



August 7, 2023

Boyd Search, President & CEO
Todd Stone, CPA, Peer Review Committee Chair
Jessica Mytrohovich, CPA, Chief Financial Officer
Georgia Society of CPAs
6 Concourse Pkwy Ste 800
Atlanta, GA 30328

Dear Mr. Search, Mr. Stone, and Ms. Mytrohovich:

On August 7, 2023, the AICPA Peer Review Board Oversight Task Force accepted the report and letter of procedures and observations on the most recent oversight for the Georgia 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 documents, and your response have now been posted to the AICPA Peer Review Program website.

The next administering entity oversight will be in 2024.

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

Sincerely,

Kim D. Meyer

Kim D. Meyer, CPA
Chair – Oversight Task Force
AICPA Peer Review Board

Oversight Report

November 11, 2022

To the Peer Review Committee of the Georgia Society of CPAs:

We have reviewed the Georgia Society of CPAs' administration of the AICPA Peer Review Program (program) as part of our oversight program. The Georgia Society of CPAs is responsible for administering the program in Georgia. 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* (standards) 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 Georgia Society of CPAs has complied with the administrative procedures and standards in all material respects as established by the board.

We have also issued a letter of oversight procedures and observations that details the oversight procedures performed and sets forth recommendations that did not affect the conclusions expressed in this report.



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



November 11, 2022

To the Peer Review Committee of the Georgia Society of CPAs:

We have reviewed the Georgia Society of CPAs' administration of the AICPA Peer Review Program as part of our oversight program and have issued our report thereon dated November 11, 2022. That report should be read in conjunction with the observations in this letter. The observations described below were considered but did not affect the conclusions expressed in that report.

The oversight was conducted according to the procedures in the *AICPA Peer Review Program Oversight Handbook*. The 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.

During the oversight conducted on November 10 – 11, 2022, I met with the Chief Financial Officer, who serves as the CPA on staff, the technical reviewers, and the peer review committee chair.

In conjunction with the administering entity oversight, the following observations are being communicated.

Administrative Procedures

I met with the CPA on 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 noted that open reviews were being effectively monitored for completion by the administering entity staff and the peer review committee.

I noted committee decision letters are prepared and sent timely.

I reviewed the policies and procedures for granting extensions and noted that extension requests are discussed with the committee when warranted.

The administering entity has developed a backup plan to support the administrator, technical reviewers, and the CPA on staff if they become unable to serve in their respective capacities. I reviewed the backup plan and noted it complied with guidance.

According to discussions with administering entity staff, working paper retention policies for completed reviews are consistently followed.

I noted that the administering entity has policies and procedures in place to determine if the information disseminated on their website regarding the AICPA Peer Review Program is accurate and timely. After review of the website material, I noted that the administering entity maintains current information as it relates to the peer review program. In addition, the administering entity has individuals who are responsible for maintaining the website and monitor it periodically to determine if peer review information is accurate and timely.

Technical Review Procedures

I met with the technical reviewers to discuss procedures. Based upon the review of the information provided, I determined that all technical reviewers met the qualifications set forth in the guidance.

I reviewed the reports, letters of response, if applicable, and the working papers for several reviews. I believe the technical reviewer for each review properly addressed issues before the reviews were presented to the report acceptance body (RAB), which helped the efficiency and effectiveness of the acceptance process.

During the RAB meeting observed, the technical reviewers were available to answer any questions that arose.

I noted that reviews are not consistently presented to the RAB within 120 days of receipt of the documents from the reviewer, as required by guidance.

Furthermore, for the period evaluated, I noted that over 10% of reviews presented were deferred by the RAB. In part, due to unresolved technical issues not initially addressed by the technical reviewers before presentation.

CPA on Staff

I met with the CPA on staff to discuss procedures for monitoring the program. Based upon the review of the information provided, I determined that the CPA on staff met the qualifications set forth in the guidance.

I reviewed the annual confidentiality agreements and noted that appropriate agreements were obtained and signed based on each individual's role in the program.

AICPA staff noted that one individual was serving on the peer review committee and RAB while simultaneously serving on the AICPA Joint Trial Board (JTB). The standards do not allow individuals involved in the administration of the program to participate in enforcement-related work, including serving on the JTB, as this represents a conflict of interest. However, AICPA staff confirmed there was no impact on Georgia firms or licensees. Upon notification by AICPA staff, the administering entity immediately removed the individual from all committee and RAB meetings until the individual's resignation from the JTB was effective.

The administering entity has developed policies and procedures to identify familiarity threats and implement safeguards to maintain objectivity and skepticism while considering the results of peer reviews. I reviewed the familiarity threat policies and procedures and noted they are comprehensive.

RAB and Peer Review Committee Procedures

I met with the peer review committee chair and discussed their procedures, including how comments resulting from RAB observation reports are disseminated to the appropriate individuals.

I reviewed procedures regarding peer review committee/RAB assessments of firms with consecutive non-pass peer review reports and whether the failure to improve may be deemed as noncooperation. After discussions with the peer review committee chair and administering entity staff, I believe these assessments are handled in a manner consistent with guidance.

I attended a RAB meeting on November 10, 2022 and observed the acceptance process and offered my comments at the close of discussions. It was apparent that the RAB members had reviewed the reports and working papers prior to the meeting and had a good understanding of the program. Appropriate decisions were made in the acceptance process.

I also attended a peer review committee meeting.

Oversight Program

I reviewed the oversight policies and procedures adopted by the peer review committee and noted the oversight program is comprehensive.

Summary

My recommendations to enhance the Georgia Society of CPAs' administration of the program are summarized as follows:

The administering entity should consistently present reviews to the RAB within 120 days after receipt of the review documents.

The technical reviewers should exercise greater care in performing technical reviews to identify and resolve issues before the report acceptance process. Additionally, the RAB members should refer to the applicable guidance when considering whether to accept, delay, or defer peer reviews.

Administering entity staff, peer review committee, and RAB members should review the standards relating to conflicts of interest. The CPA on staff should implement procedures to monitor committee members' qualifications, including ensuring that conflicts of interest are identified and mitigated timely.



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

July 25, 2023

Kim D. Meyer, Chair
Oversight Task Force
AICPA Peer Review Board
Palladian | Corporate Center
220 Leigh Farm Road
Durham, NC 27707-8110

RE: Oversight of Georgia Society of CPAs Peer Review Program

Dear Ms. Meyer:

This letter represents our response to the report and letter of procedures and observations issued in connection with the review of the Georgia Society of CPAs' (GSCPA) administration of the AICPA Peer Review Program (program performed on November 10-11, 2022). The matters discussed herein were brought to the attention of all peer review program committee members, administrative staff, and technical reviewers. 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.

Technical Review Procedures

As required by standards, we will continue to strive to ensure that peer reviews are presented to the RAB no later than 120 days after documents are received from the reviewers. GSCPA contends that the inability to accept reviews within 120 days was due to multiple factors, including:

- COVID-19 extension – prior to extensions being granted, GSCPA expected to have 135 reviews with due dates in 2020, however, after the blanket COVID extensions, there were just 72 reviews with due dates in 2020, a drop of 53%. This shift of due dates impacted 2021, where we had expected to have 152 reviews due, but with COVID extensions this number increased to 194, an increase of 23.57%. 2021 was expected to be a heavier year already, but the COVID-19 extensions created a backlog.
- RAB Volunteer pool – From May 2021 through August 2022, GSCPA lost 3 RAB volunteers, or 23.07%, reducing us to 10 volunteers. Additionally, our volunteers represent 52.53% of the peer review captains of reviews performed in our state. GSCPA mitigates conflicts of interest and uses a modified agenda that removes individuals that are scheduled on the call but have a conflict of interest to present files, however COVID related illnesses and staff shortages for our volunteers did impact meeting attendance, and resulted in reviews being further delayed because we did not have enough volunteers to vote.

In an effort to combat the issue, we increased the number of files presented in meetings from approximately 7 to approximately 10. Additionally, we attempted to schedule 2 meetings per month when it was not tax season or the holidays. For the period of January 1st through April 30th, 17 of our 62 reviews, or 27.4%, were presented over 120 days past due. If you exclude January meetings, 39 reviews were presented and 6 were 120 days past due, which is 15%. This is a decrease from the period of

September 2022 through December 2022, which had 69.77% of reviews past due. For the period of May 1st through July 25th, 2 of the 23 reviews presented were over 120 days past due. This represents 8.7% and is below the 10% threshold used in monitoring.

Over 10% of reviews presented were deferred by the RAB, in part, due to unresolved technical issues not initially addressed by the technical reviewers before presentation. A portion of the files that were deferred should have been delayed based on the clarified guidance, PR-C Section 410 Paragraphs .14 and .15. GSCPA has historically taken a more conservative approach to deferrals to ensure items with potential significance were given appropriate consideration, especially in instances where there is not sufficient guidance in how the issue should be handled in the standards. The CPA on Staff reviews all files prior to presenting to the RAB and asks technical reviewers questions she believes might be asked by the RAB. Additionally, during 2022, GSCPA implemented a second technical review. Non-pass files are automatically sent to a second independent technical reviewer for comments and concurrence. Additionally, the CPA on Staff in her review of files will send files of reviewers with significant feedbacks, or files that are complicated to second technical review. Along with this, technical reviewers have begun to rate the level of difficulty of their files prior to submission to the RAB to assist the CPA on Staff's review to determine which files are sent to second technical review. Of the 62 files presented during the first quarter of 2023, 3 have been deferred, or 4.8%.

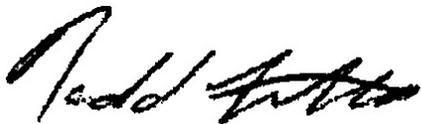
CPA on Staff

We have developed policies and procedures for monitoring the administration of the peer review program, which includes RAB member qualifications, to ensure that conflicts of interest which preclude individuals from participating as volunteers are identified timely.

Sincerely,



Boyd E. Search, CAE
President & CEO



Todd Stone, CPA
GSCPA Peer Review Committee Chair



Jessica Mytrohovich, CPA
GSCPA CPA on Staff