



May 3, 2019

Anna M. Durst, CPA, CGMA, CEO
Beth Kohn-Cole, CPA, Peer Review Committee Chair
Nevada Society of CPAs
5422 Longley Lane, Suite A
Reno, NV 89511

Dear Ms. Durst and Ms. Kohn-Cole:

On April 16, 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 Nevada 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 next administering entity oversight visit will be in 2020.

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

Laurel Gron, CPA, Senior Manager – Peer Review
AICPA Peer Review Program

Oversight Visit Report

December 11, 2018

To the Peer Review Committee
Nevada Society of CPAs

We have reviewed Nevada Society of CPA's administration of the AICPA Peer Review Program (program) as part of our oversight program. Nevada Society of CPAs is responsible for administering the program in Nevada, Nebraska, Utah, Wyoming and Montana (effective May 31, 2018). 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.

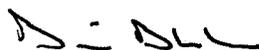
Oversight Task Force's Responsibility

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 that the Nevada Society of CPAs has complied with the administrative procedures and standards in all material respects as established by the board.

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.

Brian Bluhm, Member, Oversight Task Force
AICPA Peer Review Program



December 11, 2018

To the Peer Review Committee
Nevada Society of CPAs

We have reviewed Nevada Society of CPAs' administration of the AICPA Peer Review Program as part of our oversight program and have issued our report thereon dated December 11, 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 not considered to be of sufficient significance to affect 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 Nevada Society of CPAs, the administering entity for the program, conducted on December 10-11, 2018, the following observations are being communicated.

Administrative Procedures

On December 10, 2018, I met with the Chief Executive Officer and Peer Review Program Manager to review the program's administration. I believe the administrative processes were being handled in a manner consistent with peer review standards.

I reviewed the monitoring of open reviews, noting that the Peer Review Program Manager maintains a detail listing of open reviews, by category, and provides that detail to the peer review committee for their review on a regular basis. Many of the open reviews had due dates prior to 2017.

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

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

I also reviewed the timeliness of technical reviews and the preparation of committee decision letters. I found no problems in these areas.

The Society has developed a backup plan to support the administrators and technical reviewers if they become unable to serve in their respective capacities.

Website Information

I 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, I 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 Peer Review Program Manager, I found compliance with the working paper retention policies for completed reviews.

Technical Review Procedures

On December 11, 2018, I met with one of the Society's technical reviewers, to discuss procedures. The reviewer performs a significant number of the technical reviews and is an experienced reviewer.

I reviewed the reports, letters of response, if applicable, and the working papers for several reviews being presented to the Report Acceptance Body (RAB) on December 11, 2018. I noted reviews in which technical matters had not been sufficiently addressed by the technical reviewers, resulting in extended discussion by the RAB, as well as the delay of one review and the deferral of one review. The matters noted included, but were not limited to, the following -

- On a system review, the peer review documentation did not sufficiently support the basis for conclusion on the report rating, include an appropriate systemic cause for an identified deficiency and FFCs, document consideration of a possible monitoring deficiency, and the deficiency included in the report did not include a reference to nonconforming engagements, the level of service/or industry, or a clear communication of the systemic cause.

- On an engagement review, a deficiency included in the report contained inconsistent language related to the nature of engagements reviewed and the letter of response did not address remediation of nonconforming engagements
- Lack of consideration of reviewer feedback

Review Presentation

On December 11, 2018, I attended the RAB meeting in which I observed the RAB's acceptance process and offered my comments at the close of discussion for several reviews. As detailed above, I noted reviews which were presented to the RAB with open technical issues. The RAB's consideration of those comments resulted in one review being delayed and one review being deferred. An additional review was also delayed, subject to verification that the technical reviewer had the appropriate training to perform the technical review for a review including a Single Audit engagement.

Committee Procedures

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

On December 11, 2018, I attended the on-site peer review committee meeting. I observed the committee's acceptance process and offered my 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.

Appropriate decisions were made in the acceptance process, including assigned corrective actions and reviewer monitoring. Reviews were being presented to the RABs on a timely basis.

Oversight Program

The Nevada Society of CPAs' peer review committee has adopted a formal oversight program that is well documented. I reviewed the document and procedures performed and found it to be comprehensive.

Summary

My observations to enhance Nevada Society of CPAs' administration of the program are summarized as follows:

- Technical reviewers should ensure that all technical matters are addressed prior to reviews being presented to the RAB, or in circumstances that the technical reviewer has identified matters that warrant RAB consideration, specifically identify those matters in the materials provided to the RAB members for their consideration during their preparation for the RAB meeting.
- Administrative staff should confirm that technical reviewers have met applicable training requirements on a timely basis.
- We encourage administrative staff and peer review committee members to continue to monitor the status of open reviews and actively work to resolve old reviews.



Brian Bluhm, Member, Oversight Task Force
AICPA Peer Review Program

March 27, 2019

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

Re: Oversight Visit to Nevada 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 Nevada Society of CPAs' administration of the AICPA Peer Review Program (program) performed on December 10-11, 2018, received on March 22, 2019. The matters discussed herein were brought to the attention of all peer review program committee members, administrative staff, and technical reviewers. 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.

Observations that did not affect the report:

Technical Review Procedures

Report Observation: Technical reviewers should ensure that all technical matters are addressed prior to reviews being presented to the RAB, or in circumstances that the technical reviewer has identified matters that warrant RAB consideration, specifically identify those matters in the materials provided to the RAB members for their consideration during their preparation for the RAB meeting.

Response: Technical reviewers will confirm all matters are addressed prior to information being sent to the RAB. The CPA on Staff, Administrator, and RAB Chair will monitor RAB discussions to evaluate whether the acceptance process is being delayed as a result of technical issues raised by the RAB that were not identified in the technical review process.

Administrative Procedures

Report Observation: Administrative staff should confirm that technical reviewers have met applicable training requirements on a timely basis.

Response: Administrative staff verbally confirmed the training of a technical reviewer to ensure they were eligible to perform the technical review of a specific review prior to the RAB. Guidance

does not state that written proof must be obtained and kept on file. However, after discussions with the Oversight Task Force Member, we will document our discussion with the technical reviewers to a file to avoid any doubt or delay in oversight in the future.

Report Observation: We encourage administrative staff and peer review committee members to continue to monitor the status of open reviews and actively work to resolve old reviews.

Response: Our policy has been to monitor the open reviews at each RAB and to continue to process old reviews per the appropriate procedures. This policy will stay in place indefinitely.

We appreciate Mr. Bluhm's constructive advice and suggestions.

Sincerely,



Anna Durst, CPA

CEO, Nevada Society of CPAs



Beth Kohn-Cole, CPA

Chair, Nevada Society of CPAs Peer Review Program