

Peer Review Program

Oversight Visit Report

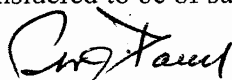
December 11, 2009

To the Texas Society of CPA's
Peer Review Committee

We have reviewed Texas Society of CPA's administration of the AICPA Peer Review Program as part of our oversight program. Our procedures were conducted in conformity with the guidance established by the AICPA Peer Review Board (Board) as contained in the *AICPA Peer Review Program Oversight Handbook*. The administering entity is responsible for administering the AICPA Peer Review Program in compliance with the *AICPA Standards for Performing and Reporting on Peer Reviews*, interpretations, and other guidance established by the board. Our responsibility is to determine whether (1) administering entities are complying with the administrative procedures established by the board as set forth in the *AICPA Peer Review Program Administrative Manual*, (2) the reviews are being conducted and reported upon in accordance with the standards, (3) the results of the reviews are being evaluated on a consistent basis by all administering entity peer review committees, and (4) information disseminated by administering entities is accurate and timely.

Based on the results of the procedures performed, we have concluded that the Texas Society of CPA's has complied with the administrative procedures and standards in all material respects as established by the Board.

As is customary, we have issued a letter of oversight visit procedures and observations that details the oversight procedures performed and sets forth recommendations that were not considered to be of sufficient significance to affect the conclusions expressed in this report.



Thomas J. Parry, Member, Oversight Task Force
AICPA Peer Review Program

Peer Review Program

December 11, 2009

To the Texas Society of CPA's
Peer Review Committee

I have reviewed Texas Society of CPA's administration of the AICPA Peer Review Program as part of our oversight program and have issued our report thereon dated December 11, 2009. That report should be read in conjunction with the observations in this letter, which were considered in determining our conclusions. The observations described below were not considered to be of sufficient significance to affect the conclusions expressed in that report.

The oversight visit was conducted according to the procedures in the *AICPA Peer Review Program Oversight Handbook*. An oversight program is designed to improve the administering entity's administration of the AICPA Peer Review Program through feedback on its policies and procedures, and to provide resource assistance from an AICPA Peer Review Board Oversight Task Force member on both technical and administrative matters.

In conjunction with the oversight visit of the Texas Society of CPA's, the administering entity for the program, conducted on December 10th and 11th, 2009, the following observations are being communicated.

Administrative Procedures

On the morning of December 10, 2009, I met with the Director of Peer Review to review the program's administration. I believe the administrative processes were being handled in a manner consistent with peer review standards.

I reviewed the files, which were still open due to follow-up actions, which had not yet been completed. I found that the follow-up actions were being effectively monitored for completion by the administrative staff and the peer review committee.

I also reviewed the policies and procedures for the granting of extensions. I found that the Director of Peer Review handles short-term extension requests with discussion from the committee when the circumstances warrant.

I also reviewed the timeliness of the scheduling process, technical reviews, and the preparation of acceptance and follow-up letters. I found no problems in these areas.

The Texas Society of CPA's has developed a back-up plan to support the Director of Peer Review, the Scheduling Manager and the staff Technical Reviewer if they become unable to serve in their capacity.

Web Site and Other Media Information

I met with the Administrative Assistant to review the administering entity's procedures to determine if the information disseminated regarding the AICPA Peer Review Program by the administering entity on their Web site and other media information is accurate and timely.

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After the AICPA staff's review of the Web site material, I noted that the administering entity maintains current information as it relates to the peer review program. In addition, the administering entity has an individual who is responsible for maintaining the Web site and monitors the Web site to ensure peer review information is accurate and timely.

Working Paper Retention

I reviewed the completed working papers and found compliance with the working paper retention policies.

Technical Review Procedures

I met with both Technical Reviewers to discuss procedures. They perform all technical reviews and are experienced reviewers.

I reviewed the reports, letters of response, if applicable, and the working papers for 30 reviews. I believe that all review issues were addressed properly by the Technical Reviewers before reviews were presented to the committee. This helped the acceptance process to be effective and efficient.

Review Presentation

Reviews are generally brought to the Committee without open technical issues. Accordingly, it was not necessary for the Report Acceptance Body's (RAB's) to spend a great deal of time reviewing specific technical issues.

Committee Procedures

I met with the committee chair and discussed their procedures for disseminating the comments resulting from the AICPA working paper oversights to the appropriate individuals. It was determined the committee issued reviewer feedback when appropriate.

On December 11, 2009, I attended the on-site peer review committee meeting and sat in on portions of all three RAB meetings. I observed the RAB's acceptance process and offered my comments at the close of discussions.

The RAB meetings were very orderly. It was apparent that the committee members had reviewed the reports and working papers thoroughly prior to the meeting and had a good understanding of the program to reach an appropriate decision for each review.

Appropriate decisions were made in the acceptance process, appropriate follow-up actions were assigned and reviewers were being appropriately monitored. Reviews were being presented to the RABs on a timely basis.

Oversight Program

The Texas Society of CPA's peer review committee has adopted a formal oversight program that is well documented. I reviewed the document and procedures performed and found them to be comprehensive.

Summary

There are no further observations to be communicated to the Texas Society of CPA's.

A handwritten signature in black ink, appearing to read "T. Parry". The signature is written in a cursive style with a large initial "T" and "P".

Thomas J. Parry, Member, Oversight Task Force
AICPA Peer Review Program

January 27, 2010

AICPA Peer Review Board
Oversight Task Force
Palladian I Corporate Center
220 Leigh Farm Road
Durham, NC 27707-8110

Re: Oversight Visit to Texas Society of CPAs

Dear Mr. Bezgin:

This letter represents our response to the report and letter of procedures and observations issued in connection with the review of the Texas Society of CPAs administration of the AICPA Peer Review Program performed on December 10 & 11, 2009. The oversight visit documents have been disseminated to all peer review program committee members, administrative staff, and technical reviewers. We are pleased to note there were no specific deficiencies or observations included in the oversight documents on which a written response was required. This letter represents our acknowledgement of the oversight visit.

We appreciate Thomas Parry's review of our administration of the AICPA Peer Review Program.

Sincerely,



J. Michael Waters, CPA
Chair, TSCPA Peer Review Committee

Peer Review Program

July 1, 2010

J. Michael Waters, Chair
Peer Review Committee
Teas Society of CPAs
14651 N. Dallas Pkwy, Suite 700
Dallas, TX 75254-8887

Dear Mr. Waters:

On May 3, 2010, the AICPA Peer Review Board Oversight Task Force accepted the report and letter of procedures and observations on the most recent oversight visit for the Texas Society of CPAs, the administering entity for the AICPA Peer Review Program, and the administering entity's response thereto. A copy of this acknowledgement, the two oversight visit documents, and your response will be posted to the AICPA Peer Review Program Web site.

The next state oversight visit will be in 2011.

The AICPA Peer Review Board appreciates your cooperation and efforts in making the peer review program a success.

Sincerely,

Robert C. Bezgin

Robert C. Bezgin, Chair
AICPA Peer Review Board
Oversight Task Force

cc: John M. Sharbaugh, Executive Director, Texas Society of CPAs
Jerry Cross, Director of Peer Review, Texas Society of CPAs
Teresa Bordeaux, CPA, Technical Manager, AICPA