

April 7, 2017

To: Liren Wei, Chair, NYSSCPA Peer Review Committee
Brenda Santoro, Vice Chair and Committee Inspection Team Captain

In October of 2016 the NYSSCPA Peer Review Committee (PRC) Inspection Team finalized their work and issued their report and observations for the annual internal inspection of the NYSSCPA administration of the AICPA Peer Review Program, pursuant to AICPA Peer Review technical and administrative standards in effect for the year ended May 31, 2016. Over the course of the inspection and at the time the report was issued, the NYSSCPA Peer Review staff (PR Staff) communicated to the Inspection Team its responses to and planned actions to address observations contained in the report. This letter serves to formally document those responses to the report and observations of the PRC Inspection Team.

The PR Staff is committed to performing in accordance with the standards for administering entities (AEs) and functioning in an effective manner. The responses to the Inspection Team's observations summarized below will be monitored to ensure that they are effectively implemented as part of our system of quality control.

Inspection Team Observations:

Observation and Recommendation 1:

Implement a procedure for the peer review technical manager to communicate changes to peer review materials to the assistant manager for professional and technical resources so testing of website links can be performed and required documentation of such testing retained.

PR Staff Response:

Taking into consideration the frequency of amendments and other changes to Peer Review Standards, Interpretations and other guidance, we have adopted a policy requiring the peer review technical manager, with the assistance of a designated staff person to verify the updating of links on our web site for new developments distributed by the AICPA. Staff shall periodically, preferably bi monthly, test the links to ensure the updated links are active on the AICPA web site. These activities have been placed on the staff calendar to ensure such procedures are performed timely.

Observation and Recommendation 2:

Implement a process to ensure contracted technical reviewers are meeting the AICPA requirements for participation on peer reviews and obtaining CPE and appropriate training.

PR Staff Response:

We have amended the annual confirmation form for confidentiality that is sent to all contract technical reviewers to include additional representations regarding their qualifications to perform technical reviews in accordance with standards.

Observation and Recommendation 3:

Implement AICPA requirements regarding the evaluation of contracted technical reviewers.

PR Staff Response: We have adopted a policy requiring contract technical reviewers to submit their annual performance evaluations from their "home" state AEs to the PRC as part of the annual confidentiality confirmation process.

Observation and Recommendation 4:

Implement a procedure to determine that all PRC/RAB members have met the reviewer training requirements annually and that the verification of reviewer resumes occurs on a timely basis.

PR Staff Response:

A. We have adopted a policy requiring all PRC members to submit a statement along with their annual confidentiality forms that they currently satisfy peer reviewer training and specific CPE requirements.

B. Requests for reviewer resume verifications are issued timely. Some reviewers are delinquent in responding timely. We will more rigorously enforce the timetables for responses and issue non-cooperation warning letters on a timely basis for those non-compliant reviewers.

The results of the Inspection Team's report and observations were reviewed and discussed in a staff meeting held on November 22, 2016.

Sincerely,

EM

Ernest J. Markezin, Director, NYSSCPA

04/07/17

Date