

February 28, 2017

Kathleen Hoover, CPA
Peer Review Committee Chair
The Ohio Society of CPAs
4249 Easton Way, Suite 150
Columbus, Ohio 43219

Dear Ms. Hoover:

On January 30, 2017, 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 Ohio 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 2018.

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

Sincerely,

Brian Bluhm

Brian Bluhm, CPA, Vice Chair
Oversight Task Force
AICPA Peer Review Board

cc: Scott D. Wiley, CAE, President & CEO
Lisa Brown, Director – Technical Services

Laurel Gron, Manager – Peer Review
AICPA Peer Review Program

Oversight Visit Report

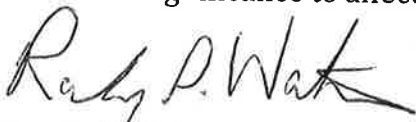
October 21, 2016

To the Ohio Society of CPAs Peer Review Committee

We have reviewed the Ohio Society of CPAs' administration of the AICPA Peer Review Program as part of our oversight program. 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*. 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. Our responsibility is to determine whether (1) administering entities are complying with the administrative procedures established by the board as set forth in the *AICPA Peer Review Program Administrative Manual*, (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.

Based on the results of the procedures performed, we have concluded that the Ohio Society 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.



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

October 21, 2016

To the Ohio Society of CPAs Peer Review Committee

We have reviewed the Ohio Society of CPAs' administration of the AICPA Peer Review Program as part of our oversight program and have issued our report thereon dated October 21, 2016. 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 Ohio Society of CPAs, the administering entity for the program, conducted October 20-21, 2016, the following observations are being communicated.

Administrative Procedures

On the morning of October 20, 2016, Tricia Van Vliet, AICPA Technical Manager and I met with the Director – Technical Services to review the program's administration. We believe the administrative processes were generally being handled in a manner consistent with peer review standards.

We reviewed the files, which were still open due to follow-up actions, which had not yet been completed. I found that the follow-up actions were being effectively monitored for completion by the administrative staff and the peer review committee.

We also reviewed the policies and procedures for the granting of extensions. I found that the Director – Technical Services handles short-term extension requests with discussions from the committee when the circumstances warrant.

We also reviewed the timeliness of the scheduling process, technical reviews, and the preparation of acceptance and follow-up letters. During this review, we noted that reviewers' feedback forms were not consistently uploaded to the AICPA's web-based platform timely.

The Ohio Society of CPAs has developed a back-up plan to support the Director – Technical Services and the technical reviewers if they become unable to serve in their respective capacities. I believe that the backup plan is sufficient to enable the society to maintain the administration of the program if circumstances ever warranted its implementation.

Web Site and Other Media Information

We met with the Director – Technical Services 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 Web site and other media information is accurate and timely.

After the AICPA staff's review of the Web site material and other media information, 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 on a regular basis to ensure peer review information is accurate and timely. The AICPA staff's review did find some small problems, however the Director had already identified the issues and was in the process of correcting them prior to our visit.

Working Paper Retention

We reviewed the completed working papers for several reviews and found compliance with the retention policies.

Technical Review Procedures

We met with the three of the four technical reviewers to discuss procedures. They perform the majority of the technical reviews and are experienced reviewers.

We reviewed the reports, letters of response, if applicable, and the working papers for several reviews being presented to the report acceptance body (RAB) on October 21, 2016. All 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.

However, we believe that the technical review of one review presented to the RAB on August 26, 2016, inappropriately applied Yellow Book requirements and guidance specific to financial statement preparation services and the identification of significant threats. We believe that the lack of documentation specifically addressing such independence matters appeared to support the team captain's original classification of the governmental audit engagement as nonconforming. The working paper revisions requested by the Technical Reviewer resulted in presentation and acceptance of the review by the RAB based upon engagement statistics that removed the nonconforming engagement. We believe it is necessary to reinforce the importance of understanding and consistently applying guidance contained in periodic Reviewer Alerts by Technical Reviewers and RAB members.

Also, in connection with this same review, we noted significant revisions to working papers to comply with peer review guidance; however, written feedback was not recommended by the technical reviewer or issued by the RAB. We communicated the importance of written reviewer feedback issued timely and consistently in accordance with guidance contained in the RAB Handbook.

Review Presentation

Reviews are brought to the committee without open technical issues. Accordingly, it was not necessary for the RABs to spend a great deal of time reviewing specific technical issues.

Committee and RAB Procedures

We met with the committee chair and discussed their procedures for disseminating the comments resulting from the AICPA working paper oversights and RAB observation reports to the appropriate individuals.

As discussed above in the Technical Reviewer section, it was determined the committee needs to consider the importance of timely written reviewer feedback and its issuance in conformity with the RAB Handbook.

In addition, we discussed the elevation of MFCs to FFCs and the need to give this added attention.

On October 21, 2016, we attended the on-site peer review committee meeting, as well as the state's executive committee meeting. We observed the committee's acceptance process and offered our comments at the close of discussions.

The meetings were very orderly. It was apparent that the committee members had reviewed the reports and working papers prior to the meetings and had a good understanding of the program to reach an appropriate decision for each review.

Appropriate decisions were made in the acceptance process, including assigned corrective actions and reviewer monitoring, except as noted above. Reviews were being presented to the RABs on a timely basis.

Oversight Program

The Ohio Society of CPAs 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 Ohio Society of CPAs' administration of the program are summarized as follows:

The administering entity should review the guidance issued for reviewer feedback and take the appropriate steps to ensure that feedback is issued when necessary.

The administering entity should upload reviewer feedback forms to the AICPA's web-based platform within the prescribed timeframe as required.

The administering entity should reinforce the importance of understanding and consistently applying guidance contained in periodic Reviewer Alerts by Technical Reviewers and RAB members.



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

PEER REVIEW PROGRAM

January 6, 2017

Debra Seefeld, Chair
AICPA Peer Review Board Oversight Task Force
American Institute of CPAs
220 Leigh Farm Road
Durham, NC 27707-8110

Re: Acknowledgment Letter to the Oversight Performed on the Ohio Society of CPAs

Dear Ms. Seefeld:

This letter represents our response to the report and letter of procedures and observations issued in connection with the review of the Ohio Society of CPA's administration of the AICPA Peer Review Program (program) performed on October 20 & 21, 2016. 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.

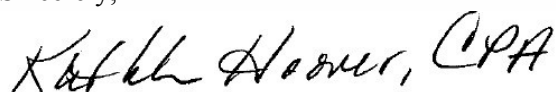
The observations to enhance the Ohio Society of CPA's administration of the program were:

- a) The administering entity should review the guidance issued for reviewer feedback and take the appropriate steps to ensure that feedback is issued when necessary
- b) The administering entity should upload reviewer feedback forms to the AICPA's web-based platform within the prescribed timeframe as required.
- c) The administering entity should reinforce the importance of understanding and consistently applying guidance contained in periodic Reviewer Alerts by Technical Reviewers and RAB members.

The committee recognizes the importance of issuing reviewer feedback when necessary and ensuring that the feedback forms are being posted in a timely manner. The committee also recognizes the importance of understanding and consistently applying guidance contained in periodic Reviewer Alerts by Technical Reviewers and RAB members. Therefore, the committee will ensure that these procedures are implemented as a regular practice going forward.

We appreciate Mr. Watson's constructive advice and suggestions.

Sincerely,



Kathleen M. Hoover, Chair
OSCPA Peer Review Committee