

August 5, 2008

Mr. Arthur L. Sparks, Jr., CPA, Chair
Oversight Task Force
AICPA Peer Review Board
Palladian I Corporate Center
220 Leigh Farm Road
Durham, NC 27707-8110

By e-mail: asparks@atacpa.net and sallison@aicpa.org

Re: Oversight Visit to the New York State Society of CPAs

Dear Mr. Sparks:

We have received and reviewed the oversight visit letters issued in connection with the AICPA Peer Review Board's oversight visit to the New York State Society of CPAs (NYSSCPA) by Oversight Task Force member Thomas J. Parry on July 21st and July 22nd of 2008. This letter represents our response to the observations noted in the oversight visit letters. The matters discussed herein were brought to the attention of all peer review program committee members, administrative staff, and technical reviewers. In addition, the matters discussed in this letter will be monitored to ensure they are effectively implemented as part of our system of quality control.

Administrative Procedures

We recognize the need for the correct dating of acceptance letters. We have revised our "Review Cover Sheet" to include and highlight the original Review Acceptance Body (RAB) deliberation date and the date the RAB accepts the review. In circumstances where the RAB has requested a clarification or revision of peer review documents, the acceptance date will be the date such items are resolved to the satisfaction of the RAB. We believe these procedures conform with AICPA interpretations of current standards, and the revised standards effective January 1, 2009.

Review Presentation

As indicated in the observation letter, the failure to schedule RABs during "busy season" in late February and early March resulted in reviews not being presented to the RABs within time frames specified in *Standards*. We are implementing the following additional procedures to ensure that reviews are presented on a timely basis in accordance with standards throughout the year:

- In addition to our normal monthly review of the AS400 Status Report, we will include a step to analyze the report to determine which reviews are approaching

- 90 days from receipt date and not yet presented to a RAB. These reviews will take priority over more current reviews that are ready for RAB presentation. Though standards call for RAB presentation within 120 days, we are using 90 days as the trigger to allow time to take necessary actions.
- Periodically, staff will sample the file cabinet for reviews that have been through technical review and are awaiting presentation to a RAB, and identify those (if any) that are 90 or more days from receipt.
- We are currently conducting a survey of Committee members and the nature of their practices to determine their availability to form ad hoc RABs in late February and early March to deliberate those reviews approaching 90 days from receipt.
- We will be presenting reviews to the RAB's on a more continuous and rotational basis, as volume warrants. Our practice had been to present reviews on a more fixed and simultaneous basis (i.e., all RABs meet at roughly the same time at fixed points.)

Committee Procedures

Regarding the recommendation to have team captain feedback forms signed and dated by a committee member rather than stamped with the name of the technical reviewer followed by the printed statement "On behalf of the Committee," we expect to implement (and have already with regard to the first bullet) the following procedures to improve accountability for the feedback provided to reviewers:

- The deliberation sheets have been recently revised. Among those revisions is the addition of a fourth category of RAB conclusions "Accept Review with Recommended Feedback." The RAB leader signs and dates this form.
- The RAB reviews the feedback before feedback is issued.
- The feedback form will be revised to have a facsimile signature of the RAB leader as well as staff contact information. Firms or reviewers wishing to discuss the feedback will be referred to the relevant RAB leader by staff.
- The staff will date these forms after the RAB leader has signed the deliberation sheet and checked the box marked "accept with feedback."

We wish to thank Mr. Parry for his time and efforts during the oversight visit and appreciate his constructive advice and suggestions.

Sincerely,



Samuel M. Bronsky
Chair, NYSSCPA Peer Review Committee

cc: Thomas J. Parry, Member, Oversight Task Force, AICPA
Susan Allison, Technical Manager, AICPA
Louis Grumet, Executive Director, NYSSCPA
Ernest J. Markezin, Director, Quality Enhancement, NYSSCPA
Mark Rachleff, Peer Review Manager, NYSSCPA