



March 20, 2019

Peer Review Committee
Virginia Society of Certified Public Accountants
4309 Cox Road
Glen Allen, Virginia 23060

Re: Administrative Oversight Visit to VSCPA

To the Peer Review Committee:

I conducted the 2018 oversight visit 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 VSCPA, the administering entity for the AICPA Peer Review Program (program), the following observations are being communicated.

Administrative Procedures

On December 3, 2018, I met with the Alan Nicholas, Peer Review Manager, 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 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 reviewed the policies and procedures for the granting of extensions. I found that the Peer Review Manager handles short-term extension requests with discussion from the committee when the circumstances warrant.

I 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 program manager and technical reviewers if either becomes unable to serve in that capacity. I noted that the back-up plan for technical reviewers is not formally documented. although having three contract technical reviewers at all times inherently serves as a backup plan for the program.

Web Site and Other Media Information

I reviewed the administering entity's procedures to determine if the information disseminated regarding the AICPA Peer Review Program by the administering entity on its Web site and other media information (if applicable) 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 administering entity has an individual who is responsible for maintaining the Web site and monitors the Web site on a continual basis to ensure peer review information is accurate and timely.

Working Paper Retention

I reviewed the completed working papers and found some noncompliance with the working paper retention policies. RAB Packets for reports accepted more than 120 days prior to my visit had not been destroyed. I pointed out the 120 day policies in chapter 13 of the *AICPA Peer Review Program Administrative Manual* and was assured that the appropriate documents would be destroyed as soon as possible. The Peer Review Manager confirmed on December 14, 2018 that the subject RAB Packets had been removed from internal VSCPA files and the Connect Web site.

Technical Review Procedures

I discussed review procedures with the technical reviewers. Three technical reviewers perform all technical reviews with occasional assistance from technical reviewers from other Administering Entities. This occurs primarily to address familiarity threats. All reviewers are highly experienced and provide regular instructional advice to committee members, as well as occasional formal training.

I reviewed the reports, letters of response, as applicable, and the working papers for ten reviews. I believe that all review issues were addressed properly by the technical reviewer before reviews were presented to the committee. This helped the acceptance process to be effective and efficient.

Summary

My observations to enhance the administration of the program are summarized as follows:

The administering entity should review the files 120 days after acceptance letters are mailed to ensure that all appropriate working papers are destroyed.

The administering entity should consider affirmative documentation of a back-up plan in the event one or more technical reviewers are unable to provide services in their capacity for an extended period of time.

I wish to express my appreciation to Alan Nicholas and others representing the administering entity for their courtesy and cooperation during my review.

Sincerely,



Kevin D. Humphries, Chair
VSCPA Peer Review Committee

cc: Ms. Stephanie Peters, President & CEO