

August 19, 2016

Daniel Haynes, CPA, Peer Review Committee Chair
Virginia Society of CPAs
4309 Cox Rd.
Glen Allen, VA 23060

Dear Mr. Haynes:

On August 8, 2016 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 Virginia 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 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: Stephanie Peters, CAE, State Society CEO
Darshae Dabney, Virginia Society of CPAs
Laurel Gron, AICPA Peer Review Program Technical Manager

Oversight Visit Report

November 13, 2015

To the Virginia Society of CPAs Peer Review Committee

We have reviewed the Virginia 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 Virginia 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.

Robert C. Bezgin, CPA

Robert C. Bezgin, CPA, Member, Oversight Task Force
AICPA Peer Review Program

November 13, 2015

To the Virginia Society of CPAs Peer Review Committee

I have reviewed the Virginia Society of CPAs' administration of the AICPA Peer Review Program as part of our oversight program and have issued our report thereon dated November 13, 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 Oversight Task Force member on both technical and administrative matters.

In conjunction with the oversight visit of the Virginia Society of CPAs, the administering entity for the program, conducted on November 12-13, 2015, the following observations are being communicated.

Administrative Procedures

On the morning of November 12, 2015, I met with the Regulatory & Legislative Affairs Manager ("Manager") 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 could be more effectively monitored for completion by the Manager and the peer review committee by implementing a procedure of monthly reporting to the Peer Review Committee Chair.

I also reviewed the policies and procedures for the granting of extensions. The Manager 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 noted some old reviews as identified on the scheduling status report and procedures that could be implemented to follow up and resolve those reviews. I also noted some inconsistencies during the year related to the timeliness of letters. Furthermore, review documents uploaded to the FSBA site were not consistently performed within 30 days of review acceptance.

The Virginia Society of CPAs has developed a back-up plan to support the Manager and Technical Reviewers if they become unable to serve in their respective capacities. I believe that the back-up plan is sufficient to enable the Virginia Society of CPAs to maintain the administration of the program if circumstances ever warranted its implementation.

I reviewed the Peer Review Committee confidentiality letters obtained from Committee members and noted that current confidentiality letters were maintained.

Website and Other Media Information

I met with the Manager 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 website and other media information is accurate and timely.

After the AICPA staff's review of the website material and other media information, it was noted that the administering entity maintains current information as it relates to the peer review program; however a couple of links were outdated. The Manager is responsible for maintaining the website and monitors the website to ensure peer review information is accurate and timely.

Working Paper Retention

I reviewed the completed working papers and determined that the review working paper retention policies were complied with in accordance with guidelines established in the *AICPA Peer Review Program Administrative Manual*.

Technical Review Procedures

I met with the technical reviewers to discuss procedures. The technical reviewers perform all technical reviews and are experienced peer reviewers.

I reviewed the reports, letters of response, if applicable, and the working papers for 19 reviews that were to be presented to the Report Acceptance Body ("RAB") on November 13, 2015. I believe that all reviews were addressed properly by the technical reviewers before the reviews were presented to the RAB. This helped the acceptance process to be effective and efficient.

Review Presentation

Reviews are timely brought to the RAB. The RAB consists of the 4 members from the full committee. I observed the committee's acceptance process and offered my comments at the close of discussions. Except for one review as noted in the following paragraph, 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.

On one review submitted for consideration, an issue related to an engagement performed under *Government Auditing Standards* was not initially identified by the RAB. Subsequent discussion revealed the RAB did not possess current experience related to this engagement and therefore, the composition of the RAB was not in accordance with RAB Handbook. Since the RAB members did not have the requisite experience, the RAB deferred acceptance of the review.

Committee Procedures

On November 13, 2015, I attended the on-site peer review committee meeting. Appropriate decisions were made regarding the peer review administration, scheduling, Committee member participation, and review of the technical reviewers.

Oversight Program

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

I reviewed the oversight of reviewer resume verifications and noted issues were appropriately followed up with the reviewers.

Summary

I recommend the Manager report monthly to the Peer Review Committee Chair the status of reviews still open due to scheduling and follow-up actions. I also recommend that the Manager discuss the timeliness of letters with the Peer Review Committee Chair and seek assistance when necessary to ensure letters are timely. The Manager should develop a system to ensure review documents are uploaded to the FSBA website timely.

I recommend the Manager periodically test links containing peer review information on the society's website to ensure the links are properly working and contain current information.

I recommend that RAB composition be confirmed prior to the meeting to ensure RAB members have appropriate experience to evaluate reviews in accordance with the RAB Handbook.

There are no further observations to be communicated to the Virginia Society of CPAs.

Robert C. Bezgin, CPA

Robert C. Bezgin, CPA, Member, Oversight Task Force
AICPA Peer Review Program



June 22, 2016

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

Re: Oversight Visit to Virginia Society 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 the Virginia Society of CPA's administration of the AICPA Peer Review Program (program) performed on November 12, 2015. 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.

We have reviewed our internal processes and increased the frequency of follow up related to old/outstanding reviews, letter generation and FSBA updates. Additionally, we have implemented the suggestions of the oversight reviewer to provide periodic reports to our technical reviewers on the status of reviews with open corrective action items.

Web Site and Other Media Information

We recognize that having accurate and timely information on our site as well as other media information is important; accordingly, we will increase the frequency that the site is reviewed to ensure that links function properly.

Review Presentation

The peer review administrator will continue to rely on reviewer resume data in PRISM in composing RABs. In the instance noted, the RAB member assigned to present the review indicated expertise in *Government Auditing Standards* on their resume. Since the oversight visit, upon receipt of their assignments RAB members are instructed to communicate any issues, conflicts or support that may be needed to adequately present the review to the Committee.

We appreciate Robert C. Bezgin's constructive advice and suggestions.

Sincerely,

A handwritten signature in black ink that reads "Daniel L. Haynes". The signature is written in a cursive, flowing style.

Daniel L. Haynes, CPA, CFE, CFF
Chair, Peer Review Committee