

## King, LaShaun

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**From:** Slrosenfieldcpa@aol.com  
**Sent:** Tuesday, August 23, 2011 10:07 AM  
**To:** PR\_expdraft  
**Subject:** Fwd: Comments on proposed changes to Peer Review guidelines

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From: Slrosenfieldcpa@aol.com  
To: PRecpdraft@aicpa.org  
Sent: 8/23/2011 10:04:03 A.M. Eastern Daylight Time  
Subj: Comments on proposed changes to Peer Review guidelines

1. Paragraph 31 is unfair & should not be adopted. The situation of "qualification" should be on an individual (not "firm") basis.

A member who serves as a Peer Reviewer may have no input or involvement in what his or her firm does with their firm's QC procedures. Therefore, why should they be punished?

2. Paragraphs 166-188 still do not, in my opinion, adequately address the fact that the overwhelming majority of firms being reviewed are local practitioners with only a few financial statement clients. The entire area of planning & performance should be trimmed down to account for that. What we now have is overkill & what makes this program a financial burden to most firms. Again, we have become focused on filling out the forms (including those for 'planning the review' & have lost sight of the substance (does the firm adequately perform those few engagements it handles).

3. The entire process- as amended- still does not, in my opinion, adequately address a significant defect in the process: Reviewed firms should not- in my opinion- be told in advance of any the engagements the review team will be looking at. They should all be on a surprise basis.

Sherman Rosenfield, CPA  
591-739-8282

September 15, 2011

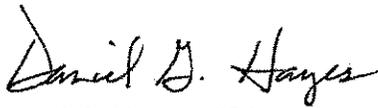
AICPA Peer Review Board  
AICPA Peer Review Program  
AICPA  
220 Leigh Farm Road  
Durham, NC 27707-8110

Dear Peer Review Board Members:

On behalf of the North Carolina Peer Review Committee (Committee), the Committee's Standards and Handbook Monitoring Sub-Committee has reviewed and discussed the AICPA Peer Review Board's Exposure Draft related to Performing and Reporting on Reviews of Quality Control Materials. We do not have any comments or suggestions.

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

Sincerely,



Daniel G. Hayes, CPA  
Chair  
NCACPA Peer Review Committee

cc: Debbie Lambert, CPA, NCACPA Chair  
Jay Lesemann, CPA, NCACPA Chair Elect  
Connie Laster, CPA, NCACPA Board Liaison  
Jim Ahler, CAE, NCACPA CEO



September 13, 2011

LaShaun King, Technical Manager  
AICPA Peer Review Program  
American Institute of Certified Public Accountants  
220 Leigh Farm Road  
Durham, NC 27707-8110

Re: Proposed Changes to the AICPA Standards for Performing and Reporting on Peer Reviews:  
Performing and Reporting on Reviews of Quality Control Materials

Dear Ms. King:

The Illinois CPA Society Peer Review Report Acceptance Committee (Committee) is pleased to provide our comments on the *Proposed Changes to the AICPA Standards for Performing and Reporting on Peer Reviews: Performing and Reporting on Reviews of Quality Control Materials*. The Committee consists of 28 CPAs from public practice ranging in size from sole practitioner to regional firms with over one hundred professionals. The comments expressed below represent the collective views of the Committee members and not the individual views of members or the organizations with which they are affiliated.

### **General Comment**

The Committee supports the proposed changes.

### **Specific Comments**

The revised standards and interpretations appear to use the terms, “team captain”, “QCM reviewer”, and “review team” somewhat interchangeably. The Committee recommends the Board use the same term consistently throughout to avoid confusion, and prefers the term, “QCM reviewer.”

To be consistent with paragraph 168, the Committee believes the third sentence of paragraph 175 should read “For QCM reviews of provider firms planning to peer review user firms, all materials should be within the scope of the review.”

Because professional judgment must be exercised in determining whether matters should be aggregated as findings, deficiencies or significant deficiencies, the Committee does not believe the example in paragraph 183 should conclude that “The reviewer would ordinarily conclude that the matter should be addressed in an FFC as a finding rather than result in a report with a QCM review rating of *pass with deficiencies* or *fail*.” Therefore, the Committee recommends the last two sentences of paragraph 183 be deleted. The Committee also suggests that the first sentence

in paragraph 183 be improved by replacing the phrase, “yet may conclude” with “yet still conclude.”

Because paragraph 176 of the revised standards refers to assessment by the QCM reviewer of the level of instructions and explanatory guidance, the Committee believes the second interpretation on page 14 of the exposure document should refer to 176-1 rather than 175-1.

Because the requirement to be associated with a provider firm or affiliated entity that has received a QCM review with a review rating of *pass* is found in paragraph 31 and not in paragraph 199, the Committee recommends that the phrase, “or if a provider receives a report rating other than *pass*,” be deleted from Interpretation 199-1. For the same reason, the Committee believes the second interpretation on page 16 of the exposure document should refer to 31-1 rather than 199-2.

In addition, the Committee recommends the following to improve readability:

- The first sentence of paragraph 179 should be revised to read, “...during the review of the provider’s system of quality control in order to conclude on the opinion of the provider’s system.”
- The word, “control,” should be added following the phrase, “elements of quality,” in paragraph 182.
- The word, “purported,” should be replaced with the word, “purport,” in paragraph 178 c.ii.

We appreciate the opportunity to offer our comments.

Sincerely,

**Gregory J. Pierce, CPA**  
Chair, Peer Review Report Acceptance Committee

**Catherine L. Allen, CPA**  
Vice-chair, Peer Review Report Acceptance Committee

# LEGISLATIVE AUDIT DIVISION

Tori Hunthausen, Legislative Auditor  
Deborah F. Butler, Legal Counsel



Deputy Legislative Auditors:  
Cindy Jorgenson  
Angie Grove

September 20, 2011

LaShaun King  
Technical Manager  
AICPA Peer Review Program  
AICPA  
220 Leigh Farm Road  
Durham, NC 27707-8110  
[PR\\_expdraft@aicpa.org](mailto:PR_expdraft@aicpa.org)

We appreciate the opportunity to read and respond to the draft "Proposed Changes to the AICPA Statement for Performing and Reporting on Peer Reviews, Performing and Reporting on Reviews of Quality Control Materials." Members of our staff have read the proposed changes and believe they are appropriate. We do not have any comments.

Sincerely,

*/s/ Brenda Kedish*

Brenda Kedish, Senior Auditor  
Financial-Compliance Audits

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By e-mail



September 19, 2011

LaShaun King, Technical Manager  
AICPA Peer Review Program  
American Institute of Certified Public Accountants  
220 Leigh Farm Road  
Durham, NC 27707-8110

**Re:** Exposure Draft Proposed Changes to the AICPA Standards for Performing and Reporting on Peer Reviews: *Performing and Reporting on Reviews of Quality Control Materials*.

Dear Technical Manager, Board Members and Staff:

The Peer Review Committee of The Ohio Society of Certified Public Accountants is pleased to respond to the invitation to comment on the exposure draft Proposed Changes to the AICPA Standards for Performing and Reporting on Peer Reviews: *Performing and Reporting on Reviews of Quality Control Materials*.

We support the proposed changes. We appreciate the opportunity to provide feedback to the proposed changes to the AICPA Standards for Performing and Reporting on Peer Reviews: *Performing and Reporting on Reviews of Quality Control Materials* and welcome any additional opportunities to further discuss or otherwise support the efforts of the AICPA Peer Review Program and the AICPA Peer Review Board.

Best Regards,

John M. Keller, CPA  
Peer Review Committee, Chair  
The Ohio Society of CPAs  
Email: [jkeller@manningcpallc.com](mailto:jkeller@manningcpallc.com)