March 17, 2011

AICPA Peer Review Board
AICPA Peer Review Program
AICPA
220 Leigh Farm Road
Durham, NC  27707-8110

Dear Peer Review Board Members:

The North Carolina Peer Review Committee (Committee) has reviewed and discussed the AICPA Peer Review Board’s Exposure Draft related to Performing and Reporting on Peer Reviews of Compilations Performed Under SSARS 19. The Committee agrees with the proposals in the exposure draft.

If the exposure draft is approved, it is understood that related guidance in the Peer Review Program Manual would be issued and/or revised. The Committee would like to note the importance guidance has in educating peer reviewers as to exactly what documentation for compilation engagements will be required for submission during the course of the peer review. Providing clear guidance material and questions would assist reviewers in requesting only the documentation required by SSARS 19.

As a result, we propose the following changes to the existing guidance materials be considered:

A. On the Engagement Questionnaire (Peer Review Program Manual Section 6100.35), the three bullets listed on page 6 of the explanatory memorandum in the exposure draft should be made into questions and presented as part of the Engagement Questionnaire.

B. On the General Compilation Engagement Checklist (Peer Review Program Manual Section 20,200), the question concerning the engagement understanding with the client should include reference to both an engagement letter or the presence of a memorandum justifying the lack of written communication and how alternative procedures were sufficient.

Thank you for the opportunity to comment on the exposure draft.

Sincerely,

R. Leslie Johnson
Chair
NCACPA Peer Review Committee

cc: Jim Ahler, CAE, NCACPA CEO
NCACPA Board of Directors