



September 20, 2021

To the National Peer Review Committee

As requested by the Oversight Task Force of the National Peer Review Committee (NPRC), I conducted the 2021 oversight visit according to the administrative oversight procedures in the *AICPA Peer Review Program Oversight Handbook*, and issued my report thereon dated September 20, 2021. I performed this oversight in my role as a member of the Oversight Task Force of the NPRC. The oversight visit was conducted virtually through inspection of documents and videoconference interviews.

The administrative oversight program is designed to ensure that the AICPA Peer Review Program (the Program) is being administered in accordance with guidance as issued by the AICPA Peer Review Board.

In conjunction with the administrative oversight visit of the NPRC, an administering entity for the Program, the following observations are communicated.

### **Administrative Procedures**

On June 28, 2021, I met with the Gary Freundlich, Technical Director and CPA on Staff, and other NPRC staff, 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 status of open reviews, including reviews with corrective actions and implementation plans, 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 reviewed the policies and procedures for the granting of extensions. I found that the Technical Director and others, as applicable, handle short-term extension requests with discussion from the committee when the circumstances warrant, and in accordance with guidance provided by the AICPA Peer Review Board in response to the COVID-19 pandemic.

I reviewed the timeliness of the scheduling process, technical reviews, and the preparation of acceptance and follow-up letters. I found no problems in these areas.

I reviewed the back-up plan to support the program manager and technical reviewers if either becomes unable to serve in that capacity.

According to discussions with NPRC staff, I found compliance with the working paper retention policies for completed reviews.

I reviewed the 2020 Administering Entity (AE) Oversight report and the AE summary forms submitted since the last Administrative Oversight. These reports and staff responses thereto are a matter of record. Staff responses and follow-up action appear appropriate.

### **Web Site and Other Media Information**

I reviewed the administering entity's procedures to determine if the information disseminated regarding the Program by the administering entity on its Web site and other media information (if applicable) is accurate and timely.

After reviewing the Web site material, I noted that the administering entity maintains current information as it relates to the Program. In addition, the administering entity has an individual who is responsible for maintaining the Web site and monitors the Web site on a continual basis to ensure peer review information is accurate and timely.

### **Technical Review Procedures**

I met with Rachelle Drummond, Senior Technical Manager, to discuss technical review procedures and qualifications of technical reviewers. I also participated in several RAB meetings and read several Review Packages prepared for RAB consideration. I determined that the technical reviewers met the qualifications set forth in the guidance and the technical review procedures were being handled in a manner consistent with peer review standards. The technical reviewers were available during the RAB meetings to answer questions that arose about the reviews presented.

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

### **CPA on Staff**

I discussed the required CPA on staff duties and responsibilities with Mr. Freundlich and reviewed several documents to complete the monitoring of the process. I determined that the CPA on staff met the qualifications set forth in the guidance and the duties were being performed in a manner consistent with peer review standards.

I reviewed the annual confidentiality agreements and continuing professional education records from a sample of administering entity staff associated with the Program without exception.

I discussed the policies and procedures designed to maintain objectivity and skepticism to mitigate familiarity threat and safeguards that had been implemented while considering the results of peer reviews.

I noted that the reviewer resume verification process was suspended for 2020 due to the COVID-19 pandemic.

### **Oversight Program**

The NPRC has adopted a formal oversight program that is well documented. I reviewed the document and procedures performed and found them to be comprehensive.

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**Summary**

There are no further observations to be communicated to the NPRC.

I wish to express my appreciation to Mr. Freundlich and Ms. Drummond and others representing the administering entity for their courtesy and cooperation during my review.

Sincerely,

A handwritten signature in black ink, appearing to read "Kevin D. Humphries". The signature is written in a cursive style with a long horizontal stroke extending to the right.

Kevin D. Humphries  
Member, Oversight Task Force  
National Peer Review Committee

cc: Mr. Gary Freundlich