

February 6, 2012

Michael W. McNichols, Peer Review Committee Chair
Iowa Society of CPAs
950 Office Park Road, Suite 300
West Des Moines, IA 50265-2548

Dear Mr. McNichols:

On December 5, 2011, 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 Iowa 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 2013.

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

Sincerely,

Randy Watson

Randy Watson, Chair
Oversight Task Force
AICPA Peer Review Board

cc: Stanton Bonta, Executive Director
Judy Chaplin, Peer Review Manager
Lisa Joseph, AICPA Peer Review Program Technical Manager



ISCPA Peer Review Program
Administered in Iowa by the
Iowa Society of CPAs



AICPA Peer Review Program
Administered in Iowa by the
Iowa Society of CPAs

October 12, 2011

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

RE: Oversight Visit to Iowa Society of CPAs

To whom it may concern:

This letter represents our response to the report and letter of procedures and observations issued in connection with the review of the Iowa Society of CPA's administration of the AICPA Peer Review Program performed on September 28 and 29, 2011. The oversight visit documents have been disseminated to all peer review program committee members, administrative staff, and technical reviewers. Also, the report will be communicated to the Iowa Society of CPAs' board of directors at their subsequent meeting. 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.

The Iowa Society of CPAs is fortunate to have dedicated volunteers who have committed their time and knowledge to oversee the administration of the peer review program in Iowa. The administrative staff, technical reviewers, and the committee, with guidance from the AICPA, strive to continuously improve the peer review program and the process for reviewers and firms.

The Iowa Peer Review Committee would like to thank Paul Inserra for his time, informative discussion, and constructive advice during his recent oversight visit. We appreciate the opportunity to exchange information and welcome any input that might assist with the improvement of our administration of the Peer Review Program.

Sincerely,

Michael W. McNichols, Chair
Peer Review Committee

cc: Stanton G. Bonta, Executive Director

Oversight Visit Report

September 29, 2011

To the Iowa Society of Certified Public Accountants
Peer Review Committee

We have reviewed the Iowa Society of Certified Public Accountant'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 Iowa Society 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.

A handwritten signature in blue ink that reads "Paul V. Inserra".

Paul V. Inserra, Member, Oversight Task Force
AICPA Peer Review Program

September 29, 2011

To the Iowa Society of Certified Public Accountants
Peer Review Committee

We have reviewed the Iowa Society of Certified Public Accountant's administration of the AICPA Peer Review Program as part of our oversight program and have issued our report thereon dated September 29, 2011. 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 (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 Iowa Society of Certified Public Accountants, the administering entity for the program, conducted on September 28 and 29, 2011, the following observations are being communicated.

Administrative Procedures

On the morning of September 28, 2011, 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 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. I found no problems in these areas.

Also, I reviewed the timeliness of the preparation of poor performance and tardiness letters and found these were being issued in a timely and appropriate manner.

The Society has developed a back-up plan to support the director of peer review, the coordinator and technical reviewers should any of them become unable to serve in their capacity.

Web-Site and Other Media Information

I met with the director of peer review 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 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. The director of peer review is responsible for maintaining the peer review section of 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 policy.

Technical Review Procedures

I met with one of three technical reviewers, to discuss procedures. The technical reviewer is an experienced technical reviewer and brings with him many years of public accounting experience.

I reviewed the reports, letters of response, if applicable, and the workpapers for eleven reviews in preparation for the September 29, 2011 committee 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, except in one case by a newer technical reviewer to the Society. The committee discerned this matter and plans to communicate back to the technical reviewer to resolve any open technical issues prior to bringing reviews to the committee for acceptance. Overall, however, it was not necessary for the committee to spend a great deal of time reviewing specific technical issues.

Committee Procedures

I met with the committee chairman 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 September 29, 2011, I attended the on-site peer review committee meeting, as well as the full committee meeting. I observed the committee's acceptance process and offered my comments at the close of discussions.

The on-site committee functioned as a report acceptance body (RAB) and the meeting was orderly. It was apparent that the committee members had reviewed the reports and workpapers 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 Iowa Society of Certified Public Accountant's 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

There are no further observations to be communicated to the Iowa Society of Certified Public Accountants.



Paul V. Inserra, Member, Oversight Task Force
AICPA Peer Review Program