

James F. Gillespie, C.P.A.
10553 Westgate Street
Overland Park, Kansas 66215
913-541-8076

December 1, 2017

Mr. John Helms, Chair
Kansas Board of Accountancy
Landon State Office Building
900 SW Jackson St., Ste. 556
Topeka, Ks. 66612-1239

Re: Oversight of Kansas Society of Certified Public Accountants Peer Review Program Administration

Dear Mr. Helms:

The oversight visit was conducted according to the administrative oversight procedures in the *AICPA Peer Review Program Oversight Handbook*. The administrative oversight program is designed to ensure that the AICPA Peer Review Program is being administered in accordance with guidance as issued by the AICPA Peer Review Board.

In conjunction with the administrative oversight visit of the Kansas Society of Certified Public Accountants (KSCPA) Peer Review Program Administration, the administering entity for the AICPA Peer Review Program (program), conducted on December 1, 2017, the following observations are being communicated. In addition to my onsite visit, my oversight procedures included attending eleven of fourteen Report Acceptance Body (RAB) meetings held during the oversight period.

Administrative Procedures

On the morning of December 1, 2017, I met with the Natasha Schamberger, CPA, KSCPA Chief Executive Officer, Rita Barnard, KSCPA Peer Review Program Administrator and Marshall Hull, CPA, KSCPA Peer Review Committee Chairman 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 not yet completed. I found that the follow-up actions were being monitored for completion by the administrative staff and the peer review committee.

I also reviewed the policies and procedures for the granting of extensions. No extensions were granted by the KSCPA that were not in full compliance with Kansas Board of Accountancy's policy on request for extensions of Peer Review due dates.

I also reviewed the timeliness of the scheduling process, technical reviews, the preparation of acceptance and follow-up letters. I noted issues in these areas which appear to be caused by the implementation of the new Peer Review Integrated Management Application (PRIMA) required by the AICPA. PRIMA has required that procedures be modified as necessary for the information application to work. Issues with the PRIMA system are being addressed.

I reviewed the written back-up plan with the Oklahoma Society of CPA's to support the program administrator if she were to become unable to serve in that capacity.

Web Site and Other Media Information

The Peer Review Program Administrator maintains the information disseminated regarding the AICPA Peer Review Program by the administering entity on its Website and other media information (if applicable). I noted one link to the AICPA Peer Review Program website that was inactive. Information provided for the missing link was available on the KSCPA website.

After reviewing the Website material and other media information (if applicable), 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 website and monitors the website to ensure peer review information is accurate and timely.

However, a procedure should be created for the peer review program coordinator as the website manager to ensure that as information changes in the peer review program, all necessary changes are available on the website.

Working Paper Retention

I reviewed the completed working papers for five reviews and it appears that the working paper retention policies are being followed.

Technical Review Procedures

I reviewed the qualifications and experience of the technical reviewers. Thomas Sewell, Albert Denny and Virginia Powell perform all technical reviews. They are experienced reviewers.

I reviewed the reports, letters of response, if applicable, and the working papers for five reviews. I believe that 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.

Summary

Based upon the work I have performed as the Kansas Board of Accountancy Peer Review Oversight Committee Member, I have concluded that the program is being administered by the Kansas Society of Certified Public Accountants in compliance with the guidance issued by the AICPA Peer Review Board in all material respects. However, I would encourage the Peer Review Program Administrator to closely monitor reviews as they progress through the PRIMA system.

Sincerely,

A handwritten signature in black ink that reads "James F. Gillespie, C.P.A." The signature is written in a cursive style.

James F. Gillespie, CPA

Peer Review Oversight Committee Member

cc: Susan L. Somers, Executive Director, Kansas Board of Accountancy

Natasha Schamberger, Chief Executive Officer, KSCPA

Marshall Hull, Peer Review Committee Chair, KSCPA