

April 3, 2017

Charles Andrew Jordan, CPA
Alabama Society of CPAs
1041 Longfield Court
Montgomery, AL 36117

Dear Mr. Jordan:

On March 30, 2017, 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 Alabama 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 have now been posted to the AICPA Peer Review Program website.

The next administering entity oversight visit will be in 2018.

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

Sincerely,

Brian Bluhm

Brian Bluhm, CPA
Vice Chair, Oversight Task Force
AICPA Peer Review Board

cc: Jeannine Birmingham, CPA, CGMA, President & CEO
Ashley Sellers, Peer Review Administrator

Laurel Gron, Manager – Peer Review
AICPA Peer Review Program

Oversight Visit Report

October 20, 2016

To the Alabama Society of CPAs
Peer Review Committee

We have reviewed the Alabama Society of CPAs' 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 Alabama Society of CPAs 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.

A handwritten signature in black ink that reads "Michael L. LeBlanc".

Michael L. LeBlanc, Member, Oversight Task Force
AICPA Peer Review Program

October 20, 2016

To the Alabama Society of CPAs
Peer Review Committee

We have reviewed the Alabama Society of CPAs' administration of the AICPA Peer Review Program as part of our oversight program and have issued our report thereon dated October 20, 2016. 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 Alabama Society of CPAs, the administering entity for the program, conducted on October 19 and 20, 2016, the following observations are being communicated.

Administrative Procedures

On the morning of October 19, 2016, we met with the director of peer review to review the program's administration. Except as noted below, we believe the administrative processes were being handled in a manner consistent with peer review standards.

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

We also reviewed the policies and procedures for the granting of extensions. We found that the peer review coordinator handles short-term extension requests with discussion with the committee when circumstances warrant.

Additionally, we reviewed the timeliness of the scheduling process, technical reviews and the preparation of acceptance letters and follow-up letters. We found that at times, an informal communication for overdue reviews is sent to the reviewed firm and reviewer rather than a formal letter from PRISM that would allow for monitoring.

We reviewed the confidentiality letters for all committee members and found that all were appropriate and timely.

The Society has developed a back-up plan to support all peer review staff members should one of them become unable to serve in their capacity.

We also reviewed the timeliness of the uploading of appropriate documents to the FSBA site. The coordinator did not always make timely uploads of appropriate documents to the FSBA site.

Web Site and Other Media Information

We met with the peer review coordinator 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.

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

Working Paper Retention

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

Technical Review Procedures

We met with one technical reviewer to discuss procedures. He performs a majority of the technical reviews and is an experienced reviewer.

We reviewed the reports, letters of response, if applicable, and the work papers for reviews in preparation for the October 20, 2016 RAB meeting. We believe that all review issues were addressed properly by the technical reviewer before reviews were presented to the committee. This helped the acceptance process to be effective and efficient.

Review Presentation

Reviews are brought to the committee without open technical issues. Accordingly, it was not necessary for the committee to spend a great deal of time reviewing specific technical issues.

Committee and RAB Procedures

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

On October 20, 2016, we attended the on-site RAB meeting, as well as the society's committee meeting. We observed the RABs' acceptance process and offered our comments at the close of discussions.

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

Appropriate decisions were made in the acceptance process, including assigned corrective actions and reviewer monitoring. Reviews were being presented to the RABs on a timely basis.

Oversight Program

The Alabama Society of CPAs' peer review committee has adopted a formal oversight program which is well documented. We reviewed the document and procedures performed and found it to be comprehensive.

Summary

Our observations to enhance the Alabama's Society of CPAs' administration of the program are summarized as follows:

When a review is overdue, formal communications should be sent to both the reviewed firm and the peer reviewer by utilizing the templates in PRISM.

The coordinator should make timely uploads of appropriate documents to the FSBA site.

A handwritten signature in black ink that reads "Michael L. LeBlanc". The signature is written in a cursive style with a large initial "M".

Michael L. LeBlanc, Member, Oversight Task Force
AICPA Peer Review Program



AICPA Peer Review Program
Administered in Alabama
By the Alabama Society of CPAs
March 1, 2017



ASCPA Peer Review Program
Administered in Alabama
By the Alabama Society of CPAs

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

Re: Oversight Visit to Alabama Society of Certified Public Accountants (ASCPA)

Dear Mr. Bluhm:

This letter represents our response to the report and letter of procedures and observations issued in connection with the review of the ASCPA's administration of the AICPA Peer Review Program (program) performed on October 19-20, 2016. The matters discussed herein were brought to the attention of all peer review program committee members, administrative staff, and technical reviewer(s). In addition, the matters discussed in this letter will be monitored to ensure they are effectively implemented as part of our administration of the program.

In summary, minor observations were noted related to the visit and are listed below:

- When a review is overdue, formal communication should be sent to both the reviewed firm and the peer reviewer by utilizing the templates in PRISM.
- The coordinator should make timely uploads of appropriate documents to the FSBA site.

Formal Letters to be Sent Out in PRISM Timely

We recognize the importance of sending out formal communication to firms that have overdue peer reviews; and although, informal communication was performed via email or phone call and documented accordingly and in an organized manner, we have increased our efforts to ensure better monitoring of late reviews is being performed, unless there exists a severe medical circumstance in which we halt overdue letters as agreed upon by our committee. In such a situation, we will also notify AICPA of such situations for further guidance.

Uploading Timely to Facilitated State Board Access (FSBA) Website

We recognize that uploads of letters to the FSBA website were not always timely, and the administrator will work to ensure these uploads are done on a more timely basis.

We appreciate Mike LeBlanc's constructive advice and suggestions.

Sincerely,

Charles Jordan
Committee Chair