



System Review Report

June 28, 2010

To the Owners of
Albright, Hill & Sumpter, PC
and the Peer Review Committee of the
Texas Society of Certified Public Accountants

We have reviewed the system of quality control for the accounting and auditing practice of Albright, Hill & Sumpter, PC (the firm) in effect for the year ended February 28, 2010. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants. The firm is responsible for designing a system of quality control and complying with it to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Our responsibility is to express an opinion on the design of the system of quality control and the firm's compliance therewith based on our review. The nature, objectives, scope, limitations of, and the procedures performed in a System Review are described in the standards at www.aicpa.org/prsummary.

As required by the standards, engagements selected for review included an engagement performed under the Government Auditing Standards and an audit performed under FDICIA.

We noted the following deficiencies during our review:

1. **Deficiency** – The firm's quality control policies and procedures require that the engagement owner review the financial statements and for the disclosure checklists to be completed prior to issuance. However, on two compilation reports and one review report, we noted that the accountants' report did not properly include all periods presented. Additionally, during our review on three audit engagements and one review engagement, we identified that the notes to the financial statements did not include all required disclosures but resulted in no material omissions.

Recommendation – The firm should carefully review the financial statements prior to issuance and develop and/or use more comprehensive checklists that will assist the auditor in determining that all schedules and dates are properly included in the report and the notes to the financial statements are complete.

2. **Deficiency** – The firm's quality control policies and procedures require the use of standard audit programs. However, our review disclosed several instances where the firm's work papers either did not include sufficient documentation in the areas of sample size and method of determination, analytical procedures, review of journal entries and walk-through of internal controls, or the only documentation consisted of a sign-off on the appropriate program step. Although we held

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discussions with engagement personnel, we were unable to satisfy ourselves in all cases that the procedure was completed due to the firm's failure to document these matters in the manner required by professional standards. The firm has concluded that the only additional action needed is to add documentation of work it previously performed.

Recommendation – The firm should hold a training session for all personnel to review the matters to be considered and performed including the documentation of all procedures and inquiries. In addition, the firm should consider this in developing its CPE plan for the current year. This should also be emphasized in the engagement owner's review and its monitoring procedures.

In our opinion, except for the deficiencies described above, the system of quality control for the accounting and auditing practice of Albright, Hill & Sumpter, PC in effect for the year ended February 28, 2010, has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass*, *pass with deficiency(ies)* or *fail*. Albright, Hill & Sumpter, PC has received a peer review rating of *pass with deficiencies*.

Turner, Stone & Company, LLP



ALBRIGHT, HILL & SUMPTER
CERTIFIED PUBLIC ACCOUNTANTS
A Professional Corporation

August 31, 2010

Texas Society of CPA'S
AICPA and TSCPA Peer Review Program
14651 Dallas Parkway, Suite 700
Dallas, Texas 75254-7408

Subject: Albright, Hill & Sumpter, PC Peer Review #307444

Ladies and Gentlemen:

This letter represents our response to the report issued in connection with the peer review of our firm's system of quality control for the accounting and auditing practice in effect for the year ended February 28, 2010. The corrective actions discussed in this letter will be monitored to ensure that they are effectively implemented as part of our system of quality control.

1. In April 2010, we hired a more experienced/qualified audit manager which has allowed the audit partner more time to dedicate to pre-issuance review. Subsequent to the peer review period but prior to the peer review, we had detected the disclosure deficiency and began a closer review in order to assure that all applicable disclosures are being made. We have also made arrangements with a retired audit partner of the firm to assist with report reviews and (when required) engagement reviews.

In addition to the above, we have reviewed all compilation reports and have began early implementation (where permitted) of SSARS #19.

2. In our exit interview, we included our audit manager. Within two weeks of the exit interview, we held a meeting with all professional staff and discussed the peer review findings. As a result, we have adopted a policy that all documentation is to be included in the work papers and not on the audit program.

We are currently reviewing the TSCPA's "Accounting and Auditing" seminars for 2010-2011. We have identified the following upcoming seminars for selected professional staff (including partners) to attend.

- A. 2009 Not-for-Profit Accounting and Auditing Update and Reporting Issues.
- B. Annual Update for Accountants and Auditors.

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C. Compilation and Review Update.

The above corrective actions will be emphasized in our monitoring procedures and internal inspection.

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

Sincerely,
Albright, Hill & Sumpter PC



William A. Albright
Certified Public Accountant

**AICPA Peer Review Program
and TSCPA Peer Review Program**
Administered by the Texas Society of CPAs



September 29, 2011

Jennifer Sumpter Hill, CPA
Albright, Hill & Sumpter, CPAs
12160 Abrams Rd Ste 412
Dallas, TX 75243

Dear Ms. Hill:

The Texas Society of CPAs 2011-12 Peer Review Committee determined that your most recent peer review is complete.

The due date for your next review is August 31, 2013. This is the date by which all review documents should be completed and submitted to the administering entity.

Sincerely,



Jerry L. Cross, CPA
Director, Peer Review
jcross@tscpa.net

800 428-0272

cc: Larry Yurcho, CPA

Firm No.1151182 Review No. 307444