

Peer Review Program

August 6, 2008

Mr. Samuel M. Bronsky, CPA
New York State Society of CPA's
3 Park Avenue, 18th Floor
New York, NY 10016-5991

Re: Oversight Visit to New York State Society of CPA's

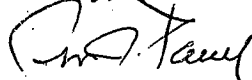
Dear Mr. Bronsky:

I have attached the letters on the oversight visit that I performed on July 21 and 22, 2008. Please review the oversight visit letters with the peer review staff and prepare a response to the observations using Exhibit 1-8 from the *Oversight Handbook* as a guide. Please submit your response for review and comment to me prior to submitting the response to the Oversight Task Force. Please address your letter to the Oversight Task Force and mail it along with the letter to Susan Allison, Technical Manager at the AICPA no later than 90 days from the date of this letter.

If you have any comments or suggestions to be communicated to the AICPA Peer Review Board (Board), please prepare a letter to the AICPA Oversight Task Force using Exhibit 1-10 from the *Oversight Handbook* as a guide. Your comments and suggestions which might have been discussed as part of your oversight visit are no longer summarized in the letter of procedures and observations and must be communicated separately. This is important as your suggestions enable the board to identify problems and concerns, to provide consultation and to provide additional guidance as needed on a national basis.

If you have any questions, please call Susan Allison, Technical Manager with the AICPA Peer Review Program at (919) 402-4973.

Sincerely,



Thomas J. Parry, Member, Oversight Task Force
AICPA Peer Review Program

Enclosures

cc: Louis Grumet, Executive Director
Ernest J. Markezin, Director, Quality Enhancement
Mark Rachleff, Peer Review Manager
Arthur Sparks, Chair, Oversight Task Force

Peer Review Program

July 22, 2008

Mr. Samuel M. Bronsky, CPA
New York State Society of CPA's
3 Park Avenue, 18th Floor
New York, NY 10016-5991

Re: Oversight Visit to New York State Society of CPA's

Dear Mr. Bronsky:

On July 21 and 22, 2008 we performed oversight procedures on the New York State Society of CPA's administration of the AICPA Peer Review Program. An oversight visit is designed to evaluate and enhance the peer review program and includes testing the administering entity's compliance with administrative procedures established by the AICPA Peer Review Board (Board) and determine whether the peer reviews are being conducted and reported on consistently and in accordance with the *Standards for Performing and Reporting on Peer Reviews (Standards)* promulgated by the Board.

In performing our procedures, we considered the objectives of the oversight program. Those objectives state there should be reasonable assurances that: 1) administering entities are complying with the administrative procedures established by the Board as set forth in the *Administering Entity 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 in all jurisdictions, and 4) the information provided via the internet and other media by State CPA societies is accurate and timely. The oversight was conducted according to the procedures in the *AICPA Peer Review Program Oversight Handbook*.

Based on the work we performed, we concluded that the New York State Society of CPAs has complied with the administrative procedures and *Standards* in all material respects as established by the Board.

Sincerely,



Thomas J. Parry, Member, Oversight Task Force
AICPA Peer Review Program

cc: Louis Grumet, Executive Director
Ernest J. Markezin, Director, Quality Enhancement
Mark Rachleff, Peer Review Manager
Arthur Sparks, Chair, Oversight Task Force

Peer Review Program

July 22, 2008

Mr. Samuel M. Bronsky, CPA
New York State Society of CPA's
3 Park Avenue, 18th Floor
New York, NY 10016-5991

Re: Oversight Visit to New York State Society of CPA's

Dear Mr. Bronsky:

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 (Program) through feedback on its policies and procedures, and to provide resource assistance from an AICPA Peer Review Board (Board) Oversight Task Force member on both technical and administrative matters.

In conjunction with the oversight visit of the New York State Society of CPA's (Society), the Administering Entity for the Program, conducted on July 21 and 22, 2008, the following observations are being communicated.

Administrative Procedures

On the morning of July 21, 2008, I met with Mr. Ernest J. Markezin, Director, Quality Enhancement and Mr. Mark Rachleff, 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 (Committee).

I also reviewed the policies and procedures for the granting of extensions. I found that the administrative staff handle short-term extension requests with discussion from the 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 that the date of acceptance letters in instances where the Report Acceptance Body (RAB) accepts the peer review documents subject to revision or clarification was not being updated to the date the firm or the reviewer furnished, to the RAB's satisfaction, the requested revision or clarification. It was also noted in the prior oversight visit that acceptance letters were not correctly dated. Otherwise, I found no problems in these areas.

The Society has developed a back-up plan to support a program administrator should he/she become unable to serve in that capacity.

Web site and Other Media Information

I met with the peer review 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 and other media information is accurate and timely.

After AICPA staff's review of 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 to ensure peer review information is accurate and timely.

Working Paper Retention

I reviewed the completed working papers and found no instances of noncompliance with the working paper retention policies.

Technical Review Procedures

I met with the peer review manager who performs essentially all of the technical reviews, to discuss procedures. He is an experienced reviewer.

I reviewed the reports, letters of comment, letters of response, and certain working papers for approximately 70 reviews. I believe that, in general, 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.

Review Presentation

Reviews are brought to the Committee without open technical issues. Accordingly, it was not necessary for the RAB's to spend a great deal of time reviewing specific technical issues. I did note that the lack of RAB's scheduled in the first few months of the year resulted in RAB's not meeting and accepting reviews in the time frame required by *Standards*.

Committee Procedures

I met with the peer review manager discussed the procedures for disseminating the comments resulting from the AICPA working paper oversights to the appropriate individuals. It was determined the committee issued reviewer feedback when appropriate.

On June 20 and June 24, 2008, I attended RAB teleconference meetings. I observed the committee's acceptance process and offered my comments at the close of discussions. I also reviewed the RAB deliberation sheets for two other RAB's subsequent to their teleconferences.

It was apparent that the committee members had reviewed the reports and working papers thoroughly 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, appropriate follow-up actions were assigned and reviewers were being appropriately monitored. However, subsequent to the teleconferences, I noted that team captain feedback forms were issued with the signature of the peer review manager rather than a committee member. It was also noted in the prior oversight visit that feedback forms were not being signed and dated by a committee member.

On July 22, 2008, I also attended the on-site Committee meeting and noted that it was very orderly and productive.

Oversight Program

The Committee has adopted a formal oversight program which is well documented. I reviewed the documentation and procedures performed and found it to be comprehensive.

Summary

My observations to enhance New York State Society of CPA's administration of the Program are summarized as follows:

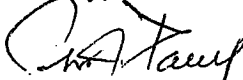
Acceptance letters should be dated with the date the firm or the reviewer furnishes, to the RAB's satisfaction, the requested revision or clarification.

RAB's should be scheduled throughout the year so that RAB's meet and accept reviews in the time frame required by *Standards*.

The Committee should take appropriate steps to ensure that feedback forms are issued with the name of a committee member.

The foregoing matters were considered in determining our conclusion set forth in our letter dated July 22, 2008 and these matters do not change our conclusion.

Sincerely,



Thomas J. Parry, Member, Oversight Task Force
AICPA Peer Review Program

cc: Louis Grumet, Executive Director
Ernest J. Markezin, Director, Quality Enhancement
Mark Rachleff, Peer Review Manager
Arthur Sparks, Chair, Oversight Task Force