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November 15, 2017

Mr. James W. Brackens, Jr., CPA, CGMA  
Vice President-Ethics and Practice Quality  
American Institute of CPAs  
220 Farm Leigh Road  
Durham, NC 27707

Re: Administrative Oversight of the National Peer Review Committee

Dear Mr. Brackens:

We have conducted the administrative oversight for the National Peer Review Committee (NPRC). The oversight was conducted according to the administrative oversight procedures in the *AICPA Peer Review Program Oversight Handbook*, except as discussed below. The administrative oversight program is designed to provide reasonable assurance that the AICPA Peer Review Program is being administered in accordance with the guidance as issued by the AICPA Peer Review Board.

The oversight consisted of examining certain peer review administrative files and documents related to peer reviews for firms with peer review periods between January 1 and December 31, 2016, and making inquiry of appropriate staff and officials of the NPRC administering entity. The majority of the work was performed between September 15, 2017 and October 5, 2017, on an off-site basis. Consideration was also given to our involvement in NPRC as members of the NPRC.

### **Administrative Procedures**

Between September 15, 2017 and October 3, 2017, we conducted phone meetings with a senior technical manager responsible for the NPRC, the NPRC Oversight Task Force staff liaison, the director and associate director to review the program's administration.

We reviewed the timeliness of the scheduling process, technical reviews, and the preparation of acceptance and follow-up letters, and noted that process of scheduling process was being appropriately followed.

The NPRC Administrative Review Visit Procedures and Comments form requires the reviewer to consider whether peer reviewers have received letters of notification reminding the reviewer about the document destruction standard. During our review, we noted that all files contain a file copy of an email covering this notification, as an acceptable substitute for examining the communication to the team captain.

### **Web Site and Other Media Information**

We reviewed the information included on the NPRC's section of the AICPA web site. We noted the administering entity maintains current information as it relates to the peer review program. In addition, the administering entity has individuals who are responsible for maintaining the web site and monitors the web site to ensure peer review information is presented is both accurate and timely.

### **Working Paper Retention**

For the reviews over 120 days, we noted that some working papers were maintained in excess of the 120 file destruction standard. Some files were maintained upon directives received from the staff of the AICPA Peer Review Board. Other files were maintained beyond the acceptable period on the NPRC intranet. A similar finding regarding document destruction was noted in the prior oversight.

### **Technical Review Procedures**

We met with some technical reviewers to discuss procedures. We reviewed continuing education summaries and professional licenses of a sample of individuals performing technical reviews and reviewed information related to participation in a peer review. All individuals had participated in a peer review (including oversight of a peer review) during 2016, Information related to required training was also reviewed without exception.

We reviewed the reports, letters of response (if applicable) and the working papers for a sample of reviews accepted within the last 120 day. All review issued appear to have been addressed properly by the technical reviewer before reviews were presented to the committee.

### **Oversight Program**

The NPRC OTF staff liaison administered the process for verification of reviewer resume information. Based upon a sample of documents maintained by staff, we concluded that the reviewer resume verification process appeared to be in conformity with the AICPA Peer Review Program Oversight Handbook.

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**Summary**

Based upon our oversight, we believe the administrative processes for the National Peer Review Committee were being performed in a manner consistent with peer review standards in all material respects..

Sincerely yours,

Nowicki and Company, LLP

A handwritten signature in black ink, appearing to read "Raymond M. Nowicki". The signature is written in a cursive style with a large initial "R".

Raymond M. Nowicki, CPA

Managing Partner

CC: NPRC