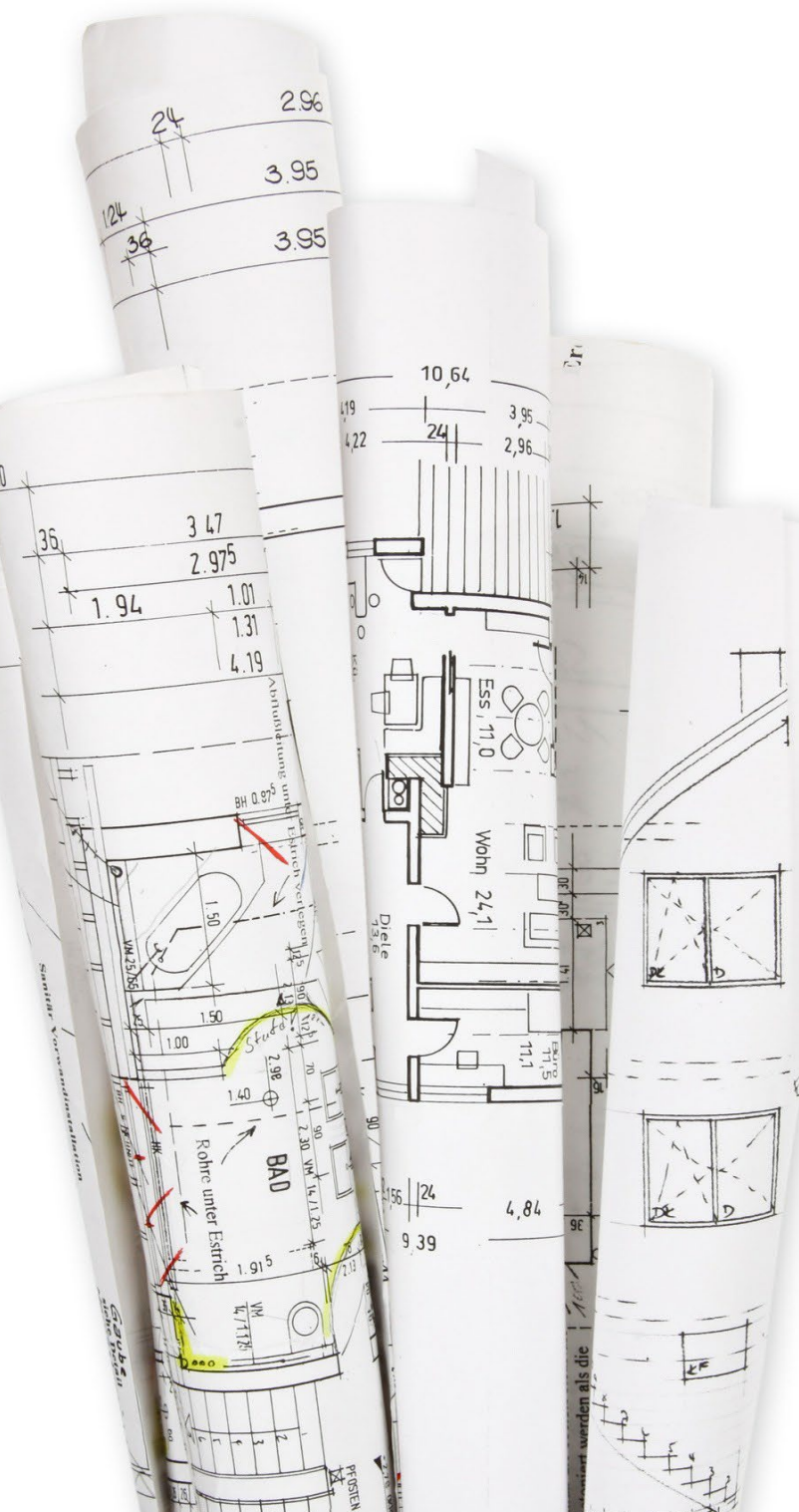


# BUILDING BLOCKS

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## Peer Review of Professional Design Firms. *IS IT WORTH THE EFFORT, TIME & MONEY?*

By: *Eric O. Pempus, FAIA, Esq., NCARB*  
*DesignPro Insurance Group*

Last month our Building Blocks' June 2023 risk management article focused on **project** peer reviews. This month's risk management article takes a different view—focusing on peer reviews of **professional design firms**, otherwise known as an “organizational peer review.” Reviews are intended to be a thorough, frank, and honest assessment of a firm seeking improvement of their organization.

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Quotations from the American Institute of Architects' *The Architect's Handbook of Professional Practice*, 14<sup>th</sup> Edition, page 143, chapter 4.6, "Firm Peer Review:"

"Our peer review was most helpful in pointing out various weaknesses in the firm's operations, but also assisted morale by being complimentary about the firm's strong points." James Z.

"Although the two-day session seemed brief, it provided our firm with an overall perspective on where our firm is and what we can do to make it better. We have since prioritized fifty issues to be addressed, primarily within the next 120 days, as part of our ongoing effort to improve the quality of our firm." Robert O.

"The process has really energized my staff and managers. We have already begun to talk about our strategic planning process." Charles E.

Sources for a firm peer review include:

### THE ORGANIZATIONAL PEER REVIEW PROGRAM

The American Institute of Architects (AIA), in conjunction with the American Council of Engineering Companies (ACEC) has cosponsored the "Organizational Peer Review" (OPR) Program for architectural and engineering firms since 1987. The idea behind the program is that peer firms are uniquely able to help each other. No one can provide more honest feedback on a firm's operations than a fellow design professional who understands how a design firm works, and the issues and constraints it faces.



The OPR Program provides architectural and engineering firms an opportunity for a comprehensive, object, and confidential appraisal of all aspects of their organization. The program can serve as a useful tool to help firms redefine or redirect their practices.

*David L. Hoffman, FAIA, The Architect's Handbook of professional Practice, 14<sup>th</sup> Edition, AIA*

The OPR Program started as an informal arrangement between ACEC member firms that recognized the need for a relatively quick, inexpensive, and insightful way to get a snapshot of how their firms were doing, relative to their peer firms.

<https://fumchurch.com/youth/impact/dont-forget/>

### BY ANALOGY, OTHER PROFESSIONAL FIRMS CONDUCT A SIMILAR PROCESS

Design firms are not the only professional organizations that benefit from peer reviews. According to the CPA firm Deming, Malone, Livesay + Ostroff:

The American Institute of Certified Public Accountants (AICPA) requires all CPAs and public accounting firms that are performing services to undergo an in-depth peer review process every three years. The purpose: to ensure that every individual CPA or CPA firm's accounting and auditing services meet the AICPA's quality control standards. The CPA peer review process typically covers three essential areas:

1. review of all organizational or functional levels within the firm
2. review of selected engagement working paper files and reports
3. review of documentation indicating the firm's compliance with membership requirements



*across the United States and Canada. He is a former member and chair of his city's Board of Zoning & Building Appeals for 24 years, and is a licensed architect, attorney, and property & casualty insurance professional.*

*His educational background includes a JD from Southwestern University School of Law, Los Angeles; Master of Science in Architecture from University of Cincinnati; and BA in psychology/architecture from Miami University, Oxford, Ohio.*

The above comments are based upon DesignPro Insurance Group's experience with Risk Management Loss Prevention activities and should not be construed to represent a determination of legal issues but are offered for general guidance with respect to your own risk management and loss prevention. The above comments do not replace your need for you to rely on your counsel for advice and a legal review, since every project and circumstance differs from every other set of facts.

**Disclaimer: The viewpoints expressed in this article are those of the author(s) and are not necessarily approved by, reflective of or edited by other individuals, groups, or institutions. This article is an expression by the author(s) to generate discussion and interest in this topic.**

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# CONTINUING EDUCATION PROGRAMS:

## Speaking Engagements:



**Avoiding, Identifying and Resolving Ethical Issues in Land and Water Transactions**

July 21, 2023

Live Webinar, 2:00 – 3:00 pm CDT



**AIA**  
Ohio

**AIA Ohio Design Community Conference, “Reconvene,”  
Columbus, OH**

September 10 – 12, 2023

**AIA National’s 2018 Code of Ethics & Professional Conduct  
that Addresses Sexual Harassment, Equity, Sustainability,  
and the Updates to the 2020 Current Code Revisions**

September 11, 2023: 10:00 am – 11:00 am EST

**A.I. & Architecture’s HSW of the Public—a Case Study of the  
First Fatality Involving Tesla with Autopilot Engaged**

September 12, 2023: 11:45 am – 1:00 pm EST

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