



February 26, 2024

Bonnie Stewart, Executive Director
Bryan Decker, CPA, Peer Review Committee Chair
Julie McNeal, CPA, CPA on Staff
Connecticut Society of CPAs
716 Brook Street, Suite 100
Rocky Hill, CT 06067-3405

Dear Ms. Stewart, Mr. Decker, and Ms. McNeal:

On February 26, 2024, the AICPA Peer Review Board's Oversight Task Force accepted the report, letter of procedures and observations, and your response thereto on the most recent oversight of the Connecticut Society of CPAs. These documents are now available on the AICPA Peer Review Program website.

We appreciate your cooperation and efforts in making the peer review program a success.

Sincerely,

Kim D. Meyer

Kim D. Meyer, CPA
Chair – Oversight Task Force
AICPA Peer Review Board

Oversight Report

November 15, 2023

To the Peer Review Committee of the Connecticut Society of CPAs:

We have reviewed the Connecticut Society of CPAs' administration of the AICPA Peer Review Program (program) as part of our oversight program. The Connecticut Society of CPAs is responsible for administering the program in Connecticut. 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 program in compliance with the *AICPA Standards for Performing and Reporting on Peer Reviews* (standards) and other guidance.

Oversight Task Force's Responsibility

Our responsibility is to determine whether (1) administering entities are complying with the standards and other guidance, (2) reviews are being conducted and reported upon in accordance with the standards and other guidance, (3) results of 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 Connecticut Society of CPAs has complied with the standards and other guidance, in all material respects.

We have also issued a letter of oversight procedures and observations that details the oversight procedures performed and sets forth recommendations that did not affect the conclusions expressed in this report.



Paul V. Inserra, Member, Oversight Task Force
AICPA Peer Review Board



November 15, 2023

To the Peer Review Committee of the Connecticut Society of CPAs:

We have reviewed the Connecticut Society of CPAs' administration of the AICPA Peer Review Program (program) as part of our oversight program and have issued our report thereon dated November 15, 2023. That report should be read in conjunction with the observations in this letter. The observations described below were considered but did not affect the conclusions expressed in that report.

The oversight was conducted according to the procedures in the *AICPA Peer Review Program Oversight Handbook*. The oversight program is designed to improve the administering entity's administration of the 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.

During the oversight conducted on various dates from October 26 through November 15, 2023, I met with the CPA on staff, the peer review administrator, the technical reviewers, and the peer review committee chair.

In conjunction with the administering entity oversight, the following observations are being communicated.

Administrative Procedures

I met with the CPA on staff and the administrator to review procedures for administering the program. I believe the administrative processes were being handled in a manner consistent with the *AICPA Standards for Performing and Reporting on Peer Reviews* (standards) and other guidance.

I reviewed the status of open reviews, including reviews with corrective actions and implementation plans which had not yet been completed. I noted that open reviews were being effectively monitored for completion.

I noted peer review committee (committee) decision letters are prepared and sent timely.

I reviewed the policies and procedures for granting extensions and noted that extension requests are evaluated and approved by a subcommittee of the peer review committee.

The administering entity has developed a backup plan to support the administrator, technical reviewers, and the CPA on staff if they become unable to serve in their respective capacities. I reviewed the backup plan and noted it complied with guidance.

According to discussions with administering entity staff, working paper retention policies for completed reviews are consistently followed.

I noted that the administering entity has policies and procedures in place to determine if information disseminated on their website regarding the program is accurate and timely. I noted the administering entity maintains current information on their website relating to the program. In addition, the administering entity has an individual who is responsible for maintaining the website and monitors it periodically to determine if program information is accurate and timely.

Technical Review Procedures

I met with the technical reviewers to discuss their procedures.

Based on the information provided, I noted that all technical reviewers met the qualifications set forth in the guidance.

I reviewed the reports, letters of response, if applicable, and the working papers for several reviews presented to the report acceptance body (RAB) on October 26, 2023. I noted a review in which a few technical matters had not been addressed by the technical reviewer which contributed to deferring acceptance of this review.

During the RAB meeting observed, the technical reviewers were available to answer any questions that arose.

CPA on Staff Procedures

I met with the CPA on staff to discuss procedures for monitoring the program.

Based on the information provided, I noted that the CPA on staff met the qualifications set forth in the guidance.

I reviewed the annual confidentiality agreements and noted that appropriate agreements were obtained and signed based on each individual's role in the program, except for two RAB members, who signed agreements that did not contain all required elements. This is a repeat comment. Updated agreements were obtained and reviewed during my oversight and they aligned with current guidance.

The administering entity has developed policies and procedures to identify familiarity threats and implement safeguards to maintain objectivity and skepticism while considering the results of peer reviews. I reviewed the familiarity threat policies and procedures and noted they are comprehensive.

Before the October 26, 2023 RAB meeting, I noted one review in the RAB package included a SOC 1 engagement but no RAB members with current experience in that must-select industry were scheduled to participate in the RAB meeting. As a result of my comment, the review was removed from the agenda before the meeting.

RAB and Peer Review Committee Procedures

I met with the committee chair to discuss their procedures.

I noted that comments resulting from RAB observation reports are disseminated to the appropriate individuals.

I reviewed procedures regarding RAB/committee evaluations of firms receiving consecutive non-pass peer review reports and whether the failure to correct deficiencies or significant deficiencies should be deemed as noncompliance with the requirements of the program. After reviewing evaluations and discussing with the committee chair and administering entity staff, I believe these are handled in a manner consistent with guidance.

I attended a RAB meeting on October 26, 2023 and observed the acceptance process and offered my comments at the close of discussions. It was apparent that the RAB members had reviewed the reports and working papers prior to the meeting and had a good understanding of the program. Except as noted below, appropriate decisions were made in the acceptance process.

As noted in the Technical Review Procedures section, on one review, I noted technical matters were not sufficiently addressed by the technical reviewer and these were not identified by the RAB. This review was complex with numerous matters to consider which were identified by the technical reviewer and the RAB. Although the RAB had already expressed its intent to defer acceptance of the review, my comments were added to the reasons for the deferral.

I also attended a peer review committee meeting.

Oversight Program

I reviewed the oversight policies and procedures adopted by the committee and noted the oversight program is comprehensive.

Summary

My recommendations to enhance the Connecticut Society of CPAs' administration of the program are summarized as follows:

Technical reviewers should exercise greater care in performing duties to identify issues before the report acceptance process and the RAB should exercise care to ensure all critical matters are identified and discussed.

The administering entity should exercise greater care to use the appropriate confidentiality agreement templates based on the individual's role.

The CPA on staff should ensure that RAB composition includes individuals with current experience for must-select engagements, as applicable.



Paul V. Inserra, Member, Oversight Task Force
AICPA Peer Review Board



Peer Review Program



Peer Review
Program

Administered in Connecticut by
the Connecticut Society of CPAs

February 2, 2024

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

Re: Oversight of Connecticut Society of CPAs

To the AICPA Peer Review Board's Oversight Task Force:

This letter represents our response to the report and letter of procedures and observations issued in connection with the oversight of the Connecticut Society of CPA's administration of the AICPA Peer Review Program (program) performed on various dates from October 26 through November 15, 2023.

The matters discussed herein were brought to the attention of all peer review 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 administration of the program.

Technical Review Procedures

The CTCPA agrees that a review included in the observed RAB had unresolved issues, including disagreements between the reviewer and the firm. The technical reviewer documented many issues, recommended deferral for the RAB and a RAB consultation.

To reduce the likelihood that reviews are presented with unresolved technical issues to a RAB, we have developed and implemented the following policies and procedures. These include outreach by the technical reviewer or CPA on staff to the firm and/or the reviewer. If contentious issues cannot be resolved without further actions, oversight may be performed on the review or, when applicable, disagreement guidance may be followed to ensure the review goes to the RAB with technical issues resolved.

In limited circumstances, a RAB consultation may be appropriate.

CPA on Staff

We recognize that following the administrative processes for the program is important; accordingly, the CPA on staff will ensure that all the required elements are included in the annual confidentiality agreements by using the appropriate templates.



Peer Review Program



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Peer Review Program

Administered in Connecticut by the Connecticut Society of CPAs

We have developed policies and procedures for monitoring the administration of the program, which includes RAB member qualifications. Going forward, the CPA on staff will review the administrator's summary of RAB member qualifications to ensure that every RAB includes at least one individual with current experience in the must-select engagements in system reviews presented for acceptance.

RAB and Peer Review Committee Procedures

The CPA on staff and technical reviewer will review all open technical issues prior to a RAB meeting, and if necessary, reach out to the firm and/or the reviewer to attempt to resolve any outstanding issues. If contentious issues cannot be resolved without further actions, oversight may be performed on the review or, when applicable, disagreement guidance may be followed to ensure the review goes to the RAB with technical issues resolved.

In limited circumstances, a RAB consultation may be appropriate.

Sincerely,

Bonnie Stewart

Signature State CPA Society CEO

Bonnie Stewart

2/15/2024

Date

Julie McNeal

Signature of CPA on staff

Julie McNeal

February 15, 2024

Date

Bryan Decker

Signature of Peer Review Committee Chair

Bryan Decker

15/02/2024

Date