



January 21, 2022

Kimberly D. Scott, CAE, President & CEO
Lillian McDonell, CPA, Peer Review Committee Chair
Hayden Williams, CPA, CFO
Washington Society of CPAs
902 140th Ave NE
Bellevue, WA 98005-3480

Dear Ms. Scott, Ms. McDonell, and Mr. Williams:

On January 20, 2022, the AICPA Peer Review Board Oversight Task Force accepted the report and letter of procedures and observations on the most recent oversight for the Washington 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 2023.

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



Oversight Report

September 21, 2021

To the Washington Society of Certified Public Accountants Peer Review Committee:

We have reviewed the Washington Society of Certified Public Accountants administration of the AICPA Peer Review Program (program) as part of our oversight program. Washington Society of Certified Public Accountants is responsible for administering the program in Washington. 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 Washington Society of Certified Public Accountants 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.

A handwritten signature in black ink, appearing to read 'Randy S. Watson', written over a horizontal line.

Randy S. Watson, Member, Oversight Task Force
AICPA Peer Review Program



September 21, 2021

To the Washington Society of Certified Public Accountants' Peer Review Committee:

We have reviewed the Washington 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 September 21, 2021. 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.

In conjunction with the administering entity oversight conducted on September 20–21, 2021, the following observations are being communicated.

Administrative Procedures

On September 20, 2021, I met with the Manager of Audit Quality 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 administering entity staff and the peer review committee.

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

I also reviewed the policies and procedures for granting extensions. I found that the Manager of Audit Quality handles extension requests with discussion from the committee when the circumstances warrant.

The administering entity has developed a backup plan to support the program administrators, technical reviewers, and the CPA on staff if they become unable to serve in their respective capacities.

According to discussions with the Manager of Audit Quality, I found compliance with the working paper retention policies for completed reviews.

I met with the Manager of Audit Quality 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 several broken links. The Manager of Quality Control was aware of the broken links and during our oversight the website was updated. I reviewed the revisions and noted that the broken links were repaired and functioning properly.

Technical Review Procedures

On September 21, 2021, I met with the technical reviewers to discuss procedures. I determined that each technical reviewer 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 presenting them to the committee. This helped the efficiency and effectiveness of the acceptance process.

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

CPA on Staff

On September 20, 2021, I met with the CFO, who serves as the CPA on staff. We discussed 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, noting the current confidentiality agreement templates were utilized. Based on each individual's role in the program, all administering entity staff had an appropriately signed a confidentiality agreement in place.

I discussed the policies and procedures designed to mitigate familiarity threats and the implemented safeguards to ensure objectivity and skepticism while considering the results of peer reviews.

RAB and Peer Review Committee Procedures

On September 21, 2021, I met with the committee chair and discussed their procedures for disseminating comments resulting from RAB observation reports to the appropriate individuals.

On September 21, 2021, I met with the engagement review report acceptance body (RAB) and the system review RAB. During both RAB meetings, I 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.

On September 21, 2021, I met with the full peer review committee and noted it was orderly.

Oversight Program

The Washington 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 the Washington Society of Certified Public Accountants' administration of the program are summarized as follows:

Procedures should be established to ensure links on the website are properly working and updates are made on a timely basis.



Randy S. Watson, Member, Oversight Task Force
AICPA Peer Review Program



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Peer Review
Program



October 26, 2021

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 Washington 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 WSCPA's administration of the AICPA Peer Review Program (program) performed on September 20-21, 2021. 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.

Administrative Procedures

We recognize that having accurate and timely information on our website is important; accordingly, we have implemented a procedure where the Peer Review Administrator will verify monthly that all links are working properly.

Sincerely,

Kimberly Scott, President and CEO
Washington Society of CPAs

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Lillian McDonnell
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Lillian McDonnell, CPA, Chair
WSCPA Peer Review Executive Committee

DocuSigned by:
Hayden Williams
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Hayden Williams, CPA
WSCPA CPA on Staff

Administered in Washington State by the

**Washington Society of
Certified Public Accountants**

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