BUILDING BLOCKS

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

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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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FEATURED ARTICLE CONTINUING EDUCATION SOCIAL MEDIA MEET OUR PEOPLE Quotations from the American Institute of Architects' *The Architect's Handbook of Professional Practice*, 14th 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, 14th 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

Upon completion of the CPA peer review, the reviewer discusses the findings with the reviewee and issues a detailed report. If the results of the CPA peer review process reveal any areas of non-compliance or quality control deficiency, several sanctions may be imposed by the AICPA, including:

- continuing professional education (CPE) training
- censures and reprimands
- fines
- suspension of membership

https://dmlo.com/services/peer-reviews/

Regarding professional design firm OPR Program, each team of reviewers uses standard checklists divided into seven firm management functions as the framework for the review the process. These functions include:

- general management
- quality management, project management
- project management
- computer systems management
- professional development & human resources management
- financial management
- business development

Team leaders then assign each team member to review one or more of the functional categories according to his or her background. Team members review questionnaires, conduct conference calls and on-site interviews, and prepare exit reports in their assigned categories.



https://oxfordabstracts.com/blog/what-is-the-peer-review-process/

CONCLUSION

To ensure confidentiality regarding data obtained from the firm that was reviewed, upon completion of the exit report, reviewers destroy all questionnaires, notes taken from interview, and any other information gathered in the process. Implemented and administered correctly, peer reviews can provide insights that might never have been otherwise discovered. However, peer reviews are intended as supplementary guidance, rather than replacements of a firm's existing management policies, procedures, and structures.

For More Information

Contact the Organizational Peer Review Program, the American Council of Engineering Companies at (202) 347-7474, or the AIA Practice Management Knowledge Community at (202) 626-7557.

About the Author of this Risk Management Building Block Article

As a risk manager for the last 18 years for the design profession, Eric has experience in professional liability insurance and claims, architecture, engineering, land use, law, and a unique background in the construction industry. Prior to risk management, he has 25 years of experience in the practice of architecture/engineering, and as an adjunct professor teaching professional practice courses at the undergraduate and graduate levels for the last 35 years at Kent State University's College of Architecture & Environmental Design.

As a Fellow of the American Institute of Architects and AIA National Ethics Council 2021 Chair, he has demonstrated his impact on architectural profession. He has presented numerous loss prevention and continuing educational programs to design professionals since 2000 on topics of ethics, contracts, and professional practice in various venues 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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AlA 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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