



April 2, 2020

Bonnie Stewart, Executive Director  
George M. Henry, CPA, Peer Review Committee Chair  
Connecticut Society of CPAs  
716 Brook Street, Suite 100  
Rocky Hill, CT 06067-3405

Dear Ms. Stewart and Mr. Henry:

On March 30, 2020, 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 Connecticut Society of CPA, 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 2021.

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: Julie McNeal, CPA, Director of Finance and Operations  
Connecticut Society of CPA

Lori D. Warden, CPA, CGMA, Manager – Peer Review  
AICPA Peer Review Program

## Oversight Visit Report

November 12, 2019

To the Connecticut Society of CPAs  
Peer Review Committee

We have reviewed Connecticut Society of CPAs' administration of the AICPA Peer Review Program (program) as part of our oversight program. Connecticut Society of CPAs is responsible for administering the program in Connecticut. 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, (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 Connecticut 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.

Paul V. Inserra, Member, Oversight Task Force  
AICPA Peer Review Program



November 12, 2019

To the Connecticut Society of CPAs  
Peer Review Committee

We have reviewed Connecticut Society of CPAs' administration of the AICPA Peer Review Program as part of our oversight program and have issued our report thereon dated November 12, 2019. 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 Connecticut Society of CPAs, the administering entity for the program, conducted on October 24, 2019 and November 11 and 12, 2019, the following observations are being communicated.

### **Administrative Procedures**

On November 11, 2019, I met with the Director of Finance and Operations 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 open reviews were being monitored for completion by the administrative staff and the peer review committee; however, I noted some older reviews that appeared to have stalled.

I also reviewed the timeliness of the preparation of committee decision letters. I noted no problems in these areas.

Additionally, I reviewed the policies and procedures for granting extensions. I found that a subcommittee of the peer review committee handles extension requests.

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.

According to discussions with the Director of Finance and Operations, I found compliance with the working paper retention policies for completed reviews.

I met with the Director of Finance and Operations 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 instances where the website included content that was not accurate or complete. This is a repeat comment.

### **Technical Review Procedures**

I met with the technical reviewers to discuss procedures. I determined that the technical reviewers met the qualifications set forth in the guidance. I noted that although technical reviewer evaluations were performed for 2019, they were not performed for 2018.

I reviewed the reports, letters of response, if applicable, and the working papers for several reviews. Some reviews were not presented to the RAB within 120 days of receipt of documents from the reviewer, as required by the peer review standards. I noted reviews in which technical matters had not been sufficiently addressed by the technical reviewer, resulting in extended discussion by the RAB, as well as the delay or deferral of several reviews. In addition, I noted an instance where reviewer performance feedback should have been recommended for the reviewer when significant working paper revisions were required.

The technical reviewers were available during the RAB meeting I observed to answer any questions that arose.

### **CPA on Staff**

I met with the Director of Finance and Operations, who also serves as the CPA on staff, and discussed their procedures for monitoring the program. I determined that the CPA on staff met the qualifications set forth in the guidance.

I reviewed the annual confidentiality agreements from all administering entity staff associated with the peer review. I noted that all confidentiality agreements had been obtained and signed by the staff involved with the peer review program administration.

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 the peer reviews.

## **RAB and Peer Review Committee Procedures**

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

On October 24, 2019, Andrew Volz, AICPA Peer Review Manager, and I observed a RAB meeting via conference call. We observed the committee's acceptance process and offered our comments at the close of discussions. 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.

## **Oversight Program**

The Connecticut 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 Connecticut Society of CPAs' administration of the program are summarized as follows:

The administrative staff and the peer review committee members should continue to monitor the status of open reviews and actively work to resolve old open reviews.

The administering entity should periodically review their website content for accuracy and completeness.

The CPA on staff should ensure that technical reviewer evaluations are performed annually.

The technical reviewers should ensure that most all reviews are presented to the RAB within 120 days after the review documents are received.

The technical reviewers should exercise greater care in performing technical reviews to identify and resolve open items before sending the review to the RAB.

The technical reviewers should evaluate reviewer performance on each review and recommend reviewer performance feedback when warranted.



Paul V. Inserra, Member, Oversight Task Force  
AICPA Peer Review Program



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March 9, 2020

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 Connecticut Society of Certified Public Accountants

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 Connecticut Society of CPA's administration of the AICPA Peer Review Program (program) performed on November 11 and 12, 2019. 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.

The following observations did not affect the report:

#### **Administrative Procedures**

We recognize that following the administrative processes for the program is important, accordingly we have put into place a procedure to monitor the administrative procedure.

We recognize that having accurate and timely information on our website is important; accordingly, we have put into place a procedure for which the peer review administrator communicates with the web site manager all changes as it relates to the peer review program.

1. The administrative staff and the peer review committee members should continue to monitor the status of open reviews and actively work to resolve old open reviews. *CTCPA response: The peer review administrator contacts firms early in the month when any action on the firm's part is due to offer assistance and keep the firm on schedule.*



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2. The administering entity should periodically review their website content for accuracy and completeness. *CTCPA response: The CTCPA removed all articles of concern from its website. All links will be periodically reviewed to ensure they are working properly.*

### **Technical Review Procedures**

We have provided additional training, developed policies and procedures, and are providing feedback to the tech reviewers to promote completeness and consistency for the preparation of reviews going to RAB. The policies and procedures have been implemented to reduce the number of reviews that are presented with open unresolved items to reduce the number of deferral and delays within the RAB acceptance process.

3. The technical reviewers should ensure that most all reviews are presented to the RAB within 120 days after the review documents are received. *CTCPA response: The CPA on staff and peer review administrator were both new to the program in April 2018 and used compliance with the benchmarks as their guidance. With that focus and experience other than a review subject to an AICPA enhanced oversight, all reviews within the recent reporting period were completed within 120 days.*
4. The technical reviewers should exercise greater care in performing technical reviews to identify and resolve open items before sending the review to the RAB. *CTCPA response: The technical reviewers and committee chair will ensure that reviews do not have open items before going to the report acceptance body.*
5. The technical reviewers should evaluate reviewer performance on each review and recommend reviewer performance feedback when warranted. *CTCPA response: The technical reviewers and report acceptance bodies have implemented procedures to consider if performance feedback is warranted on each review.*

### **CPA on Staff**

6. The CPA on staff should ensure that technical reviewer evaluations are performed annually. *CTCPA response: Technical reviewer evaluations are a part of the annual oversight process.*



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Administered in Connecticut by the Connecticut Society of CPAs

### RAB and Peer Review Committee Procedures

The committee will review the guidance on reviewer performance and take the appropriate steps to ensure that reviewer performance feedback forms are issued when appropriate.

The committee chair and technical reviewer review all open technical issues prior to the meeting, in an attempt, to resolve any outstanding issues.

We appreciate Paul Inserra's constructive advice and suggestions.

Sincerely,

Bonnie Stewart, CEO

Martin Henry, Peer Review Chair

Julie McNeal, CPA on Staff