



February 8, 2023

Robert Doyle, President and CEO
Karen Welch, CPA, Peer Review Committee Chair
Peggy Haw-Jury, CPA, CPA on Staff
Michigan Association of CPAs
888 W. Big Beaver, Suite 550
Troy, MI 48084

Dear Mr. Doyle, Ms. Welch, and Ms. Haw-Jury:

On February 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 Michigan Association 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

October 25, 2022

To the Peer Review Committee of the Michigan Association of CPAs:

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



Kim D. Meyer, Member, Oversight Task Force
AICPA Peer Review Board



October 25, 2022

To the Peer Review Committee of the Michigan Association of CPAs:

We have reviewed the Michigan Association of CPAs' administration of the AICPA Peer Review Program as part of our oversight program and have issued our report thereon dated October 25, 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 October 24 – 25, 2022, Ivory Bare, AICPA Peer Review Program Manager, and I met with the President & CEO, the CPA on Staff, the Peer Review Senior Manager, who serves as the administrator, the technical reviewers, and the peer review committee chair.

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

Administrative Procedures

We met with the CPA on staff and administrator to review the program's administration. We believe the administrative processes were being handled in a manner consistent with peer review standards.

We reviewed the status of open reviews, including reviews with corrective actions and implementation plans, which had not yet been completed. We noted that open reviews were being effectively monitored for completion by the administering entity staff and the peer review committee.

We noted committee decision letters are prepared and sent timely.

We 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 administrators, technical reviewers, and the CPA on staff if they become unable to serve in their respective capacities. We 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.

We 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, we 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 website and monitors it periodically to determine if peer review information is accurate and timely.

Technical Review Procedures

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

We reviewed the reports, letters of response, if applicable, and the working papers for several reviews being presented to the RAB on October 25, 2022. We noted reviews in which technical matters had not been sufficiently addressed by the technical reviewer, resulting in deferral of several reviews.

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

CPA on Staff

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

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

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. We reviewed the familiarity threat policies and procedures and noted they are comprehensive.

RAB and Peer Review Committee Procedures

We 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.

We 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, we believe these assessments are handled in a manner consistent with guidance.

We attended a RAB meeting on October 25, 2022 and observed the acceptance process and offered our 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. Except as noted below, appropriate decisions were made in the acceptance process.

As noted in the Technical Review Procedures section, we noted reviews in which technical matters had not been sufficiently addressed by the technical reviewer and these were not identified by the RAB. The RAB was ready to accept both reviews as presented; however, based on our comments and subsequent discussion by the RAB, they agreed to defer those reviews to obtain additional information from the captains.

We also attended a peer review committee meeting.

Oversight Program

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

Summary

Our recommendations to enhance the Michigan Association of CPAs' administration of the program are summarized as follows:

Technical reviewers should exercise greater care in performing technical reviews to identify issues before the report acceptance process and the RAB should exercise care to ensure all critical matters are identified and discussed.



Kim D. Meyer, Member, Oversight Task Force
AICPA Peer Review Board



January 17, 2023

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

Re: Oversight of Michigan Association of CPAs

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 MICPA's administration of the AICPA Peer Review Program (program) performed on October 24 - October 25, 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

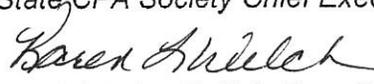
Prior to our oversight (for several years now), our Technical Reviewer process has been that all reviews presented on each month's agenda were discussed by the technical reviewers prior to the meeting. Changes are made if/when appropriate. We will continue this process and the CPA on staff will continue to work with the technical reviewers to resolve open technical issues prior to the RAB meetings.

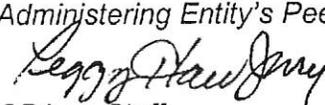
RAB and Peer Review Committee Procedures

RAB members are always very prepared and always diligently review all RAB material prior to the meeting. An involved RAB promotes robust discussion, and therefore, sometimes can result in matters that were not discovered during Technical Review. The RAB will review the guidance in evaluation and acceptance of peer reviews and the CPA on Staff will continue to monitor that RAB members remain diligent.

Sincerely,


State CPA Society Chief Executive Officer


Adminjstering Entity's Peer Review Committee Chair


CPA on Staff

THE MICHIGAN ASSOCIATION OF CERTIFIED PUBLIC ACCOUNTANTS