



May 8, 2020

Jodi Ann Ray, CAE, President and CEO
Thomas Akin, CPA, Peer Review Committee Chair
Texas Society of CPAs
14654 Dallas Pkwy Ste. 700
Dallas, TX 75254-7408

Dear Ms. Ray and Mr. Akin:

On May 7, 2020, 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 Texas 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 2021.

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: Jerry Cross, CPA, Director, Peer Review
Texas Society of CPAs

Lori D. Warden, CPA, CGMA, Manager – Peer Review
AICPA Peer Review Program

Oversight Visit Report

December 10, 2019

To the Texas Society of CPAs
Peer Review Committee

We have reviewed Texas Society of CPA's administration of the AICPA Peer Review Program (program) as part of our oversight program. The Texas Society of CPAs is responsible for administering the program in Texas. 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 Texas 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.

Albert Denny, Member, Oversight Task Force
AICPA Peer Review Program



December 10, 2019

To the Texas Society of CPAs
Peer Review Committee

We have reviewed Texas Society of CPA's administration of the AICPA Peer Review Program as part of our oversight program and have issued our report thereon dated December 10, 2019. 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 Texas Society of CPAs, the administering entity for the program, conducted on December 9 and 10, 2019, the following observations are being communicated.

Administrative Procedures

On December 9, 2019, Lori Warden, AICPA Peer Review Program Manager, and I met with the 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 status of open reviews, including reviews with corrective actions and implementation plans, which had not yet been completed. We noted a significant number of open reviews, including those with open corrective actions or implementation plans that did not appear to be actively monitored for completion.

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

Additionally, we reviewed the policies and procedures for granting extensions. We found that the Director of Peer Review handles extension requests with discussion from the committee when the circumstances warrant.

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.

According to discussions with the Director of Peer Review, we found compliance with the working paper retention policies for completed reviews.

We met with the Director of Peer Review 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 periodically to ensure peer review information is accurate and timely.

Technical Review Procedures

We met with the technical reviewers to discuss procedures. We determined that the technical reviewers met the qualifications set forth in the guidance.

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

The technical reviewers were available during the RAB meeting we observed to answer any questions that arose.

We noted several reviews that were not presented to the RAB within 120 days of receipt of documents from the reviewer, as required by the peer review standards.

CPA on Staff

We met with the Director of Peer Review and discussed their procedures for monitoring the program. We determined that the Director of Peer Review met the CPA on staff qualifications set forth in the guidance.

We reviewed the annual confidentiality agreements from all administering entity staff associated with peer review. We noted that all confidentiality agreements had been obtained and signed by the staff involved with the peer review program administration.

We discussed the policies and procedures designed to maintain objectivity and skepticism to mitigate familiarity threat and safeguards that had been implemented while considering the results of the peer reviews.

RAB and Peer Review Committee Procedures

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

On December 10, 2019, we attended the on-site peer review committee meeting.

There were three concurrent RAB meetings. We observed reviews from each of the three RABs and found the meetings were orderly. We observed the committee's acceptance process and offered our comments at the close of discussions. 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.

Oversight Program

The Texas Society of CPA's 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

Our observations to enhance Texas Society of CPA's administration of the program are summarized as follows:

The administering entity should allocate adequate resources to ensure that all open reviews, including those with corrective actions or implementation plans, are identified and monitored for timely completion.

The technical reviewers should ensure that most all reviews are presented to the RAB within 120 days after the review documents are received.

A handwritten signature in black ink, appearing to read "Albert Denny". The signature is cursive and stylized, with a large loop at the end.

Albert Denny, Member, Oversight Task Force
AICPA Peer Review Program



April 28, 2020

Brian Bluhm
Oversight Task Force
AICPA Peer Review Board
Palladian I Corporate Center
220 Leigh Farm Road
Durham, NC 27707-8110

Re: Oversight Visit to Texas 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 Texas Society of CPAs administration of the AICPA Peer Review Program (program) performed on December 9-10, 2019. 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.

Observations that did not affect the report

Administrative Procedures

We recognize that following the administrative processes for the program is important, accordingly we have put into place procedures whereby all open reviews, including those with corrective action or implementation plans, are identified and monitored by the Manager, Scheduling and CPA on Staff to ensure timely process and completion of the review.

Technical Review Procedures

We have increased our efforts to ensure that most all reviews are presented to the RAB within 120 days after the review documents are received and this process will be monitored by the CPA on Staff.

We appreciate Albert Denny's and Lori Warden's constructive advice and suggestions.

Sincerely,

Jodi Ann Ray, President and CEO, Texas Society of CPAs

Tom Akin, CPA, TXCPA Peer Review Chair

Jerry Cross, CPA, CPA on Staff, TXCPA