

November 17, 2017

Oversight Task Force  
National Peer Review Committee  
American Institute of CPAs  
220 Leigh Farm Rd  
Durham, NC 27707

Dear Task Force Members,

This letter represents our response to the letter of procedures and observations issued regarding the internal review of the administrative procedures of the National Peer Review Committee (NPRC) performed by the Oversight Task Force of the NPRC between September 15, 2017 and October 5, 2017. The matters discussed herein were brought to the attention of all NPRC members, AICPA administrative staff and technical managers. 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.

### **Working Paper Retention**

Document destruction, as required by the AICPA *Standards for Performing and Reporting on Peer Reviews (Standards)*, has been suspended since PRIMA go-live. Administrative staff have been unable to rely on PRIMA reporting to determine which reviews are subject to destruction due to a defect in how PRIMA has calculated review completion since go-live. Because of this defect, PRIMA's automatic document destruction rules were triggered early for some reviews, resulting in the destruction of documents that are required to be retained until 120 days after the completion of a review. This defect was addressed in PRIMA in August 2017; however, a data fix to address miscalculated completion dates has yet to be applied. Staff have made efforts to "stage" these documents for destruction as evidenced by the items marked "destroy." However, until reliable reporting is available, we have delayed purging documents. We anticipate a data fix to address this issue by December 31, 2017, at which time we will execute document destruction and resume ongoing document destruction as required.

In reviewing document retention procedures, staff have identified that, while peer review documents for reviews presented to RABs and to the full NPRC were being removed from shared network drives as required, the AICPA Extranet SharePoint site used to distribute materials to NPRC members was not included in those procedures. Document retention procedures have been revised to remove documents posted to this site in accordance with the *Standards*. Documents will now be removed from this site within 30 days of posting and retained on the team's shared network drive until the retention period has expired. Documents retained on this site longer than allowed by the *Standards*, have been destroyed.

We believe these actions fully address the recommendations noted during the inspection process applied to the administrative functions of the NPRC. We found this to be a very valuable process that has allowed us the opportunity to improve our processes related to administering the AICPA Peer Review Program.

Sincerely,



James W. Brackens, Jr., CPA, CGMA  
Vice President — Ethics and Practice Quality