

NEW YORK STATE EDUCATION DEPARTMENT

Peer Review Oversight Committee

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

Other Locations:

45 Bryant Woods North, Amherst, NY 14228
360 Madison Avenue, New York, NY 10017
21 Greatwater Avenue, Massapequa, NY 11758
17 Old Dock Road, Brant Lake, NY 12815
28 E Main Street, Suite 1000, Rochester, NY 14614
410 Upland Road, Ithaca, NY 14850

August 9, 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: Mr. Venezia moved the Committee to public session at 9:03 a.m.

Minutes: Based on a motion made by Mr. Neyman, seconded by Mr. Mertz, the Committee approved the May 17, 2023, meeting minutes.

Mr. Venezia reviewed the outstanding items from the prior meeting. Ms. Winters reported that firms can elect to provide additional information to the Board, such as, the Report Acceptance Body (RAB) meeting presentation date. However, the AICPA's Peer Review Standards paragraph 146 still outlines the minimum information that is released and they will not provide the additional information on their own to the Board.

PROC Member Update: Mr. Venezia announced that Mr. Iles is now officially the Vice Chair of the Committee.

PICPA Peer Review Committee and Report Acceptance Body Meeting Oversight: Ms. Singer attended the May 23rd PRC meeting. Ms. Singer reports that the meeting was run well and followed protocols. It was noted that if the Administering Entity were able to communicate with the PROC, the problems with bad actors hold them accountable and/or remove them from the program could be beneficial to both parties. However, again, the AICPA's standards prevent the PICPA from providing any information that would work to enhance the public protection efforts of the Committee.

Mr. Pitcher attended the RAB meeting in 7/20/2023. Mr. Pitcher reports that it was well organized, and one committee member did not appear to be very well prepared. There was a fair amount of second guessing which slowed the meeting down.

Mr. Mertz will attend an upcoming RAB meeting.

AICPA Peer Review Conference

Mr. Pitcher, Mr. Iles, and Ms. Singer attended the August 2, 2023 AICPA's Peer Review Conference. Ms. Singer notes that the Employee Benefit Plan update included the U.S. Department of Labor reviewing the same issues with no solutions on why practitioners are not getting it. There will be a survey to help figure out what the issues are. Ms. Singer noted that they are starting to implement a peer review mentoring system which she believes will be beneficial to the newer peer reviewers.

Mr. Pitcher stated firms that use the PPC Smart Product tool for peer review, can lead to the wrong answer in the survey tools. There was a discussion that the materials need to be worded better and simplified. The number of practitioners that have been referred for ethics violations has increased.

Mr. Iles reported that he has seen the issue with PPC risk assessment which led to the firms having issues as well. This does not seem to just be a small firm issue, but instead an industry wide issue. There did not seem to be a very strong message at this conference like there had been in the past.

Future Committee 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:

- October 24, 2023, 9:00 a.m. - Video Conference
- February 8, 2024, 9:00 a.m. - Video Conference

AICPA Peer Review Board Open Meetings: NA

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

PROC Annual Report for 2022: Mr. Venezia noted that the report to the State Board for Public Accountancy on July 26th went well and the Board asked several questions related to the program.

New Business: Ms. Winters reported the PCAOB released a report indicating that the number of audits with deficiencies rose to 40% in 2022. The Committee members had reviewed the report. The concern is that there continues to be a significant number of errors in the findings. Ms. Singer stated that PCAOB does try to educate the reviewers to resolve the errors and prevent future errors from happening.

Ms. Winters reported that the non-CPA ownership passed both houses of the legislature; however, it has not been sent to the Governor's office.

Public Session: On a motion by Mr. Mertz and seconded by Ms. Singer, the Committee voted unanimously in favor of adjourning the public session at 9:38 a.m.

Executive Session: On a motion by Ms. Singer and seconded by Mr. Mertz, the Committee voted unanimously to enter executive session at 9:38 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 11:30 a.m.

Respectfully submitted,

Jennifer Winters, CPA
Executive Secretary