May 3, 2019

Laura Lantz, Executive Director  
Scot Phillips, CPA, Peer Review Committee Chair  
Idaho Society of CPAs  
1649 West Shoreline Drive, Suite 202  
Boise, ID  83702  

Dear Ms. Lantz and Mr. Phillips:

On May 02, 2019, the AICPA Peer Review Board Oversight Task Force accepted the report and letter of procedures and observations on the most recent oversight visit for the Idaho Society of CPAs, the administering entity for the AICPA Peer Review Program, and the administering entity’s response thereto. A copy of this acknowledgement, the two oversight visit documents, and your response have now been posted to the AICPA Peer Review Program website.

The AICPA Peer Review Board appreciates your cooperation and efforts in making the peer review program a success.

Sincerely,

Brian Bluhm

Brian Bluhm, CPA  
Chair – Oversight Task Force  
AICPA Peer Review Board

cc: Tracy Poe, Peer Review Director  
Idaho Society of CPAs

Laurel Gron, CPA, Senior Manager – Peer Review  
AICPA Peer Review Program
Oversight Visit Report

October 19, 2018

To the Idaho Society of CPAs
Peer Review Committee

We have reviewed the Idaho Society of CPAs' administration of the AICPA Peer Review Program (program) as part of our oversight program. The Idaho Society of CPAs is responsible for administering the program in Idaho. Our procedures were conducted in conformity with the guidance established by the AICPA Peer Review Board (board) as contained in the AICPA Peer Review Program Oversight Handbook.

Administering Entity’s Responsibility
The administering entity is responsible for administering the AICPA Peer Review Program in compliance with the AICPA Standards for Performing and Reporting on Peer Reviews, interpretations, and other guidance established by the board.

Oversight Task Force’s Responsibility
Our responsibility is to determine whether (1) administering entities are complying with the administrative procedures established by the board as set forth in the AICPA Peer Review Program Administrative Manual, (2) the reviews are being conducted and reported upon in accordance with the standards, (3) the results of the reviews are being evaluated on a consistent basis by all administering entity peer review committees, and (4) information disseminated by administering entities is accurate and timely.

Conclusion
Based on the results of the procedures performed, we have concluded except for the deficiency described below that the Idaho Society of CPAs has complied with the administrative procedures and standards in all material respects as established by the board.

The Peer Review Committee did not have adequate monitoring procedures in place to ensure the peer review program was administered in accordance with program standards. As more fully described in our accompanying letter of procedures and observations, we noted (1) documentation of reviewer resume verifications performed for 2017 was not retained, (2) some engagement peer reviews were not accepted timely by the technical reviewer, (3) administrative review procedures were not performed timely and committee decision letters were not sent timely, (4) the technical reviewer and the report acceptance body did not identify technical issues which impacted the peer review report ratings on some engagement reviews, and (5) review oversights were not performed timely, which caused the entity’s annual Plan of Administration to be approved late. A deficiency, which included some of these same issues, was noted in the previous oversight report dated January 19, 2018.
As is customary, we have issued a letter of oversight visit procedures and observations that details the oversight procedures performed and sets forth recommendations that were not considered to be of sufficient significance to affect the conclusions expressed in this report.

Richard W. Hill, Member, Oversight Task Force
AICPA Peer Review Program
October 19, 2018

To the Idaho Society of CPAs
Peer Review Committee

We have reviewed the Idaho Society of CPAs’ administration of the AICPA Peer Review Program as part of our oversight program and have issued our report thereon dated October 19, 2018. That report should be read in conjunction with the observations in this letter, which were considered in determining our conclusions. The observations described below were considered in forming the conclusions expressed in that report.

The oversight visit was conducted according to the procedures in the AICPA Peer Review Program Oversight Handbook. An oversight program is designed to improve the administering entity’s administration of the AICPA Peer Review Program through feedback on its policies and procedures, and to provide resource assistance from an AICPA Peer Review Board Oversight Task Force member on both technical and administrative matters.

In conjunction with the oversight visit of the Idaho Society of CPAs, the administering entity for the program, conducted on October 18 and 19, 2018, the following observations are being communicated.

**Administrative Procedures**
On the morning of October 18, 2018, Laurel Gron, AICPA Peer Review Program Manager, and I met with the Finance and Peer Review Director to review the program’s administration. Except as noted below, we believe the administrative processes were being handled in a manner consistent with peer review standards. We noted several reviews where administrative review procedures were not performed timely.

We reviewed the files, which were still open due to follow-up actions, which had not yet been completed. Overall, we found that the follow-up actions were being effectively monitored for completion by the administrative staff and the peer review committee.

We also reviewed the policies and procedures for the granting of extensions. We found that the Finance and Peer Review Director handles short-term extension requests with discussion from the committee when the circumstances warrant.

We also reviewed the timeliness of technical reviews and the preparation of committee decision letters. We noted engagement reviews were not accepted timely by the technical reviewer within 60 days of receipt of workpapers. We further noticed committee decision letters were not sent within 14 days of the committee decision, as required.
The administering entity has developed a backup plan to support the administrator and technical reviewers if they become unable to serve in their respective capacities.

We reviewed a list of peer reviewers whose resumes were verified for 2017; however, the documentation submitted for the verification was not retained, as required by program standards.

**Website Information**  
We met with the website manager to review the administering entity's procedures to determine if the information disseminated regarding the AICPA Peer Review Program by the administering entity on their website is accurate and timely.

After the AICPA staff’s review of the website material, we noted that the administering entity maintains current information as it relates to the peer review program. In addition, the administering entity has an individual who is responsible for maintaining the website and monitors the website on a weekly basis to ensure peer review information is accurate and timely.

**Working Paper Retention**  
According to discussions with the Finance and Peer Review Director, we found compliance with the working paper retention policies for completed reviews.

**Technical Review Procedures**  
We met with one of the technical reviewers to discuss procedures. She performs substantially all technical reviews.

We reviewed the reports, letters of response, if applicable, and the working papers for several reviews. We noted improper engagement selection on an engagement review that impacted the peer review report rating. On another engagement review, we noted a matter on a review engagement was not properly elevated to a deficiency in accordance with guidance. While these issues should have been identified during the technical review process, these were also not identified during the report acceptance process and the reviewers did not receive feedback.

**Review Presentation**  
Only four engagement reviews were presented during the committee meeting on October 19, 2018, none of which involved any questionable or contentious issues.

**Committee Procedures**  
We met with the committee chair and discussed their procedures for disseminating the comments resulting from RAB observation reports to the appropriate individuals.

On October 19, 2018, we attended the on-site peer review committee meeting, as well as the administering entity's executive committee meeting. We observed the committee's acceptance process and offered our comments at the close of discussions.
The on-site committee functioned as the report acceptance body (RAB), and the meeting was very orderly. It was apparent that the committee members had reviewed the reports and working papers prior to the meeting and had a good understanding of the program to reach an appropriate decision for each review.

During this meeting, appropriate decisions were made in the acceptance process, including assigned corrective actions and reviewer monitoring. Reviews were presented to this RAB on a timely basis.

**Oversight Program**
The Idaho Society of CPAs’ peer review committee has adopted a formal oversight program that is well documented. We reviewed the document and procedures performed and found it to be comprehensive.

We noted that one of the required peer review oversights was not performed timely. As a result, the Plan of Administration was not approved until July 27, 2018.

**Summary**
Our observations to enhance Idaho Society of CPAs’ administration of the program are summarized as follows:

1. The administrative review of peer review working papers should be completed within 14 days of receipt.
2. The technical reviewer should accept engagement reviews (as allowed by the peer review standards) no later than 60 days after the review documents are received.
3. Committee decision letters should be sent no later than 14 days after the committee decision.
4. Documentation submitted in connection with reviewer resume verification should be retained for three years or until the next resume verification occurs.
5. The technical reviewer should review program standards and related guidance for engagement reviews and exercise greater care completing the technical reviewer’s checklist to identify issues before the report acceptance process. The RAB should also provide a more thorough review of these documents as part of their deliberation.
6. Required oversights of peer reviews and reviewers should be performed timely. All components of the Plan of Administration should be completed and filed by the deadline.

Richard W. Hill, Member, Oversight Task Force
AICPA Peer Review Program
April 9, 2019

Brian Bluhm, Chair
Oversight Task Force
AICPA Peer Review Board
Palladian I Corporate Center
220 Leigh Farm Road
Durham, NC 27707-8110

Re: Oversight Visit to Idaho Society of CPAs

Dear Mr. Bluhm:

This letter represents our response to the report and letter of procedures and observations issued in connection with the review of the Idaho Society of CPA's administration of the AICPA Peer Review Program (program) performed on October 18 and 19, 2018. 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.

Administrative Procedures

- **Some Engagement Peer Reviews Were Not Accepted Timely by the Technical Reviewer**—The technical reviewer thought the 60-day period for accepting certain reviews began when the administrative review was complete. The technical reviewer has been made aware that the 60-day period begins when the documents are received from the review captain. We've also hired another person to assist with performing technical reviews for engagement peer reviews so that reviews will be accepted timely.

- **Administrative Review Procedures Were Not Performed Timely and Committee Decision Letters Were Not Sent Timely**—There were several reviews where the administrative review of peer review working papers was not completed within 14 days of receipt. There were also some committee decision letters that were not sent within 14 days of the committee decision. The administrator will closely monitor when work papers are received to ensure the administrative review is completed within 14 days of receipt. Committee decision letters will be sent within 14 days of the committee decision.

- **Documentation of Reviewer Resume Verifications Performed for 2017 Was Not Retained**—The documentation that was previously submitted has been obtained and is in the file, except for one reviewer who is no longer performing reviews and no longer has a resume on file. All documentation will be retained for 3 years or until the next resume verification of the reviewer's resume occurs. The documentation was also sent to the committee chair for review.
April 9, 2019
Brian Bluhm, Chair, Oversight Task Force
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Technical Review Procedures

The Technical Reviewer and the RAB Did Not Identify Technical Issues Which Impacted the Report Ratings on Some Engagement Reviews—The technical reviewer has been made aware of the issues and will review standards and related guidance in order to help identify issues before the RAB process. The guidance for assessing the level of which to elevate a finding was also discussed in a RAB meeting held on January 19, 2019.

The RAB reviewed the documents for the engagement review where a matter was not properly elevated to a deficiency in accordance with guidance. After discussion, the RAB determined that the acceptance of the report should be recalled. The technical reviewer was asked to review all engagement reviews accepted within the last 120 days to see if any of them had similar issues. The technical reviewer did not identify any similar issues on those reviews. The committee chair reviewed the technical reviewer’s summary of the matters on those reviews and concurred.

Oversight Program

Review Oversights Were Not Performed Timely—The completion of the oversight of an engagement review was delayed as we were waiting on receiving a response from the review captain. In the future, if an oversight is delayed and it appears that it will not be completed in a timely manner, a different review will be selected for oversight. All oversights for 2018 were performed timely and our report on compliance was also submitted in a timely manner.

We appreciate the constructive advice and suggestions provided by Richard and Laurel.

Sincerely,

Laura L. Lantz
Executive Director

Scot Phillips, CPA
Peer Review Committee Chair