



December 30, 2010

Peer Review Committee
Virginia Society of Certified
Public Accountants
Post Office Box 4620
Glen Allen, VA 23058-4620

Reference: Administrative Oversight Visit to Virginia
Society of Certified Public Accountants

Ladies and Gentlemen:

The oversight visit was conducted according to the administrative oversight procedures in the *AICPA Peer Review Program Oversight Handbook*. The administrative oversight program is designed to ensure that the AICPA Peer Review Program is being administered in accordance with guidance as issued by the AICPA Peer Review Board.

In conjunction with the administrative oversight visit of the Virginia Society of Certified Public Accountants, the Administering Entity for the AICPA Peer Review Program (program), conducted on December 30, 2010, the following observations are being communicated.

Administrative Procedures

On December 30, 2010, I met with the Technical Services Coordinator to review the program's administration. I believe the administrative processes are being handled in a manner consistent with peer review standards.

I 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.

I also reviewed the policies and procedures for the granting of extensions. I found that the Technical Services Coordinator handles short-term extension requests with discussion from the Chairman or full committee when the circumstances warrant.

I also reviewed the timeliness of the scheduling process, technical reviews and the preparation of acceptance and follow-up letters. I found no problems in these areas.

I reviewed the back-up plan to support the Technical Services Coordinator should he/she become unable to serve in that capacity. I believe that an adequate plan is in place as far as personnel; however, the documentation of the system procedures is not complete and the AICPA is working on the documentation of these procedures.

I believe that the Technical Services Coordinator should maintain documentation with respect to members of the committee that confirms that each member, or the firm which associated with, has received a pass rating on its most recently accepted System or Engagement Review. In addition, I would recommend that documentation be maintained that summarizes the committee members' education that qualifies each member as a qualified reviewer within the last three years.

I reviewed the completed working papers of ten reviews and found three instances whereby the acceptance letter did not go to the reviewed firm within two weeks of the date of acceptance by the report acceptance body. All three of these instances were when the early acceptance criteria was met and, thus, was early accepted by Technical Reviewers. The administering entity needs to review the procedures related to early acceptance reviews to ensure timely mailed acceptance letters.

Web Site

I met with the Technical Services Coordinator, who serves as the web site 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 web site is accurate and timely.

After reviewing the web site material, I noted that the administering entity maintains current information as it relates to the peer review program. In addition, the web site is monitored by the Technical Services Coordinator to ensure peer review information is accurate and timely.

Working Paper Retention

I reviewed the completed working papers and did not find any non-compliance with the working paper retention policies.

Technical Review Procedures

While I did not meet with the technical reviewers to discuss procedures, I reviewed the results of the technical reviewers' evaluations and I have worked with them on an on-going basis for several years. Richard A. Garbee, CPA, Robert M. Moore, Jr., CPA, and J. Philip Windschitl, CPA, perform all of the technical reviews. They are experienced peer reviewers and bring a vast amount of accounting and auditing experience to the process. Mr. Moore is involved in teaching the reviewer courses and Mr. Garbee and Mr. Windschitl, attended the most recent Peer Review Conference in San Antonio, Texas.

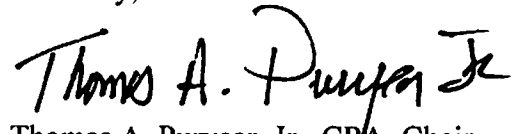
I would recommend that the administering entity obtain confirmation from the technical reviewers themselves or from the review of their most recent reviewers' resume that they qualify to perform the A-133 procedures on behalf of the report acceptance bodies.

I reviewed the reports, letters of comments, letters of response, and the working papers for six reviews. I believe that the technical reviewers addressed all review issues properly before they were presented to the Committee. This helps the acceptance process to be effective and efficient.

Summary

From my observations, I believe the peer review program is being administered in accordance with guidance issued by the AICPA Peer Review Board.

Sincerely,

A handwritten signature in black ink that reads "Thomas A. Puryear Jr". The signature is written in a cursive, flowing style.

Thomas A. Puryear, Jr., CPA, Chair
VSCPA Peer Review Committee

cc: Stephanie Peters, CAE, VSCPA Executive Director
Emily P. Walker, VSCPA Government Affairs Director
Darshae Dabney, VSCPA Technical Services Coordinator