

Sample Letter of Response to an Unmodified Report With a Letter of Comments

September 15, 20XX

MACPA Peer Review Committee
Maryland Association of CPAs, Inc.
10280 Old Columbia Road, Suite 245
Columbia, MD 21046

Ladies and Gentlemen:

This letter represents our* response to the letter of comments on the engagement review of our firm's accounting practice for the year ended June 30, 20XX.

To prevent the recurrence of the disclosure deficiencies noted by the reviewer and to prevent other disclosure deficiencies from occurring, we have obtained copies of a comprehensive reporting and disclosure checklist. These checklists will be completed on all review engagements and on all compilation engagements.

To prevent the incorrect titles being used on our reports and the computer-generated compiled financial statements prepared on a basis of accounting other than generally accepted accounting principles reflect the appropriate titles, we have established a manager review of all reports and financial statements prior to issuance.

We will review professional standards governing the information to be included in engagement letters for financial statements prepared under SSARS No. 8.

We believe these actions are responsive to the findings of the review.

Sincerely,

[Name of Firm]

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This letter represents our* response to the letter of comments on the engagement review of our firm's accounting practice for the year ended June 30, 20XX.

Matters that resulted in a modified report

As recommended by the reviewer, the entire staff has participated in continuing professional education related to reporting and disclosures. We will be performing a preissuance review by a partner not associated with the engagement to make sure that the accountant's report is appropriately modified when the financial statements depart from professional standards. Management representation letters will be obtained for all future review engagements issued by the firm. The firm has required that a manager review each engagement to ensure that the management representation letter is obtained and that all the required documentation is included in the working papers.

The firm reviewed professional standards regarding reporting on comparative financial statements and going concern issues and will have a manager review these items on all future reports and financial statements and reports.

Matters that did not result in a modified report

We will put into practice a reporting and disclosure checklist for all engagements to be completed by staff. The checklist will be reviewed by the partner in charge of the engagement. The reporting and disclosure checklist will cover presentation of statement of activities issued by this firm and will be updated as new pronouncements are issued to ensure all disclosures are included in the financial statements.

The firm has obtained the appropriate state board of accountancy license to perform engagements and issue reports.

We believe these actions address the deficiencies and comments noted by the reviewer.