

November 14, 2018

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 in connection with the internal review of the administrative procedures of the National Peer Review Committee performed in September 2018. 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.

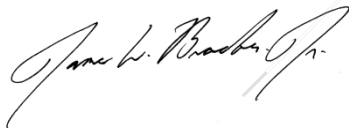
#### **Committee Decision Letters**

The circumstances under which the review in question was accepted are historically uncommon for reviews accepted by the National PRC Report Acceptance Bodies. Staff were not aware of changes to the acceptance letter for firms receiving a non-pass report accepted without corrective actions made with the introduction of PRIMA. We have reviewed the process for accepting these reviews in PRIMA and staff have been trained on how to properly modify this letter when accepting these reviews in the future.

We believe this fully addresses the observation noted during the inspection process applied to the administrative functions of the National Peer Review Committee. 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.

We appreciate Ms. Heidenreich's constructive advice and suggestions.

Sincerely,



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