



January 14, 2019

Loretta Doon, CPA, CGMA, Chief Executive Officer
Dawn Brenner, CPA, Peer Review Committee Chair
California Society of CPAs
1710 Gilbreth Road
Burlingame, CA 94010

Dear Ms. Doon and Ms. Brenner:

On January 10, 2019, 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 California 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 2020.

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: Vinit Shrawagi, CPA, CPA on Staff
California Society of CPAs

Laurel Gron, CPA, Senior Manager – Peer Review
AICPA Peer Review Program



Oversight Visit Report

November 29, 2018

To the California Society of CPAs
Peer Review Committee

We have reviewed the California Society of CPAs' administration of the AICPA Peer Review Program (program) as part of our oversight program. The California Society of CPAs is responsible for administering the program in California, Arizona and Alaska. 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 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.

Conclusion

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

A handwritten signature in blue ink that reads "Richard W. Hill".

Richard W. Hill, Member, Oversight Task Force
AICPA Peer Review Program



November 29, 2018

To the California Society of CPAs
Peer Review Committee

We have reviewed California Society of CPAs' administration of the AICPA Peer Review Program as part of our oversight program and have issued our report thereon dated November 29, 2018. 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 California Society of CPAs, the administering entity for the program, conducted on November 28 and 29, 2018, the following observations are being communicated.

Administrative Procedures

On the morning of November 28, 2018, Brian Bluhm, a member of the Oversight Task Force, and I met with the Division Director of Technical Services and Associate Director of Peer Review 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 files, which were still open due to follow-up actions, which had not yet been completed. We 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. We found that the Division Director of Technical Services handles short-term extension requests with discussion from the committee when the circumstances warrant.

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

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.

Website Information

We met with the website manager 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 has an individual who is responsible for maintaining the website and monitors the website on a weekly basis to ensure peer review information is accurate and timely.

Working Paper Retention

According to discussions with the Division Director of Technical Services, we found compliance with the working paper retention policies for completed reviews.

Technical Review Procedures

We met with four technical reviewers, to discuss procedures. They perform most of the technical reviews and two of them are also experienced reviewers.

We reviewed the reports, letters of response, if applicable, and the working papers for several reviews. We believe that 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.

Review Presentation

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

Committee Procedures

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

On November 29, 2018, we attended the on-site peer review committee meeting, as well as the administering entity's executive committee meeting. We observed the committee's acceptance process and offered our comments at the close of discussions.

The on-site committee functioned as the report acceptance body (RAB), and the meeting was very orderly. 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, including assigned corrective actions and reviewer monitoring. Reviews were being presented to the RABs on a timely basis.

Oversight Program

The California Society 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 California Society of CPAs.



Richard W. Hill, Member, Oversight Task Force
AICPA Peer Review Program

December 11, 2018

Richard W. Hill, Member
Oversight Task Force
AICPA Peer Review Program
220 Leigh Farm Road
Durham, NC 27707-8110

Re: Oversight Visit to California Society of CPAs Peer Review Committee

Dear Mr. Hill:

This letter represents our response to the report and letter of procedures and observations issued in connection with the review of the California Society of CPAs administration of the AICPA Peer Review Program performed on November 28-30, 2018. 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 Mr. Hill's review of our administration of the AICPA Peer Review Program.

Sincerely,



Dawn E. Brenner, Chair
California Peer Review Committee



Loretta Doon, CEO
California Society of CPAs

c: Linda McCrone, Director