

October 16, 2019

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

Re: Oversight Visit to the National Peer Review Committee

Dear Task Force Members:

This letter represents our response to the report and letter of procedures and observations issued in connection with the review of the National Peer Review Committee's administration of the AICPA Peer Review Program (program) performed on September 25 and 26. The matters discussed herein were brought to the attention of all peer review program committee members, administrative staff, and technical reviewer(s). 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

In reviewing the old / completed review materials identified by the reviewer, staff have identified that these appear to be limited to reviews processed in earlier periods. The types of files identified do not appear to be present in reviews processed under our current document retention procedures. Staff took steps to immediately remove the documents identified as well as to identify any additional documents of this type that might be present.

Staff have put in place procedures to eliminate the use of the old / completed review folder for reviews completed after September 15, 2019. No new items will be added to this folder as all required documents will be retained directly in PRIMA. Documents for older reviews, not completed in PRIMA will continue to be retained in this file with the expectation that the entire file will be eliminated at the end of the next full review cycle.

Review Monitoring

After a review is referred to the AICPA Peer Review Board for a termination hearing, there are no further actions necessary by the administering entity (AE). For the review selected, the hearings staff determined that a hearing was not necessary as the firm cooperated with their requests prior to the scheduled hearing date. The NPRC staff regularly monitor the status of reviews, however, it was not clear that the hearing had been cancelled and the review returned to the administering entity to process. Going forward, staff will obtain a monthly report of inactive hearings cases to identify any other reviews that may have been returned for processing.

We believe this fully addresses the recommendations 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.

Sincerely,



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