

October 31, 2016

Oversight Task Force  
National Peer Review Committee  
American Institute of CPAs  
220 Leigh Farm Rd  
Durham, NC 27707

Dear Task Force Members,

This letter represents our response to the letter of procedures and observations issued in connection with the review of the administrative procedures of the National Peer Review Committee performed on September 13 and 14, 2016. The matters discussed herein were brought to the attention of all NPRC members, AICPA administrative staff, and technical managers. In addition, the matters discussed in this letter will be monitored to ensure they are effectively implemented as part of our administration of the AICPA Peer Review Program.

### **Timeliness of Review Process**

The senior technical manager responsible for the National Peer Review Committee has reminded AICPA peer review technical staff of the importance of presenting reviews to the report acceptance body (RAB) within 120 days of receipt. We have worked through our review backlog at this time and are now beginning the technical review shortly after receiving working papers. We have also implemented a process where an associate manager tracks reviews by number of days since working papers were received and begins reaching out to the applicable technical manager for status updates after 60 days of receipt.

### **Working Paper Retention**

The program operations manager has retrained administrative staff on the importance of working paper retention and the process by which applicable working papers are to be destroyed within 120 days of review acceptance as required by the standards. The program operations manager has assigned the NPRC coordinator to be responsible to document retention going forward. In addition, staff will review folders for the last three years to confirm appropriate documents were retained.

### **Reviewer Feedback**

The senior technical manager has reminded technical staff of the importance of identifying feedback to reviewers for RABs to consider in instances where the review documents submitted for a review are not complete. Incomplete documentation will also be an area of focus for the senior technical manager when reviewing documents during due diligence prior to RAB meetings. In addition, RABs will be reminded of the importance of issuing feedback to reviewers.

We believe this step fully addresses the recommendations noted during the inspection process applied to the administrative functions of the National Peer Review Committee. We found this to be a very valuable process that has allowed us the opportunity to improve our processes related to administering the AICPA Peer Review Program.

We appreciate Mr. Hill's constructive advice and suggestions.

Sincerely,



James W. Brackens, Jr., CPA, CGMA  
Vice President — Ethics and Practice Quality