



Certified Public Accountants | Business Consultants

System Review Report

June 12, 2014

To the Owners of
Pinto Mucenski Hooper & VanHouse, P.C.
And the Peer Review Committee of the NYSSCPA

We have reviewed the system of quality control for the accounting and auditing practice of Pinto Mucenski Hooper & VanHouse, P.C., (the firm) in effect for the year ended March 31, 2014. 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. As part of our peer review, we considered reviews by regulatory entities, if applicable, in determining the nature and extent of our procedures. 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 engagements performed under *Government Auditing Standards* and audits of employee benefit plans.

We noted the following deficiencies during our review:

1. Deficiency – The firm's quality control policies and procedures require the partner in charge of the engagement to review the engagement working papers prior to issuance. Our peer review disclosed several instances where this review was ineffective for certain engagements performed in a satellite office. As a result we noted several instances where management representation letters were misdated or not obtained for review engagements. We also noted several instances where financial statement presentation of prior period adjustments and expenses of not-for-profit entities did not conform with professional standards. The firm will address these issues during the performance of the subsequent engagements, the performance of which are imminent.

Recommendation – The firm should review the firm's quality control procedures regarding partner review of engagement working papers with all partners of the firm. In addition, the firm should consider requiring a pre-issuance second partner review of engagements issued from the satellite office.

2. Deficiency – The firm’s quality control policies and procedures require the firm to perform monitoring procedures as part of its quality control system. Our review disclosed several instances where these procedures were not effective. If effective monitoring procedures had been performed, the items noted in deficiency 1 should have been noted and addressed prior to our review.

Recommendation – The firm should review the firm’s monitoring procedures to ensure they address all relevant areas including effective monitoring of satellite offices. In addition, the firm should emphasize engagements issued from this office during the performance of its monitoring procedures.

In our opinion, the system of quality control for the accounting and auditing practice of Pinto Mucenski Hooper & VanHouse, P.C., in effect for the year ended March 31, 2014, 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*. Pinto Mucenski Hooper & VanHouse, P.C. has received a peer review rating of *pass with deficiencies*.


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