

December 6, 2017

Edna I. Jimenez, CPA, CGMA, Executive Director
Ricardo Ruiz, CPA, Peer Review Committee Chair
Puerto Rico State Society of CPAs
Capital Center I, Suite 1401
239 Arterial Hostos Ave.
San Juan, PR 00918-1400

Dear Ms. Jimenez and Mr. Ruiz:

On October 19, 2017, 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 Puerto Rico 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 2019.

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

Sincerely,

Richard Hill

Richard Hill, CPA, Chair
Chair, Oversight Task Force
AICPA Peer Review Board

cc: Maria T. Laboy, CPA – Executive Sub-Director Membership & Administration

Laurel Gron, Manager – Peer Review
AICPA Peer Review Program

Oversight Visit Report

May 23, 2017

To the Puerto Rico State Society of CPAs Peer Review Committee

We have reviewed Puerto Rico State Society of CPA's administration of the AICPA Peer Review Program as part of our oversight program. 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*. 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. 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.

Based on the results of the procedures performed, we have concluded that the Puerto Rico State 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.

John A. Lynch

John A. Lynch CPA, Member, Oversight Task Force
AICPA Peer Review Program

May 23, 2017

To the Puerto Rico State Society of CPAs
Peer Review Committee

We have reviewed Puerto Rico State Society of CPA's administration of the AICPA Peer Review Program as part of our oversight program and have issued our report thereon dated May 23, 2017. 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 Puerto Rico State Society of CPAs, the administering entity for the program, conducted on May 22-23, 2017, the following observations are being communicated.

Administrative Procedures

On morning of May 22, 2017, I met with the Executive Sub-Director of Peer Review for Member Services (Director) 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 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 Committee approves all extension requests.

I also reviewed the timeliness of the scheduling process, technical reviews, and the preparation of acceptance and follow-up letters. I did observe that some of the overdue letters were not always sent timely.

The Puerto Rico Society of CPAs has developed a backup plan to support the director and the technical reviewer if either becomes unable to serve in his/her designated capacity.

Web Site and Other Media Information

I met with the Director 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 Web site and other media information (if applicable) is accurate and timely.

After the AICPA staff's review of the Web site 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 Web site and monitors the Web site on a periodic basis to ensure peer review information is accurate and timely.

Working Paper Retention

I reviewed the workpaper retention policy and sampled a few completed reviews with the Director and found no issues in compliance with the AICPA Program Administrative manual.

Technical Review Procedures

I met with the technical reviewer to discuss the technical review process. He performs most 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. I believe that most review issues were addressed properly by the technical reviewer(s) before reviews were presented to the committee. This helped the acceptance process to be effective and efficient.

Review Presentation

The reviews were presented to the committee without open technical issues.

Committee Procedures

I met with the committee chair and discussed their procedures for disseminating the comments resulting from the AICPA working paper oversights and RAB observation reports to the appropriate individuals. It was determined the committee issued reviewer feedback when appropriate.

On May 23, 2017, I attended the on-site peer review committee meeting, as well as the state's executive 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. Reviewer feedback was issued when necessary, however, the feedback forms were not uploaded to SharePoint on a timely basis.

Oversight Program

The Puerto Rico State Society of CPA's 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 Puerto Rico State Society of CPA's administration of the program are summarized as follows:

The administering entity should make sure the required overdue letters are sent timely.

The administering entity should review the process of timely posting the reviewer feedback forms to SharePoint.

John A. Lynch

John A. Lynch, Member, Oversight Task Force
AICPA Peer Review Program

Sent by e-mail

August 1, 2017

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

Re: Oversight Visit to the Puerto Rico Society of CPAs

Dear Mr. Hill:

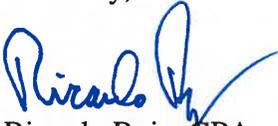
This letter represents our response to the report and letter of procedures and observations issued in connection with the review of the Puerto Rico Society of CPAs administration of the AICPA Peer Review Program (program) performed on May 22-23, 2017. The matters discussed herein were brought to the 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

We recognize the importance of timely issuance of overdue letters and timely posting of reviewer feedback forms to SharePoint. Now with PRIMA in place and the weekly trainings, we have incorporated new procedures to ensure required overdue letters are being sent timely, either by PRIMA or separately initiated by the administrator. In addition, to ensure that we timely post the reviewer feedback forms into SharePoint, we will be reviewing monthly the issued reviewer feedback forms and making sure they are properly posted in SharePoint.

We appreciate Mr. John A Lynch's constructive advice and suggestions and thank him for the professionalism demonstrated during his visit to the Society.

Sincerely,



Ricardo Ruiz, CPA
Committee Chair

Cc: John A. Lynch, CPA, Member, AICPA Peer Review Program Oversight Task Force
Edna I. Jiménez, CPA, CGMA, Executive Director, Puerto Rico Society of CPAs
Maria T. Laboy, CPA, CGMA, Executive Sub-Director-Member Services and
Administration, Puerto Rico Society of CPAs