



American Institute of Certified Public Accountants

1211 Avenue of the Americas, New York, New York 10036 (212) 575-6200

SEC PRACTICE SECTION COMMITTEE-APPOINTED
REVIEW TEAM # T. 101

November 2, 1978

To the Partners
Dana S. Beane, Jr. & Co.

We have reviewed the system of quality control for the accounting and auditing practice of Dana S. Beane, Jr. & Co. in effect for the year ended September 30, 1978. Our review was conducted in conformity with standards for quality control compliance reviews promulgated by the peer review committee of the SEC practice section of the AICPA Division for CPA Firms (the section). We tested compliance with the Firm's quality control policies and procedures at the Firm's Laconia office and membership requirements of the section to the extent we considered appropriate. These tests included the application of the Firm's policies and procedures on selected accounting and auditing engagements.

In performing our review, we have given consideration to the following general characteristics of a system of quality control. A firm's system of quality control encompasses its organizational structure and the policies adopted and procedures established to provide the firm with reasonable assurance of conforming with professional standards in the conduct of its accounting and auditing practice. Professional standards are expressed in terms of broad concepts and objectives rather than detailed procedures, and their application requires the exercise of professional judgment in a variety of circumstances. The extent of a firm's quality control policies and procedures and the manner in which they are implemented will depend upon a variety of factors, such as the size and organizational structure of the firm, the nature of its practice, and its philosophy about the degree of operating autonomy appropriate for its people. Variance in individual performance and professional interpretation affects the degree of compliance with a firm's prescribed quality control policies and procedures; therefore, adherence to all policies and procedures in every case may not be possible, but compliance does require adherence to prescribed policies or procedures in the substantial majority of situations.

In our opinion, the system of quality control for the accounting and auditing practice of Dana S. Beane, Jr. & Co. for the year ended September 30, 1978, was appropriately comprehensive and suitably designed for the Firm, was

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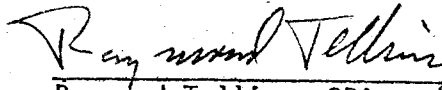
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adequately documented and communicated to professional personnel and was being complied with during the year then ended to provide the Firm with reasonable assurance of conforming with professional standards and the membership requirements of the section.

AICPA Review Team No. T-101



Raymond Telling, CPA
Team Captain