March 7, 2019

Michael Colgan, CAE, CEO  
Robert Bezgin, CPA, Peer Review Committee Chair  
Pennsylvania Institute of CPAs  
1801 Market Street, Suite 2400  
Philadelphia, PA 19103

Dear Mr. Colgan and Mr. Bezgin:

On March 6, 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 Pennsylvania Institute 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

cc: Allison Henry, CPA, VP Professional & Technical Standards  
Pennsylvania Institute of CPAs  

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

September 13, 2018

To the Pennsylvania Institute of CPAs
Peer Review Committee

We have reviewed the Pennsylvania Institute of CPAs’ administration of the AICPA Peer Review Program (program) as part of our oversight program. Pennsylvania Institute of CPAs is responsible for administering the program in Pennsylvania, Delaware, U.S. Virgin Islands, and New York (effective March 15, 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 Pennsylvania Institute 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.

Richard W. Hill, Member, Oversight Task Force
AICPA Peer Review Program
September 13, 2018

To the Pennsylvania Institute of CPAs
Peer Review Committee

We have reviewed the Pennsylvania Institute of CPAs’ administration of the AICPA Peer Review Program as part of our oversight program and have issued our report thereon dated September 13, 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 Pennsylvania Institute of CPAs, the administering entity for the program, conducted on September 12 and 13, 2018, the following observations are being communicated.

**Administrative Procedures**

On the morning of September 12, 2018, Lori Warden, a member of the Oversight Task Force and I met with the Vice President – Professional & Technical Standards to review the program's administration. We believe the administrative processes were being handled in a manner consistent with peer review standards.

We reviewed the files, which were still open due to follow-up actions, which had not yet been completed. 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 Vice President – Professional & Technical Standards 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 found no problems in these areas.

The administering entity has developed a backup plan to support the administrators and technical reviewers if they become unable to serve in their respective capacities.
**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 Vice President – Professional & Technical Standards, we found compliance with the working paper retention policies for completed reviews.

**Technical Review Procedures**
We met with the three of the technical reviewers, to discuss procedures. They perform substantially all technical reviews.

We reviewed the reports, letters of response, if applicable, and the working papers for several reviews. We believe that all review issues were addressed properly by the technical reviewers before reviews were presented to the committee. This helped the acceptance process to be effective and efficient.

**Review Presentation**
Reviews are brought to the committee without open technical issues. Accordingly, it was not necessary for the committee to spend a great deal of time reviewing specific technical 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 September 13, 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.

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 Pennsylvania Institute 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
There are no further observations to be communicated to the Pennsylvania Institute of CPAs.

Richard W. Hill, Member, Oversight Task Force
AICPA Peer Review Program
March 1, 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 PICPA

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 PICPA’s administration of the AICPA Peer Review Program performed on September 11-12. The oversight visit documents have been disseminated to all peer review program committee members, administrative staff, and technical reviewers. We are pleased to note there were no specific deficiencies or observations included in the oversight documents on which a written response was required. This letter represents our acknowledgement of the oversight visit.

We appreciate Richard Hill’s review of our administration of the AICPA Peer Review Program.

Sincerely,

Michael D. Colgan, CEO, CAE

Robert C. Bezgin