



February 20, 2020

Linda Wedul, CAE, President
Jennifer Schutz, CPA, Peer Review Committee Chair
Minnesota Society of CPAs
1650 W 892nd Ste.
600 Bloomington, MN 55431

Dear Ms. Wedul and Ms. Schutz:

On February 20, 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 Minnesota 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 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: Faye Hayhurst, CPA, Director of Finance and Administration
Minnesota Society of CPAs

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

Oversight Visit Report

November 6, 2019

To the Peer Review Committee
Minnesota Society of Certified Public Accountants

We have reviewed Minnesota Society of Certified Public Accountants' administration of the AICPA Peer Review Program (program) as part of our oversight program. Minnesota Society of Certified Public Accountants is responsible for administering the program in Minnesota and North Dakota (effective July 2018). 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 Minnesota Society of Certified Public Accountants 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.



John M. Guido, Member, Oversight Task Force
AICPA Peer Review Program



November 6, 2019

To the Minnesota Society of Certified Public Accountants
Peer Review Committee

We have reviewed Minnesota Society of Certified Public Accountants' administration of the AICPA Peer Review Program as part of our oversight program and have issued our report thereon dated November 6, 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 Minnesota Society of Certified Public Accountants, the administering entity for the program, conducted on November 5 and 6, 2019, the following observations are being communicated.

Administrative Procedures

On November 5, 2019, I met with the Director of Finance and Administration and Peer Review Coordinator, 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 effectively monitored for completion by the administrative staff and the peer review committee.

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 the Director of Finance and Administration and Peer Review Coordinator handle extension requests with discussion from the committee when the circumstances warrant.

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 Administration and Peer Review Coordinator, I found compliance with the working paper retention policies for completed reviews.

I met with the Director of Finance and Administration and Peer Review Coordinator 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, I 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 the website periodically to ensure peer review information is accurate and timely.

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 reviewed the reports, letters of response, if applicable, and the working papers for several reviews being presented to the report acceptance body (RAB) on November 6, 2019, and for reviews which had previously been accepted by the RAB. I noted a few reviews in which technical matters had not been sufficiently addressed by the technical reviewer, resulting in extended discussion by the RAB, as well as delay or deferral of a few reviews.

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 Administration, who also serves as the CPA on staff, and discussed the 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 November 6, 2019, I attended the on-site peer review committee meeting.

The on-site committee functioned as the RAB, and the meeting was orderly. I observed the committee's acceptance process and offered my 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.

Although a few reviews included matters not sufficiently addressed by the technical reviewers, the RAB made appropriate decisions in the acceptance process.

Oversight Program

The Minnesota Society of Certified Public Accountants' 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 Minnesota Society of Certified Public Accountants' 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.



John M. Guido, Member, Oversight Task Force
AICPA Peer Review Program

February 14, 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 Minnesota Society 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 Minnesota Society of Certified Public Accountants' administration of the AICPA Peer Review Program (program) performed on November 5th and 6th, 2019. 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.

Please see our response below with regard to the observation of the oversight visit.

Technical Review Procedures

We have provided feedback to the tech reviewers to promote completeness and consistency for the preparation of reviews going to RAB. Policies and procedures have been implemented to limit reviews with open items and missing relevant information from the RAB package unless RAB consultation is necessary, which will in effect, 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.

We appreciate Mr. John Guido's constructive advice and suggestions.

Sincerely,



Linda Wedul
President
Minnesota Society of Certified Public Accountants



Faye Hayhurst
Director of Finance and Administration
Minnesota Society of Certified Public Accountants



Jennifer Schutz
Peer Review Committee Chair
Minnesota Society of Certified Public Accountants

cc: John Guido
Oversight Task Force Member
AICPA Peer Review Board