

April 3, 2017

Mary Jo Richard, CPA
North Dakota Society of CPAs
2701 South Columbia Road, Ste. D
Grand Forks, ND 58201

Dear Ms. Richard:

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 North Dakota 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: Jim Abbott, Executive Director
Mandy Harlow, Peer Review Administrator

Laurel Gron, Manager – Peer Review
AICPA Peer Review Program

Oversight Visit Report

October 14, 2016

To the North Dakota Society of CPAs
Peer Review Committee

We have reviewed the North Dakota 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 North Dakota 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 14, 2016

To the North Dakota Society of CPAs
Peer Review Committee

We have reviewed the North Dakota Society of CPAs' administration of the AICPA Peer Review Program as part of our oversight program and have issued our report thereon dated October 14, 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 North Dakota Society of CPAs, the administering entity for the program, conducted on October 13 and 14, 2016, the following observations are being communicated.

Administrative Procedures

On the morning of October 13, 2016, 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 peer review coordinator handles short-term extension requests with discussion with the committee when circumstances warrant.

Additionally, I reviewed the timeliness of the scheduling process, technical reviews and the preparation of acceptance letters and follow-up letters. The coordinator does not always send letters in a timely manner for issues related to background information. She diligently tries to correct the issue directly with the reviewer prior to sending the correspondence. She has been instructed to send the letters as appropriate.

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.

AICPA staff reviewed the Society's peer review Plan of Administration (POA) and it was noted that it was submitted to the AICPA for approval prior to completion of the biennial administrative oversight.

I 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

I 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, I 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

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

Technical Review Procedures

I met with one technical reviewer and had a discussion with another via phone conference to discuss procedures. They perform a majority of the technical reviews and are experienced reviewers.

I reviewed the reports, letters of response, if applicable, and the work papers for reviews in preparation for the October 14, 2016 RAB meeting. I 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

I 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 14, 2016, I attended the on-site RAB meeting, as well as the society's committee meeting. I observed the RABs' acceptance process and offered my 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 North Dakota Society of CPAs' peer review committee has adopted a formal oversight program which is well documented. I reviewed the document and procedures performed and found it to be comprehensive.

Summary

My observations to enhance the North Dakota's Society of CPAs' administration of the program are summarized as follows:

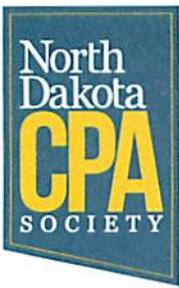
The biennial administrative oversight should be completed timely so there is not a delay in approving the annual Plan of Administration.

All required correspondence should be sent within required timelines regardless of the issue.

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, flowing style.

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



North Dakota Peer Review Program
Administered in North Dakota by
the North Dakota CPA Society



AICPA Peer Review Program
Administered in North Dakota by
the North Dakota CPA Society

February 28, 2017

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

Re: Oversight Visit to North Dakota Society of CPAs

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 North Dakota Society's administration of the AICPA Peer Review Program (program) performed on October 13 – 14, 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 AICPA Peer Review Program.

There were no deficiencies included in the report.

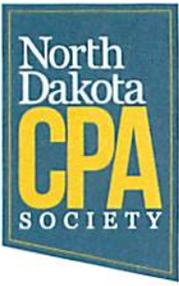
The observations that did not affect the report are as follows.

Administrative Procedures

We recognize that the Plan of Administration is due on December 31 of each year. The 2015 biennial administrative oversight was performed on January 5, 2016. In the future, we will schedule the biennial administrative oversight to enable a timely filing of the Plan of Administration.

We recognize that the PRISM generated letters should be mailed to the intended recipient on a timely basis. There was one incident related to a reviewer's resume. The letter generated from PRISM specified that the reviewer's resume had not been updated. Rather than sending the letter, the administrator communicated directly with the reviewer. In the future, we will send the letters generated by PRISM as appropriate.

We recognize the requirements related to timely uploading of the appropriate documents to the FSBA site. There was one incident related to the follow-up letter signed by the reviewed firm. The



North Dakota Peer Review Program
Administered in North Dakota by
the North Dakota CPA Society



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the North Dakota CPA Society

letter was not uploaded to the site. In the future, we will upload all of the required correspondence to the FBSA site on a timely basis.

We appreciate Michael L. LeBlanc's constructive advice and suggestions.

Sincerely,

A handwritten signature in black ink that reads "Mary Jo Richard". The signature is written in a cursive style.

Mary Jo Richard, CPA
North Dakota CPA Society Peer Review Committee Chair