January 5, 2016

Jonathon Eade, Committee Chair
Kentucky Society of CPAs
1735 Alliant Avenue
Louisville, KY 40299

Dear Mr. Eade:

On December 31, 2015 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 Kentucky 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 Web site.

The next state oversight visit will be in 2017.

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

Sincerely,

Debra Seefeld, Chair
Oversight Task Force
AICPA Peer Review Board

cc: Penny Gold, CEO
Julie Salvaggio, Kentucky Society of CPAs
Laurel Gron, AICPA Peer Review Program Technical Manager
Oversight Visit Report

November 17, 2015

To the Peer Review Committee
Kentucky Society of
Certified Public Accountants

We have reviewed the Kentucky Society of CPAs' 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 (the "Standards"), 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 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 Kentucky 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.

[Signature]
John Lynch, Member, Oversight Task Force
AICPA Peer Review Program
November 17, 2015

To the Peer Review Committee
Kentucky Society of
Certified Public Accountants

We have reviewed the Kentucky Society of CPAs’ administration of the Peer Review Program (the “Program”) of the American Institute of Certified Public Accountants (the “AICPA”) as part of our oversight program and have issued our report thereon dated November 17, 2015. That report should be read in conjunction with the observations in this letter, which were considered in determining our conclusions. The observations described in this letter 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 (the “Board”) Oversight Task Force member on both technical and administrative matters.

In conjunction with the oversight visit of the Kentucky Society of CPAs, an administering entity for the Program, conducted on November 16-17, 2015, the following observations are being communicated.

Administrative Procedures

On the morning of November 16, 2015, Jennifer Capoccia, an AICPA manager, and I met with the Kentucky Society of CPAs’ Peer Review Manager and one of the technical reviewers to review the Program's administration. We believe the administrative processes were being handled in a manner consistent with peer review standards in all material respects.

We reviewed the files which were still open due to follow-up actions and which had not yet been completed. We found that, the administrative staff and the Kentucky Society of CPAs’ Peer Review Committee (the “Committee”) were properly monitoring the follow-up actions for completion.

We also reviewed the policies and procedures for the granting of extensions. We found that the Technical Reviewer or Peer Review Manager handle short-term extension requests with discussion from the Committee when the circumstances warrant for periods longer than 30 days.

We reviewed the timeliness of the scheduling process, technical reviews, the preparation of acceptance and follow-up letters, and submission of peer review results to the Facilitated State Board Access (the “FSBA”) web site. We noted the reviews were presented to the Kentucky Society of CPAs' Report Acceptance Bodies (the “RABs”) in a timely fashion, acceptance and follow-up letters were issued timely, and submissions to the FSBA were within the prescribed time-frames.
The Kentucky Society of CPAs' has developed a back-up plan to ensure that the Program continues to be administered, with minimal disruption, in the event that any member of their peer review staff is unable to serve in their designated capacity. The back-up plan primarily consists of the utilization of a neighboring administering entity's peer review staff.

**Web Site and Other Media Information**

We met with the Kentucky Society of CPAs' Peer Review Manager and Technical Reviewer to review the administering entity's procedures to determine if the information disseminated regarding the Program by the administering entity on their web site is accurate and timely.

After the AICPA staff's review of the web site material, it was noted that the Kentucky Society of CPAs' maintains current information as it relates to the peer review program. In addition, the Kentucky Society of CPAs has an individual who is responsible for maintaining the Web site and monitors the Web site on a quarterly basis to ensure peer review information is accurate and timely.

**Working Paper Retention**

We reviewed the completed working papers for several reviews and found compliance with the working paper retention policies.

**Technical Review and Presentation Procedures**

On November 16, 2015, AICPA we met with one of Kentucky's Society of CPAs' technical reviewers to discuss procedures. He performs substantially all technical reviews and he is a very experienced and knowledgeable technical reviewer.

AICPA staff and I reviewed the reports, working papers, and, if applicable, letters of response for four reviews scheduled for consideration by one of the Kentucky Society of CPAs' RABs on November 17, 2015. We believe that all 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.
Committee Procedures

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

On November 17, 2015, AICPA staff and I attended the on-site peer review committee meeting, as well as the Kentucky Society’s Peer Review Executive Committee meeting. We observed the committee’s acceptance process and offered our comments at the close of discussions. During the executive committee meeting, we informed the Committee of the purpose of our visit as well as recent happenings at the AICPA.

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 thoroughly 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, appropriate follow-up actions were assigned and reviewers were being appropriately monitored. Reviews were being presented to the RABs on a timely basis.

On November 17, 2015, we met with the Committee chair and State Society CEO, along with other subjects, discussed any comments or concerns they had with the execution of the peer review program. We also discussed feedback they have received from their members.

Oversight Program

The Kentucky 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

There are no further observations to be communicated to the Kentucky Society of CPAs’ peer review committee.

John Lynch, Member, Oversight Task Force
AICPA Peer Review Program
December 17, 2015

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

Re: Oversight Visit to Kentucky Society of CPAs

Dear Ms. Seefeld:

This letter represents our response to the report and letter of procedures and observations issued in connection with the review of the Kentucky Society of CPAs administration of the AICPA Peer Review Program performed on November 17, 2015. 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 John Lynch’s review of our administration of the AICPA Peer Review Program.

Sincerely,

Jonathon D. Eade, CPA
Kentucky Society of CPAs Peer Review Committee Chair