



January 10, 2020

Sharon H. Bryson, M. Ed., Chief Executive Officer
Bruce Kingshill, CPA, Peer Review Committee Chair
North Carolina Association of CPAs
PO Box 80188
Raleigh, NC 27603

Dear Ms. Bryson and Mr. Kingshill:

On January 9, 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 North Carolina 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 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: Mary Kelly, Peer Review Coordinator
North Carolina Association of CPAs

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

Oversight Visit Report

October 17, 2019

To the North Carolina Association of CPAs
Peer Review Committee

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

Suzanne Heidenreich

Suzanne Heidenreich, CPA, Member, Oversight Task Force
AICPA Peer Review Program



October 17, 2019

To the North Carolina Association of CPAs
Peer Review Committee

We have reviewed the North Carolina Association of CPAs' administration of the AICPA Peer Review Program as part of our oversight program and have issued our report thereon dated October 17, 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 North Carolina Association of CPAs, the administering entity for the program, conducted on October 16 and 17, 2019 the following observations are being communicated.

Administrative Procedures

On October 16, 2019, Laurel Gron, AICPA Peer Review Program Senior Manager, and I met with the Peer Review Coordinator 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 found that open reviews were being effectively monitored for completion by the administrative staff and the peer review committee.

We also reviewed the timeliness of technical reviews and the preparation of committee decision letters. We noted no problems in these areas.

Additionally, we reviewed the policies and procedures for the granting of extensions. We found that the Peer Review Coordinator handles extension requests with discussion from the committee when the circumstances warrant.

The administering entity has developed a backup plan to support the administrator and technical reviewers if they become unable to serve in their respective capacities.

According to discussions with the Peer Review Coordinator, we found compliance with the working paper retention policies for completed reviews.

We met with the 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, we noted that the administering entity maintains current information as it relates to the peer review program. In addition, the administering entity monitors the website periodically to ensure peer review information is accurate and timely.

Technical Review Procedures

We met with two of the technical reviewers, who are also committee members, to discuss procedures. We determined that the 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. We believe the review issues were addressed properly by the technical reviewers before reviews were presented to the committee. This helped the acceptance process to be effective and efficient.

The Committee members serve as technical reviewers, and as such, were available during the RAB meeting we observed to answer any questions that arose.

CPA on Staff

Administering entities are required to have a CPA on staff by January 1, 2021. The Oversight Task Force approved a waiver for this requirement for the North Carolina Association of CPAs and the Peer Review Coordinator is the designated individual for managing the program.

We met with the Peer Review Coordinator and discussed their procedures for monitoring the program.

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

We 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

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

On October 17, 2019, we attended the on-site peer review committee meeting.

There were three concurrent RAB meetings. We observed reviews from each of the three RABs and found the meetings were very orderly. 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 North Carolina Association of CPAs' peer review committee has adopted a formal oversight program that is well documented. We reviewed the document and procedures performed and found it to be comprehensive.

Summary

There are no further observations to be communicated to the North Carolina Association of CPAs.

Suzanne Heidenreich

Suzanne Heidenreich, CPA, Member, Oversight Task Force
AICPA Peer Review Program

December 19, 2019

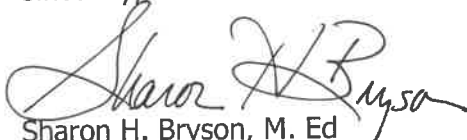
Brian Bluhm, CPA
Oversight Task Force
AICPA Peer Review Board
Palladian I Corporate Center
220 Leigh Farm Road
Durham, NC 27707-8110

Dear Mr. Bluhm:

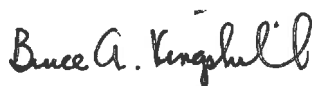
This letter represents our response to the report and letter of procedures and observations issued in connection with the review of North Carolina's administration of the AICPA Peer Review Program performed on October 16-17, 2019. The oversight visit documents have been disseminated to all peer review program committee members, administrative staff, and technical reviewers. We are pleased to note there were no specific deficiencies or observations included in the oversight documents on which a written response was required. This letter represents our acknowledgement of the oversight visit.

We appreciate Suzanne Heidenreich's and Laurel Gron's visit and review of our administration of the AICPA Peer Review Program.

Sincerely,



Sharon H. Bryson, M. Ed
Chief Executive Officer
NC Association of CPAs



Bruce A. Kingshill, CPA
Chair
NCACPA Peer Review Committee



Mary C. Kelly
Peer Review Coordinator
NC Association of CPAs