

NEW YORK STATE EDUCATION DEPARTMENT

Peer Review Oversight Committee

Meeting Agenda
NYS Education Department
80 Wolf Road, Albany, NY

May 17, 2023

The following members were present:

Frank S. Venezia, CPA, Chair
Andy Neyman, CPA
Mitchell Mertz, CPA

David Iles, CPA, Vice Chair
David Pitcher, CPA
Grace G. Singer, CPA

Others in attendance:

Jennifer Winters, CPA, Executive Secretary, NYS Education Department
Thomas Cordell, Auditor 2, NYS Education Department
Philip Jesmonth, Auditor 1, NYS Education Department

Call to Order: On a motion by Ms. Singer, seconded by Mr. Iles, the Committee unanimously agreed to move to public session at 10:02 a.m.

Minutes: Based on a motion made by Mr. Iles, seconded by Ms. Singer, the Committee approved the February 1, 2023, meeting minutes.

PROC Member Update: The Committee welcomed Mr. Neyman to the PROC. Those in attendance introduced themselves.

Ms. Winters informed the Committee of a new law requiring the PROC members to take a yearly ethics training provided by NYSED.

Future Meetings: Ms. Winters noted that future meetings via WebEx Video Conference. Ms. Winters reminded the Committee Members that we must list the individual member's address of where they will be attending on the agenda and these locations must be open to the public. The Committee has scheduled the following future meetings:

- August 9, 2023, 9:00 a.m. - Video Conference
- October 24, 2023, 9:00 a.m. - Video Conference

AICPA Peer Review Board Open Meetings

February 8th and May 3rd – May meeting was mostly just a follow up to the February meeting. The Committee discussed the comment letter from the Peer Review Alliance regarding the requirement whether a peer review should be completed if an attest service was performed since the date of the last peer review. The Committee has held the viewpoint that if attest services have been performed since the last peer review, the firm must have a peer review completed prior to filing the notice that they no longer perform attest service. The Committee would like to have seen this guidance more clearly delineated in the AICPA Standards.

The Peer Review Conference will be held July 31st - August 2nd and will be attended by Mr. Iles, Mr. Pitcher, and Ms. Singer. They will report back at the August 9th PROC meeting.

Mr. Iles questioned if there was discussion on having enough peer reviewers and what if any attention was brought to this by the AICPA. Ms. Winters said they plan to offer incentives for people to become peer reviewers, but nothing is set in stone yet. The Committee noted it is very hard to become a peer reviewer both financially and duty wise.

The Committee noted the discrepancy in the May AICPA Open meeting materials between page 125 and page 139. The AICPA indicates that State Boards of Accountancy oversight the Administering Entities. However, on page 139, the AICPA provide an Oversight Task Force Comment to an Administering Entity that allowed a state board employee to participate in an administrative site visit performed by the Peer Review Oversight Committee and the employee was allowed access to confidential information. The Committee noted that the staff of the state board and PROC are one in the same, that there are not separate staff, and staff should be allowed to attend the oversighting of the Administering Entities.

There are only 26 administering entities including the NPRC. On page 138, the list of the Administering Entities that had an oversight in 2022. Mr. Venezia noted that PICPA had responded to its oversight, and it was a clean report.

The Committee discussed an interesting set of circumstances that occurred which differs from the information on page 148 regarding the available information in FSBA. The report does not note that the firm can allow an additional level of information if it elects to do so at the beginning of its peer review. The PROC staff encountered this discrepancy when the FSBA showed a firm's Report Acceptance Body date and another firm did not. The firm in question had not had a peer review completed in several years. The PROC staff inquired with the PICPA and the Report Acceptance Body information was not provided as it is not included in the list of information that is releasable to the State Boards / Peer Review Oversight Committees. The Committee questions why some information is included, and others were not. The screen shots of the discrepant information were provided in executive session materials. The Committee members requested that Ms. Winters put in a ticket to the AICPA regarding the multiple tier system when registering for peer review. The Committee will review our disclosure requirements to determine if they need to be changed to require all information be provided in FSBA.

Future AICPA Peer Review Committee Open Meetings: Ms. Winters and Mr. Cordell will attend the meetings:

2023 - September 7th and November 16th

2024 – February 7th, May 15th, September 11th, and November 6th

PICPA Oversight

Ms. Singer will attend the PRC meeting on May 23rd and Mr. Pitcher will attend a RAB meeting later in May. Ms. Winters will acquire the June meeting schedule and both Ms. Singer and Mr. Mertz will pick a RAB meeting from the new schedule. The Committee asked for Mr. Mertz report from the Nov oversight. Mr. Mertz noted that he was unable to attend the oversight.

PCAOB Annual Report on Oversight: The Committee briefly discussed the PCAOB annual report.

PROC Draft Annual Report for 2022: The State Board meeting is on July 26th. The Committee must finalize the report via SharePoint before the State Board meeting. Mr. Venezia will provide the report to the State Board. The finalized report will go to NASBA' peer review oversight repository. Ms. Winters noted the report needs to be completed by the second week of July to be able to include in the Board packet meeting materials.

The Committee discussed the following items:

- Message From the Committee - Page 210 – Mr. Venezia will craft this message
- Meeting, Accomplishments, and Advocacy Efforts –
 - Page 216 - letter “b” - revise/remove AE status and indicate that we did not receive the Plan of Administration (POA). Add the review of the PICPA, NJ Society, and New England Peer Review Oversight reports from 2022.
 - Page 217 –
 - letter “c” - Mr. Mertz did not attend the November meeting so this must be removed.
 - letter “d” – add that the website was updated with the regulations and the revised FAQs.
 - letter “e” – Remove the PCAOB Interim Inspection Program item from the 2021 report. Replace with the AICPA peer review conference attended by Committee members.
 - Page 218 –
 - letter “h” - the COVID clause should be removed.
 - Recommendations – remove the recommendation to continue the agreement with PICPA as the Sponsoring Agreement as there is not an agreement in place. Replace with “PROC recommends to the Department that it continues its monitoring efforts of the Mandatory Peer Review Program.”
 - Conclusions - Remove the comment about chapter 3. The wording should be revised to indicate that PICPA performs most of the peer reviews for NY firms.

New Business: None.

Public Session: On a motion by Mr. Iles and seconded by Mr. Pitcher, the Committee voted unanimously in favor of adjourning the public session at 11:06 a.m.

Executive Session: On a motion by Ms. Singer and seconded by Mr. Mertz, the Committee voted unanimously to enter executive session at 11:11 a.m.

On a motion by Ms. Singer and seconded by Mr. Mertz, the Committee unanimously agreed to close executive session and end the meeting at 12:16 p.m.

Respectfully submitted,

Jennifer Winters, CPA
Executive Secretary