

December 04, 2015

Henry White  
North Carolina Association of CPAs  
P.O. Box 80188  
Raleigh, NC 27603

Dear Mr. White:

On November 30, 2015 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 North Carolina Association 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 Web site.

The next state oversight visit will be in 2017.

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

Sincerely,

*Debra Seefeld*

Debra Seefeld, Chair  
Oversight Task Force  
AICPA Peer Review Board

cc: James T. Ahler, CAE, State Society CEO  
Mary Kelly, North Carolina Association of CPAs  
Laurel Gron, AICPA Peer Review Program Technical Manager

## Oversight Visit Report

August 20, 2015

To the Peer Review Committee  
North Carolina Association of  
Certified Public Accountants

We have reviewed the North Carolina Association of Certified Public Accountants' 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 (the "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* (the "Standards"), 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 Administrative Manual*, (2) the reviews are being conducted and reported on 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 North Carolina Association of Certified Public Accountants 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.

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J. Phillip Coley, Member, Oversight Task Force  
AICPA Peer Review Program

August 20, 2015

To the Peer Review Committee  
North Carolina Association of  
Certified Public Accountants

We have reviewed the North Carolina Association of Certified Public Accountants' (the "Association") administration of the AICPA Peer Review Program (the "Program") as part of our oversight program and have issued our report thereon dated August 20, 2015. 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 (the "Board") Oversight Task Force member on both technical and administrative matters.

In conjunction with the oversight visit of the Association, the administering entity for the Program, conducted on August 19<sup>th</sup> and 20<sup>th</sup>, 2015, the following observations are being communicated.

### **Administrative Procedures**

On the morning of August 19, 2015, Debra Seefeld, a member of the Board's Oversight Task Force, and I met with the Association's Peer Review Coordinator to review the Program's administration. 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 and 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 from the committee when the circumstances warrant.

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

The Association has developed a back-up plan to support the Peer Review Coordinator and the Technical Reviewers if they become unable to serve in their respective capacities.

### **Web Site**

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 is accurate and timely.

After the AICPA's review of the web site material and our review of other disseminated peer review materials, we noted that the administering entity maintains and disseminates current information as it relates to the peer review program. In addition, the administering entity has individuals who are responsible for maintaining the web site and monitors the web site to ensure peer review information is accurate and timely.

### **Working Paper Retention**

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

### **Technical Review Procedures**

On the morning of August 20, 2015, we met with two of the Technical Reviewers to discuss procedures. All technical reviews are performed by experienced reviewers.

We reviewed the reports, letters of response, if applicable, and the working papers for twenty four of the thirty one reviews being presented to the report acceptance bodies ("RABs") on August 20, 2015. We believe that all review issues were addressed properly by the Technical Reviewers before the reviews were presented to the RABs which contributed to an effective and efficient acceptance process.

### **Review Presentation**

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

### **Committee and RAB Procedures**

We met with the committee chair and discussed their procedures for disseminating the comments resulting from the AICPA working paper oversights to the appropriate individuals. Noting that there will be significant reductions in these oversights in the future, it was determined the committee had issued reviewer feedback related to these comments when appropriate.

On August 20, 2015, we attended the three on-site RAB meetings as well as the peer review committee meeting. We observed the RABs' acceptance process and offered our comments at the close of discussions.

The Peer Review Committee  
North Carolina Association of  
Certified Public Accountants  
August 20, 2015  
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The RAB meetings were very orderly and it was apparent that the RAB members had reviewed the reports and working papers thoroughly 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, 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 Association's peer review committee has adopted a formal oversight program that is well documented. We reviewed the document and procedures performed and found it to be comprehensive.

### **Summary**

There are no further observations to be communicated to the North Carolina Association of Certified Public Accountants.

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J. Phillip Coley, Member, Oversight Task Force  
AICPA Peer Review Program

AICPA Peer Review Program  
NCACPA Peer Review Program  
NCACPA Peer Review Program for Non-Members

Administered by the North Carolina Association of CPAs



October 22, 2015

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

Re: 2015 AICPA Oversight Visit to North Carolina Association of CPAs

Dear Ms. Seefeld:

This letter represents our response to the report and letter of procedures and observations issued in connection with the review of North Carolina's administration of the AICPA Peer Review Program on August 19-20, 2015. The oversight visit documents have been disseminated to all NCACPA Peer Review Committee members, technical reviewers, and administrative staff. 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 the review J. Phillip Coley and Debra Seefeld performed of our administration of the AICPA Peer Review Program.

Sincerely,

A handwritten signature in black ink, appearing to read "Henry L. White". The signature is written in a cursive style and is positioned above a horizontal line.

Henry L. White, CPA  
Chair  
NCACPA Peer Review Committee

cc: James T. Ahler, CAE, NCACPA CEO  
Mary C. Kelly, NCACPA Peer Review Coordinator  
Laurel Gron, CPA, AICPA Technical Manager