

NEW YORK STATE EDUCATION DEPARTMENT

Peer Review Oversight Committee
Meeting Agenda

NYS Education Department
80 Wolf Road, Albany, NY

May 14, 2024

10:00 a.m. Public Session

• Review and Approval of Minutes from the February 8, 2024 meeting	Pages 2 - 3
• Future PROC Meetings: <ul style="list-style-type: none">○ August 13, 2024, 9:00 a.m. - Video Conference	
• AICPA Peer Review Board Open Meetings <ul style="list-style-type: none">○ February 7th○ 2023 Peer Reviewer Survey and Table Talk Findings○ Future Peer Review Board Open Meetings in 2024:<ul style="list-style-type: none">▪ May 15th▪ September 11th▪ November 6th	Pages 4 – 48 Pages 49 - 67
• NASBA Executive Director Conference	Pages 68 - 91
• Non-Licensee Ownership of CPA Firms	Page NA
• New Business - NA	Page NA

11:00 a.m. Executive Session

NEW YORK STATE EDUCATION DEPARTMENT

Peer Review Oversight Committee

NYS Education Department
80 Wolf Road, Albany, NY

Other Locations:

410 Upland Road, Ithaca, NY 14850
28 East Main Street, Suite 1000, Rochester, NY 14614
21 Greatwater Avenue, Massapequa, NY 11758
45 Bryant Woods North, Amherst, NY 14228
709 Westchester Avenue, White Plains, NY 10604

February 8, 2024

The following members were present:

Frank S. Venezia, CPA, Chair (not counted for quorum)
David Iles, CPA, Vice Chair
Andy Neyman, CPA
Mitchell Mertz, CPA
Grace G. Singer, CPA
David Pitcher, CPA

Others in attendance:

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

Call to Order: The Committee moved to public session at 9:02 a.m.

Minutes: Based on a motion made by Mr. Iles, seconded by Mr. Mertz, the Committee approved the October 24, 2023, meeting minutes.

Future Committee Meetings:

- May 14, 2024, 10:00 a.m. - 80 Wolf Rd, Albany, NY
- August 13, 2024, 9:00 a.m. - Video Conference

AICPA Peer Review Board Open Meetings:

November 16, 2023 Open Meeting – The Committee will be sending a comment letter with the recommended changes noted below. The Committee discussed the reviewer rule consideration (page 7) regarding a retired firm owner who would be allowed to remain a peer reviewer for 18 months after retirement; be used for a mentor program to reviewers; and the CPA must maintain their CPA license during the 18-month period.

The definition of the enrollment date (page 22) is different than the NYSED guidance on the enrollment date requirements. Mr. Iles notes the discrepancy could be a practical matter as a firm can engage in an engagement and then disengage without performing the qualifying service. The Committee noted to monitor this and if it passes, consider adjusting the frequently asked question on the website.

The Committee discussed a change in “Quality Control” to “Quality Management” throughout the document. The term “Quality Control” in is the Commissioner’s Regulations; however, the Committee discussed the words having the same meaning which will result in no update on NYSED’s end required.

The Committee discussed the allowable information to state boards based on where the firm's main office is located; however, should be any state the firm operates in (Page 97). Likewise, pages 97 and 98 state firms will grant access to a previously unavailable document detailing the firm not performing any engagements subject to review in the last 12 months. The documents listed on these pages should be required and the word "may" should be changed to "must".

February 7, 2024 Open Meeting– Due to the timing of the meeting, this will be deferred until the May PROC meeting.

Future AICPA Peer Review Committee Open Meetings: Ms. Winters and Mr. Cordell will attend the meetings: 2024 – May 15th, September 11th, and November 6th

Uniform Accountancy Act – Exposure Draft – The Committee briefly discussed the exposure draft. Ms. Winters, Mr. Venezia, and Mr. Iles drafted the comment letter and sent it to NASBA. To date, we have not heard back.

New Business:

The Deputy Commissioner of the Office of Professions, Sarah Benson, is officially retiring by the end of February. Ms. Winters noted she did help push the changes in 29.10 regarding peer review. However, her retirement will not impact the PROC.

Mr. Venezia has announced his retirement from the PROC and at the close of the Executive session will be his last meeting. The Committee and staff praised his hard work and being the pillar in the PROC's effectiveness in oversighting firms since the inception of the PROC/QROC. Mr. Venezia wishes there was a better way to penalize firms for not performing peer reviews when required. Ms. Winters noted that the enforcement process has started to hold firms more accountable through penalties. Mr. Iles will now be the Chair and Ms. Singer will be the Vice Chair. The PROC members were asked to reach out and try to find some candidates to replace the new vacancy.

Mr. Iles noticed that the PROC procedures were not added to the resources part of the SharePoint website. This will be added promptly by the staff.

Public Session: On a motion by Mr. Neyman and seconded by Mr. Mertz, the Committee voted unanimously in favor of adjourning the public session at 9:46 a.m.

Executive Session: On a motion by Ms. Singer and seconded by Mr. Mertz, the Committee voted unanimously to enter executive session at 9:54 a.m.

On a motion by Mr. Mertz and seconded by Ms. Singer, the Committee unanimously agreed to close executive session and end the meeting at 11:29 a.m.

Respectfully submitted,

Jennifer Winters, CPA
Executive Secretary



Peer Review
Program

Peer Review Board Open Session Materials

February 7, 2024

Virtual Meeting

**AICPA Peer Review Board
Open Session Agenda
Wednesday February 7, 2024
Teleconference**

Date: Wednesday February 7, 2024

Time: 11:00AM – 1:00PM Eastern Time

- 1.1 Welcome Attendees and Roll Call of Board** – Mr. Kindem/Mr. Fawley
- 1.2 2023 Peer Reviewer Survey and Table Talk Findings** - Mr. Wilson
- 1.3 Discussion of PRB Recruitment Process* - Mr. Kindem
- 1.4 Task Force Updates*
 - Standards Task Force Report – Mr. Fawley
 - Oversight Task Force Report – Ms. Meyer
 - Education and Communication Task Force Report – Ms. Brenner
- 1.5 Other Reports*
 - Operations Director's Report – Ms. Thoresen
 - Report from State CPA Society CEOs – Ms. Hay
 - Update on National Peer Review Committee – Mr. Wagner
- 1.6 Other Business** - Mr. Fawley
- 1.7 For Informational Purposes*:
 - A. Report on Firms Whose Enrollment was Dropped or Terminated
 - B. Compliance Update - Firm Noncooperation
 - C. Update to the AICPA's Questions and Answers About the Peer Review Program
- 1.8 Future Open Session Meetings**
 - A. May 15, 2024 – Teleconference
 - B. September 11, 2024 – Teleconference
 - C. November 6, 2024 - Teleconference

* Included on SharePoint

** Verbal Discussion

*** Will be provided at a later date

Agenda Item 1.3

Discussion of 2024 PRB Recruitment Process

Background

For the 2024-2025 volunteer year, only three individuals applied to join the PRB, but large-scale issues were avoided as we only had two open positions. For the 2025-2026 volunteer year, however, we have 6 open positions that we will need to fill via applicants through volunteer central. The application window for the 2025-2026 volunteer year will last from June through September of 2024.

Not part of this discussion, but as an FYI, we will also need to identify, during 2024, individuals for the following positions on the PRB starting in May of 2025:

- PRB chair
- STF chair
- OTF chair
- Regulatory representative
- State society representative

Feedback Received

Staff met internally to brainstorm additional steps that could be performed and came up with the following:

- Have Staff or OTF members encourage committee members to apply for the PRB during RAB observations or administering entity (AE) oversights.
- Inquire whether individuals on other AICPA committees would be interested in applying for the PRB (if they are rolling off) or if they know of any good candidates.
- Should it ultimately become necessary, explore extending terms of interested PRB members
- Inquire whether members rolling of AE committees would be interested in applying for the PRB.
- Reach out to individuals not selected in previous years to gauge interest in applying this year.
- Emphasize in Conference presentations and encourage those interested in having discussions with current PRB members during breaks and receptions.

Board Considerations:

- 1) What changes, if any, would PRB members recommend Staff include in the PRB recruitment process as shown in agenda items 1.3A through 1.3C?

Attachments

The following attached documents outline the current process performed by Staff to solicit applications:

- Agenda Item 1.3A: "PRB Nominations – Initial Outreach Templates":
 - Emails sent, prior to June 1, to committee members, state society CEOs and administering entity staff (e.g. technical reviewers, CPAs on Staff) letting them know the application window is about to open.

- Agenda Item 1.3B: “Nominations Letters – DRAFT”:
 - Emails sent, subsequent to June 1, to all peer review contacts, committee members, state society CEOs and administering entity staff (e.g. technical reviewers, CPAs on Staff) letting them know the application window is open.
- Agenda Item 1.3C: “Current PRB Onboarding Process”
 - Outlines entire internal process for soliciting and vetting applicants for the PRB.

Finally, for reference, agenda item 1.3D includes a current roster of PRB members with the year their term on the PRB ends.

Agenda Item 1.3A**PRB Nominations – Initial Outreach Templates**

Emails:

- 1) Committee Members
- 2) CEOs
- 3) AEs/TRs/CPAs on staff

Subject line for all emails: 2023-2024 AICPA Peer Review Board Application Window

Send from PRSupport.

1) Committee Members

Dear Committee Members,

The application window to volunteer for the AICPA Peer Review Board (PRB) is opening soon, on June 1, 2022! As such, we would like to ask you to consider serving on the PRB or to nominate someone who would be an exceptional fit. We are specifically looking for candidates who:

- Have extensive peer review experience with limited feedback
- Have experience serving on a state CPA society's peer review committee or other related volunteer experience
- Can think and act in terms of the AICPA vision and mission
- Will carry out responsibilities delegated and follow through on assignments
- Will share his or her views so that issues are fully deliberated and seek clarification on issues and points not fully understood

Serving on the PRB is a great way to contribute to and shape the future of our profession and add to the strength and success of our profession's practice monitoring program.

We anticipate filling four openings on the PRB for the 2023-2024 committee year. The AICPA is focused on ensuring our volunteer groups are representative of our diverse membership and are seeking to identify potential volunteers from various backgrounds and age groups, including women, ethnic minorities and members under 40, that meet the minimum requirements. Members selected will serve for one year, beginning in late May of 2023, with reappointment for up to three years. We expect most contributing members will be reappointed and will serve for the maximum period.

If you or someone you know are interested in serving on the PRB, please apply on [AICPA Volunteer Central](#).

If you have any questions, please contact me at 919.402.4047 or Frances.McClintock@aicpa-cima.com.

Sincerely,

Fran McClintock

2) State Society CEOs

Dear State CPA Society CEOs,

The application window to volunteer for the Peer Review Board is opening soon, on June 1, 2022! As such, we would like to ask you, our administering entities, to recommend candidates for service on the AICPA Peer Review Board (PRB). We are specifically looking for candidates who:

- Have extensive peer review experience with limited feedback
- Have experience serving on a state CPA society's peer review committee or other related volunteer experience
- Can think and act in terms of the AICPA vision and mission
- Will carry out responsibilities delegated and follow through on assignments
- Will share his or her views so that issues are fully deliberated and seek clarification on issues and points not fully understood

Serving on the PRB is a great way to contribute to and shape the future of our profession and add to the strength and success of our profession's practice monitoring program.

We anticipate filling four openings on the PRB for the 2023-2024 committee year. The AICPA is focused on ensuring our volunteer groups are representative of our diverse membership and are seeking to identify potential volunteers from various backgrounds and age groups, including women, ethnic minorities and members under 40, that meet the minimum requirements. Members selected will serve for one year, beginning in May of 2023, with reappointment for up to three years. We expect most contributing members will be reappointed and will serve for the maximum period.

If someone you know is interested in serving on the PRB, please have them apply on [AICPA's Volunteer Central](#).

If you have any questions, please contact me at 919.402.4047 or Frances.McClintock@aicpa-cima.com.

Sincerely,

Fran McClintock

3) Forward #1 email to AEs/TRs/CPAs on staff

Dear Peer Review Administrators, Technical Reviewers and CPAs on staff,

The email below was sent to the current peer review committee members at each administering entity and a similar email was sent to all state society CEOs. If there is anyone you think would be a good fit for the AICPA Peer Review Board, please have them apply on [AICPA's Volunteer Central](#).

As always, please let us know if you have any questions.

Sincerely,

The Peer Review Team
919.402.4502

Agenda Item 1.3B**Nomination Letters - Draft**

Emails:

- 1) Peer Review Contacts & PRC of firms that require an NPRC Panel Review (and cc: Director of Diversity and Inclusion)
- 2) Forward #1 email to AEs/TRs
- 3) State Society CEOs
- 4) Committee Chairs
- 5) Peer Review Team

Subject line for all emails: 2024-2025 AICPA Peer Review Board Nominations

1) Managing Partners and Peer Review Contacts

Dear Peer Review Contacts,

As you know, the AICPA Peer Review Board (PRB) is the senior technical committee that governs the AICPA Peer Review Program. The primary activities of the PRB are to establish and conduct, in cooperation with State CPA Societies, practice-monitoring programs for AICPA and State Society members engaged in the practice of public accounting. The PRB is composed of 20 members, 17 of whom represent the various sizes of public accounting firms, along with one regulator and two State CPA Society CEOs.

We anticipate filling two openings on the PRB for the 2024-2025 committee year. As a part of the annual PRB appointment process, we would like to ask you to recommend candidates for service on the PRB. We are specifically looking for candidates who:

- Have extensive peer review experience with limited feedback
- Can think and act in terms of the AICPA vision and mission
- Will carry out responsibilities delegated and follow through on assignments
- Will share his or her views so that issues are fully deliberated and seek clarification on issues and points not fully understood
- Preferably have experience serving on a state CPA society's peer review committee or other relevant volunteer experience

The AICPA is focused on ensuring our volunteer groups are representative of our diverse membership and are seeking to identify potential volunteers from various backgrounds and age groups including women, ethnic minorities and members under 40, who meet the minimum requirements.

The recommended candidates will be selected by the AICPA Nominations Committee and approved at the 2024 Spring Council meeting. Members selected will serve for one year, beginning in May of 2024, with reappointment for up to three years. We expect most contributing members will be reappointed and will serve for the maximum period.

Serving on the PRB is a great way to contribute to and shape the future of our profession and add to the strength and success of our profession's practice monitoring program.

The PRB will consider the candidates in later in the fall and develop recommendations for the Nominations Committee. The online application is available at <https://volunteers.aicpa.org>, and all applications should be completed no later than **October 1, 2023**.

Instructions for individuals applying:

After logging in, please follow these steps:

1. Select **Apply** located towards the top of the screen.
2. Select **Applications**
3. Select **Peer Review** from the categories on the left of screen.
4. Click the check box next to Peer Review Board and then select **Apply** in the lower right of the screen

Also, we urge you to provide additional information, particularly your resume, if available, by selecting **Resume** located on the same screen as Applications (refer to # 2 above). Your Skills can also be indicated by selecting **Skills** from the same screen.

Although the Resume and Skills are optional, they will assist the PRB members in reaching a final decision in recommending applicants to the Nominations Committee. If you have any questions or need assistance with this process, please contact the AICPA Volunteer Services Team via email at AICPAVolunteerservices@aicpa-cima.com.

Thank you for your assistance. If you have any questions, please contact the Peer Review Team at prsupport@aicpa.org or 919.402.4502.

Sincerely,

Tim Kindem

2) Forward #1 email to PR Admins, CPAs on staff and Tech Reviewers

Dear Peer Review Administrators and Technical Reviewers and CPAs on staff,

The below email was recently distributed to all peer review contacts of firms that have performed peer reviews in the last year.

Please let us know if you have any questions.

Sincerely,

The Peer Review Team
919.402.4502

3) State Society CEOs

Dear State CPA Society CEOs,

The application window to volunteer for the AICPA Peer Review Board (PRB) has opened! As a reminder, we are specifically looking for candidates who:

- Have extensive peer review experience with limited feedback
- Can think and act in terms of the AICPA vision and mission
- Will carry out responsibilities delegated and follow through on assignments
- Will share his or her views so that issues are fully deliberated and seek clarification on issues and points not fully understood
- Preferably have experience serving on a state CPA society's peer review committee or other related volunteer experience

The AICPA is focused on ensuring our volunteer groups are representative of our diverse membership and are seeking to identify potential volunteers from various backgrounds and age groups including women, ethnic minorities and members under 40, who meet the minimum requirements.

We anticipate filling two openings on the PRB for the 2024-2025 committee year. Members selected will serve for one year, beginning in May of 2024, with reappointment for up to three years. We expect most contributing members will be reappointed and will serve for the maximum period.

The appointed candidates will be selected by the AICPA Nominations Committee and approved at the 2024 Spring Council meeting. However, the recommendations of the PRB and the staff are heavily considered.

If you know someone interested in serving on the PRB, please ask them to apply online via Volunteer Central at <https://volunteers.aicpa.org>.

Instructions for individuals applying:

After logging in, please follow these steps:

1. Select **Apply** located towards the top of the screen.
2. Select **Applications**
3. Select **Peer Review** from the categories on the left of screen.
4. Click the check box next to Peer Review Board and then select **Apply** in the lower right of the screen

Also, we urge you to provide additional information, particularly your resume, if available, by selecting **Resume** located on the same screen as Applications (refer to # 2 above). Your Skills can also be indicated by selecting **Skills** from the same screen.

Although the Resume and Skills are optional, they will assist the PRB members in reaching a final decision in recommending applicants to the Nominations Committee. If you have any questions or need assistance with this process, please contact the AICPA Volunteer Services Team via email at AICPAVolunteerservices@aicpa-cima.com.

The PRB will consider the candidates later in the fall and develop recommendations for the Nominations Committee. The online application process should be completed by **October 1, 2023**.

Thank you for your assistance. If you have any questions, please contact me at 919.402.2199 or Tim.Kindem@aicpa-cima.com.

Sincerely,

Tim Kindem

4) Committee Members

Dear Committee Members,

We are now accepting volunteers for the AICPA Peer Review Board (PRB)! As a reminder we would like to ask you to consider serving and are specifically looking for candidates who:

- Have extensive peer review experience with limited feedback
- Can think and act in terms of the AICPA vision and mission
- Will carry out responsibilities delegated and follow through on assignments
- Will share his or her views so that issues are fully deliberated and seek clarification on issues and points not fully understood
- Preferably have experience serving on a state CPA society's peer review committee or other related volunteer experience

The AICPA is focused on ensuring our volunteer groups are representative of our diverse membership and are seeking to identify potential volunteers from various backgrounds and age groups including women, ethnic minorities and members under 40, who meet the minimum requirements.

We anticipate filling two openings on the PRB for the 2024-2025 committee year. Members selected will serve for one year, beginning in May of 2024, with reappointment for up to three years. We expect most contributing members will be reappointed and will serve for the maximum period.

The appointed candidates will be selected by the AICPA Nominations Committee and approved at the 2024 Spring Council meeting. However, the recommendations of the PRB and the staff are heavily considered.

If you know someone interested in serving on the PRB, please ask them to apply online via Volunteer Central at <https://volunteers.aicpa.org>.

Instructions for individuals applying:

After logging in, please follow these steps:

1. Select **Apply** located towards the top of the screen.
2. Select **Applications**
3. Select **Peer Review** from the categories on the left of screen.
4. Click the check box next to Peer Review Board and then select **Apply** in the lower right of the screen

Also, we urge you to provide additional information, particularly your resume if available by selecting **Resume** located on the same screen as Applications (refer to # 2 above). Your Skills can also be indicated by selecting **Skills** from the same screen.

Although the Resume and Skills are optional, they will assist the PRB members in reaching a final decision in recommending applicants to the Nominations Committee. If you have any questions or need assistance with this process, please contact the AICPA Volunteer Services Team via email at AICPAVolunteerservices@aicpa-cima.com.

The PRB will consider the candidates later in the fall and develop recommendations for the Nominations Committee. The online application process should be completed by **October 1, 2023**.

Thank you for your assistance. If you have any questions, please contact me at 919.402.2199 or Tim.Kindem@aicpa-cima.com.

Sincerely,

Tim Kindem

5) Peer Review Team (Forward #1 email)

Dear Team,

The below email was recently sent to the following groups (with slight modifications specific to the group):

- Peer Review Contacts
- State Society CEOs
- Peer Review Administrators and Technical Reviewers
- Committee Members

If you receive member inquiries asking how to apply for a Peer Review Board position, please direct them to apply by logging into Volunteer Central at <https://volunteers.aicpa.org>.

Instructions for individuals applying:

After logging in, please follow these steps:

1. Select **Apply** located towards the top of the screen.
2. Select **Applications**
3. Select **Peer Review** from the categories on the left of screen.
4. Click the check box next to Peer Review Board and then select **Apply** in the lower right of the screen

Also, we urge you to provide additional information, particularly your resume if available by selecting **Resume** located on the same screen as Applications (refer to # 2 above). Your Skills can also be indicated by selecting **Skills** from the same screen.

Although the Resume and Skills are optional, they will assist the PRB members in reaching a final decision in recommending applicants to the Nominations Committee.

If they need assistance filling out the application or they are experiencing technical difficulties, please advise them to reach out to Volunteer Services at AICPAVolunteerservices@aicpa-cima.com.

Please let us know if you have any questions.

Thanks!
Gloria

Current PRB Onboarding Process

Agenda Item 1.3C

Relevant Closed Session Date	11/5/2024						
Related PTF Meeting Date	TBD						
Date Application Window Opens	6/1/2024						
Date Application Window Closes	10/1/2024						
<i>Task Description</i>	<i>Duration</i>	<i>Start Date</i>	<i>End Date</i>	<i>Assigned To</i>	<i>Steps</i>	Completed	
Preliminary recruiting emails to be prepared and distributed.	1d	5/1/2024	5/1/2024	Senior Manager	1) Review email template and update as necessary. 2) Once finalized, send emails to various stakeholders alerting them that the application window for PRB applications will open soon.	<input type="checkbox"/>	
Nomination emails to be prepared and distributed.	1d	6/1/2024	6/1/2024	Senior Manager	1) Review email template and update as necessary. 2) Once finalized, send emails to various stakeholders alerting them that the application window for PRB applications is open. Emails should be sent on date application window opens, which is set by the AICPA Governance team. 3) Inform the Governance team if the application window for PRB applicants needs to end earlier than 10/1. This is based on the timing of the PTF and PRB meetings.	<input type="checkbox"/>	
Review Interview Questions	1d	7/15/2024	7/15/2024	Senior Manager	1) Senior Manager should review interview questions and revise as necessary. 2) Feedback should be requested from Associate Director and Peer Review Board Chair at a minimum. (Associate Director and Peer Review Board Chair can request that others review as well).	<input type="checkbox"/>	
Perform initial due diligence on applicants	4mos	6/1/2024	10/1/2024	Senior Manager	1) Access Volunteer Central and save applications (including any attachments) to the Shared Drive (/Peer Review Board/PRB Candidates/[Year]) 2) For each applicant, complete the 'Basic Information' and 'Due Diligence' tabs of the '[Year] PRB Applicants' excel file, including the assignment of interviews to PTF members, using information from Volunteer Central/PRIMA. Rollforward this document from the previous year if necessary.	<input type="checkbox"/>	
Staff to send out interview assignments to PTF Members	45d	8/15/2024	10/1/2024	Senior Manager	1) Email PTF members their interview assignments. Include any relevant attachments in the email to PTF members, as indicated in the template.	<input type="checkbox"/>	
Prepare and distribute PTF meeting materials related to applicants	1d	10/1/2024	10/1/2024	Senior Manager	1) Update or complete the following files for distribution to PTF members: - The 'Interview Summary' tab of the '[Year] PRB Applicants' File, based on responses from PTF members. - The 'PRB Rotation Schedule' file. - The 'Peer Review Board Candidate Maps' file. - Bios for any State Society CEO candidates or Regulatory Rep candidates, if applicable.	<input type="checkbox"/>	
PTF Meeting	1d	TBD	TBD	Peer Review Staff	1) Assist PTF members in the discussion of any applicants, as appropriate.	<input type="checkbox"/>	
Prepare and distribute PRB closed session meeting materials related to applicants	3d	10/23/2024	10/25/2024	Senior Manager	1) Update or complete the following files for distribution to PTF members: - The Agenda Item outlining the recommended candidates. - The '[Year] PRB Applicants' File. Do not include 'Interview Summaries' or 'Due Diligence' tabs - The 'PRB Rotation Schedule' file. - The 'Peer Review Board Candidate Maps' file. - Bios for any State Society CEO candidates or Regulatory Rep candidates, if applicable.	<input type="checkbox"/>	
PRB Closed Session	1d	11/5/2024	11/5/2024	Peer Review Staff	1) Assist PRB members in the discussion of any applicants during closed session, as appropriate.	<input type="checkbox"/>	
Send approved applicants to Corporate Governance team	1d	11/14/2024	11/14/2024	Senior Manager	1) Senior Manager to draft correspondence to Nominations Committee outlining the recommendations from the PRB.		
Send all applicants follow up emails based on decisions reached by the PRB and the Nominations Committee.	1d	12/13/2024	12/13/2024	Senior Manager	1) Senior Manager will determine which letters should be sent to which applicants. 2) Senior Manager to review draft templates of each letter to determine if any changes are necessary. 3) Once finalized, Senior Manager to send each applicant related communication after the Nominations Committee has approved the recommended applicants.	<input type="checkbox"/> <input type="checkbox"/>	

2024-2025 PRB Composition

Agenda Item 1.3D

<u>Board Composition</u>	<u>Name</u>	<u>Home State</u>	<u>Firm</u>	<u>Task Force, if any</u>	<u>Term Expiration</u>
	Kim Meyer	Illinois	Hudgens & Meyer, LLC	OTF, PTF	2025
	Dawn Trapani	New Jersey	Grant Thornton LLP	STF	2025
	Karen Welch	Michigan	Edwards, Ellis & Associates, P.C.	OTF	2025
	April Boudreaux	Alabama	Smith Dukes & Buckalew LLP	OTF	2025
	Julia Hayes	Texas	Lawrence, Blackburn, Meek, Maxey & Co.	ECTF	2025
State Society	Laura Hay	Ohio	N/A	ECTF, PTF	2025
Regulatory Representative	Charles Prince	Mississippi	Prince CPA Firm PLLC	STF, PTF	2025
Chair	Mike Fawley	Georgia	BDO USA, LLP	STF, PTF	2025
	Dawn Brenner	California	Grant Bennett Associates, APC	ECTF, PTF	2026
	Peter Alfele	Arizona	CliftonLarsonAllen LLP	ECTF	2026
	Jon Heath	Alabama	Carr, Riggs & Ingram, LLC	STF	2026
	Gary Schafer	Missouri	Forvis LLP	OTF	2026
	Becky Tres	Virginia	WellsColeman	ECTF	2026
State Society	Sherri McPherson ^A	Oregon	N/A	ECTF	2027
	Sherry Chesser	Arkansas	Landmark PLC, Certified Public Accountants	STF	2027
	Ronald Bass	Colorado	WhippleWood CPAs PC	STF	2027
Big 4	Mike Wagner	New York	PWC	None	Ongoing
Big 4	Steve Hicks	New York	KPMG	PTF	Ongoing
Big 4	Steve Fetterman	Texas	EY	STF	Ongoing
Big 4	Kristen Mascis	Connecticut	Deloitte	None	Ongoing

A - As approved by the AICPA BOD, Sherri McPherson is completing Amy Pitter's PRB term from the November 16th open session meeting through May of 2024. Ms. McPherson will then complete her own three

Agenda Item 1.4

Standing Task Force Updates

Why is this on the Agenda?

Each of the standing task forces of the PRB will provide this information to the Board at each open session meeting to gather feedback on the nature and timing of agenda items that will be considered in the future. The items included in this report represent an evergreen list that will be continually updated to be responsive to feedback received.

Standards Task Force

Accomplished since last PRB meeting:

- Finalized and published the exposure draft of Peer Review Standards Update No. 2, *Reviewing A Firm's System of Quality Management and Omnibus Technical Enhancements*
 - Access using the [Peer Review Exposure Drafts website](#)
 - Comments are requested by May 31, 2024, directed to Brad Coffey @ pr_expdraft@aicpa.org.
- Discussed ad hoc topics for potential inclusion with changes proposed in PRSU No. 2:
 - Clarification to application and other explanatory material regarding the scope of a peer review involving engagements subject to international standards.
 - Potential addition to application and other explanatory material in PR-C section 400 for newly hired technical reviewers, to permit flexibility in meeting technical reviewer qualifications that require completion of team captain training courses that have a limited number of offerings each year.
- Reviewed and discussed the list of must-select and must-cover engagements in appendix C of PR-C section 210, concluding that no changes are warranted at this time.
- Reviewed and discussed prioritization of anticipated updates to peer review program checklists and practice aids to account for the new QM standards.

Upcoming tasks:

- Review and consider comments from respondents regarding the proposed PRSU No. 2 exposure draft.
- Develop and review revisions to peer review program checklists and practice aids (SRM, peer review risk assessment tool, QC checklists, engagement checklists, Q&As, etc.) that are affected by the QM standards and the related changes proposed in PRSU No. 2.
- Develop practical guidance that will be communicated through a reviewer alert regarding peer reviews of firms that implement the QM standards during the firm's peer review year.

Oversight Task Force

Accomplished since last PRB meeting:

- Approved Report Acceptance Body (RAB) observation reports
- OTF members conducted administering entity (AE) oversights
- Approved AE oversight reports and AE responses
- Reviewed required monitoring submitted by two AEs
- Reviewed AE benchmark summary forms and feedback received

- Conditionally approved AEs to administer the peer review program until April 1 when AEs report on compliance with 2023 oversight requirements
- Reviewed enhanced oversight reports with comments for consistency
- Monitored results of enhanced oversights
- Discussed the type of feedback issued by AEs as a result of enhanced oversights
- Monitored reviewer performance

Upcoming tasks:

- Approve RAB observation reports
- Approve AE oversight reports and AE responses
- Review required monitoring submitted by two AEs
- Review AE benchmark summary forms and feedback received
- Approve, conditionally approve, or defer AE plans of administration for 2024
- Review enhanced oversight reports with comments for consistency
- Monitor results of enhanced oversights
- Discuss the type of feedback issued by AEs as a result of enhanced oversights
- Monitor reviewer performance
- Discuss revisions to the AICPA Peer Review Program Oversight Handbook
- Review and approve AICPA Annual Report on Oversight

Education and Communication Task Force

Accomplished since last PRB meeting:

- At its January 16 meeting, the task force discussed the following:
 - Updates to initiatives designed to help with issues with the peer reviewer pool as well as additional planned Staff responses to those concerns.
 - A draft 2024 Peer Review Conference agenda and topics for conference cases.
 - Attendance figures from other peer review course offerings as the task force continues to assess the adequacy and appropriateness of peer review related educational offerings.
 - Alternative approaches for providing training to meet the initial requirements for technical reviewers and RAB members.
 - Topics to be included in upcoming Reviewer forums, Reviewer alerts and additional resources that could be produced related to QM.
- Offered the following courses:
 - The [Systemic Cause webcast](#) held on December 14.
 - The [Q4 Reviewer Forum](#) held on November 29.

Upcoming tasks:

- Continue analysis of the reviewer pool and implement plans to improve the pool where necessary.
 - This includes monitoring the number of reviewers who have updated their reviewer resume to indicate if they are willing to take new peer review clients.
- Continue monitoring our available courses to determine if improvements should be made to our overall training framework.
 - This includes converting the systemic cause webcast into an on-demand course during the spring of 2024.
- Develop and publish the February 2024 Reviewer alert and the spring 2024 PR Prompts.

- Hold the [February 14, 2024 offering](#) of the Reviewer Forum series.
- Continue planning for the 2024 Peer Review Conference and begin developing session content.
- Publish the updated [Peer Review FAQ documents](#).

Agenda Item 1.5

Other Reports

Why is this on the Agenda?

The purpose of this agenda item is to provide PRB members and other attendees an update on various PRB related activities and initiatives.

Operations Director's Report

Please see the items listed in agenda item 1.4 under the Education and Communication Task Force for what we've communicated since the last PRB meeting. Please register or save the date for a few upcoming events:

1. Register for our 2024 Reviewer Forums!
 - a. February 14, 2-3pm ET – Register for [free \(no CPE\)](#) or [paid CPE](#)
 - b. May 22, 3-4pm ET – Register for [free \(no CPE\)](#) or [paid CPE](#)
 - c. September 18, 2-3pm ET – Register for [free \(no CPE\)](#) or [paid CPE](#)
 - d. November 13, 2-3pm ET – Register for [free \(no CPE\)](#) or [paid CPE](#)
2. Tell your peer review clients about our “Are you ready for your peer review?” webcast on May 23 from 1-4pm ET. Registration will be available soon on the peer review home page.
3. Save the Date for the 2024 Peer Review Conference in Denver, CO from August 5-7 at the Denver Grand Hyatt

Staff have begun the process of migrating peer review content to the AICPA's new platform. Keep an eye out for upcoming emails about this transition!

Interested in performing more peer reviews? Don't forget to update your resume to let firms know you're willing to take on additional peer reviews!

Report from State CPA Society CEOs

Recent feedback provided by State CPA Society CEOs included:

- The challenges in A&A staffing that many CPA firms are facing, which adds pressure on both the peer reviewer supply and peer review timeliness.
- A request to have PRIMA maintenance occur at the beginning of the month.
 - This is because peer reviewers tend to try and complete peer reviews during weekends at the end of the month. PRIMA maintenance held during that time can cause delays in the completion of those peer reviews.

Update on the National Peer Review Committee

The NPRC last met on December 7 and 8. Four large firm reviews were presented and accepted.

Since the November PRB meeting, the NPRC has held two RAB meetings. During those meetings:

- 13 reviews have been presented, all of which were Pass reports.

The NPRC's next meeting will be held on February 15, 2024.



Agenda Item 1.7A

Firms Dropped from the AICPA Peer Review Program for Noncooperation between October 1, 2023 and December 31, 2023

Enrollment in the Program for the following firms was dropped for noncooperation. Those reenrolled as of January 4, 2024, are denoted by an “*” following the firm name.

Firm Number	Firm Name	State
900001050986	Abdulla F Rasiwala	AK
900010113981	Arnold & Coulter CPAs, APC	AK
900010150957	Clay Tablet Accounting LLC	AK
900010123412	Deloach & Company	AL
900004750711	Edgar and Associates, LLC	AL
900006229948	The Cutter Group, LLC	AL
900255351031	The Phillips CPA Group, LLC*	AL
900081547390	Wanda Spears	AL
900256000381	Franklin Pridgeon and Associates, Inc.	AR
900255350066	Harvey & Garner PA	AR
900008543514	Teaff & Draughon, CPAs, PA.	AR
900001024272	William Marion Ripper	AR
900001088729	Albert S. Kayal	AZ
900004850052	Cherie C. Geffert, C.P.A., PC	AZ
900255349092	Mara G. Mann, PC	AZ
900005179759	P.K. Johnson & Associates LLC	AZ
900010100335	The Boles PC*	AZ
900006578563	Accuretta, Inc	CA
900010154789	Alex C. Anguiano*	CA
900255310576	Angelo Accountancy CPA INC/SUE JEN	CA
900005069763	Benton Roberson CPAs, LLP	CA
900004682389	Boos & Associates, A Professional Corporation	CA
900004495495	Borgstrom Accountancy Corporation*	CA
900010007510	Brandon and Tibbs Accountants*	CA
900010141343	Bruce Waldman, CPA	CA
900010155666	Cates & Associates CPA'S	CA
900005634534	Charles Rim Accountancy Corp*	CA
900011929743	Charles W. Metzner*	CA
900010132028	Chaskes, Kazdoy, LLP	CA
900001138800	David B Bennett	CA
900010141605	Diebert & Associates*	CA
900006248190	Do Le & Company	CA
900255049571	Elizabeth Newberry, CPA	CA
900255227085	George Albert An Accountancy Corporation	CA

Firm Number	Firm Name	State
900010131898	GGF, LLP*	CA
900010137057	Goodsell & Co. Inc., CPA's*	CA
900255351619	Harold Kinoshita	CA
900004417446	Hecox and Company, CPAs	CA
900255237645	Huff and Marshall Accty Corp.*	CA
900010027128	J. Arthur Greenfield & Co. LLP	CA
900010092093	James Howard, An Accountancy Corporation	CA
900011963576	Jean S. Doyle, CPA	CA
900010119166	Jessica A. Brenner	CA
900005374605	John M. D'Agostino CPA APC	CA
900011801735	Jonathan M. Stone CPA	CA
900255348459	Justice Jorgensen & Company	CA
900011458809	Keith A. Glucksman & Company CPA, Inc.*	CA
900010037800	Kirsch Kohn & Bridge, LLP*	CA
900004170678	KPM Accounting & Management Solutions	CA
900005378495	Lawrence S. Rachmel CPA	CA
900010150876	Levy, Mosse & Co, CPA's	CA
900011792615	Lonie & Hornback, Inc.	CA
900255349785	Lori A. Risby, CPA & Associates	CA
900255054953	Mark J. Concialdi	CA
900011955575	Marlin C. Peterson	CA
900255347525	Martin H Luttkus	CA
900005876698	Max L. Perlatti & Associates, LLP	CA
900010046057	MHTB Accountancy Group of Silicon Valley*	CA
900007600663	Michael P Murray CPA	CA
900001191415	Milani, Lee and Associates CPAs, A Professional Corporation*	CA
900001123892	Porter & O'Dell Accounting and Consulting APC	CA
900011503069	Richard S. Chen, CPA	CA
900010119117	Schubert & Company	CA
900010004369	Simon Accounting Group	CA
900011442329	Ted P. Allan, CPA	CA
900011798135	Teraoka & Company, An Accountancy Corporation	CA
900005866911	Thomas E Huckabee, CPA, Inc.	CA
900010114007	Victor Sun	CA
900005124767	Wallace & Associates	CA
900010105265	Wong & Jopanda, An Accountancy Corporation	CA
900005478904	WuHoover & Co. LLP	CA
900010141344	Zipora Litov, CPA	CA
900010078818	Zivetz, Schwartz & Saltsman CPAs APC	CA
900010096940	Causey Demgen & Moore P. C.	CO

Firm Number	Firm Name	State
900010140638	Fleming & Associates, LLP	CO
900006606706	Hamblin and Associates, LLC*	CO
900011623469	Harris Tax & Wealth Management PC	CO
900006248140	Markham & Associates, P.C.*	CO
900010132765	Ronald E. Graham	CO
900010154401	TWS Financial	CO
900010153491	Zudyk & Scheriman, CPAs, PC	CO
900011650149	John T. Delaney, CPA	CT
900255352236	Antokas CPA PLLC*	DC
900010154368	Alfred W. Torrans II	FL
900010093496	Cavanaugh & Co. LLP*	FL
900005530224	D. Brooks and Associates, CPAs, P.A.*	FL
900008825811	Foresight Financial CPA Firm PLLC	FL
900004163944	John J. Zullo, CPA	FL
900010122618	Lambert Lanza CPA's PA	FL
900255351698	Miguel E. Turbay, CPA	FL
900255352181	Pulver CPA, LLC	FL
900010150374	Thomas A. Abblett CPA, PA*	FL
900004341669	TriMerge Consulting Group, PA*	FL
900003898338	Anthony J. Clark, CPA	GA
900004423520	Bobby L Mikell PC	GA
900010132391	Henry W. Harvey	GA
900010152859	J Milner CPA, P.C.*	GA
900255215177	Jingsong, PC	GA
900010106828	R.J. Steffy	GU
900011652869	Ed Fong CPA & Associates, LLC	HI
900001141662	Kwock & Company*	HI
900010101425	Tomishima & Fukuhara, CPA, Inc.	HI
900010084748	Klatt & Associates CPA PC	IA
900010146895	Russell J. Meade, CPA	IA
900003819118	Jim Geddings, CPA PLLC	ID
900008776505	Canny Accounting, LLC*	IL
900255189236	George Roach & Associates, P.C .	IL
900006083410	James Delahunt and Associates	IL
900010116104	Langer & Associates, LLC	IL
900010143009	M.A. Schindler & Associates, LTD	IL
900000163981	Rita T Cooper CPA P C	IL
900006162410	Shelly Dambman, CPA Co.*	IL
900255186410	Stern Cassello & Associates, LLP	IL
900255349134	TAXON CORP	IL

Firm Number	Firm Name	State
900256000055	Wilbert A. Howard, CPA	IL
900255349934	Wilcox Accounting, Inc.	IL
900255350021	William Lewis Hayes II, CPA, CIA, CCSA	IL
900010028563	C. S. Oats Accountancy Corp.	IN
900010098041	James H. Johnson Inc., P. C.	IN
900255270997	Rader & Rader, P.C.	IN
900255271810	Renita F. Haines, CPA	IN
900004355413	Richard A. Magley, CPA, LLC	IN
900007602340	Thomas & Reed, LLC	IN
900010112313	Weidner and Company, P. C.	IN
900010136047	James R. Northcutt*	KS
900010082869	James T. Scherer	KS
900255351865	Owlfi CPA LLC*	KS
900010083425	Adkisson & Company, PSC*	KY
900255349937	BHG CPAs & Advisors PLLC	KY
900256000299	CTK Accounting and Consultancy LLC	KY
900005773928	Diane J. Moats, CPA, LLC	KY
900255108977	James R Whitten CPA PLLC*	KY
900005644496	Kehrt & Associates, CPA PLLC	KY
900255351409	Leachman Consulting, Inc.*	KY
900010075612	William S. Wetterer & Co., P. S. C.	KY
900010151021	Kent A. Berger Company, APAC	LA
900010148975	Barry Daniel Beck	MA
900010132578	David C. Livingstone	MA
900010104166	LMHS, P.C.*	MA
900010153534	Mocera Hamlin Associates CPAs LLP	MA
900010150958	Nichols & Company, CPA PC*	MA
900010155675	Pignatare & Sagan, LLC*	MA
900010138403	Prague & Company, P.C.	MA
900010056990	Raphael and Raphael LLP*	MA
900008216447	Schofer Dillberg & Company	MA
900010081450	Tyler Lynch, P. C.	MA
900255347099	Christopher Dillon	MD
900010081353	Cohen & Smith, Chartered	MD
900005500259	R.T. McCalpin & Associates	MD
900255351018	Centuriatus PLLC	MI
900010105736	DeLong & Brower, P. C.	MI
900010034512	Jenkins, Magnus, Volk & Carroll	MI
900010122715	Robert B. Lewis	MN
900010105882	Roth, Herzog & Associates Chtd.	MN

Firm Number	Firm Name	State
900010083402	Wayne Newhouse & Co., Ltd.	MN
900010141442	Brian G. Toennies & Associates, PC*	MO
900010036190	Davis CPA Group LLC	MO
900255080944	W. Ben Miller, CPA LLC	MO
900010104530	DGP-CPAS, LLP	MS
900005714203	Hales CPA Firm, PLLC	MS
900005512893	James F. Baker, CPA PA	NC
900008576728	Jeffery Baker CPA	NC
900001141576	John W. Graham III, CPA	NC
900006386839	Robert Charles Kirnard CPA	NC
900255347557	R.K. Nelson & Associates	NE
900010104102	Morrissey & Company, LLC	NH
900010098923	Bruno, DiBello & Co., L. L. C.*	NJ
900010028612	Burns, Draeger & Humphries, LLC*	NJ
900255323222	Curran & Company LLP	NJ
900010120782	David A. Virag	NJ
900010145237	Howard Komendant CPA, PC	NJ
900255192295	John R. Mani, CPA	NJ
900011969395	Joseph Messina*	NJ
900081509584	Kirti M Desai*	NJ
900005775768	Larry Garcia CPA LLC	NJ
900255309253	Lasko and Associates, LLC	NJ
900004472379	MK Accounting Firm LLC	NJ
900255192129	Muniak & Associates CPA, LLC*	NJ
900010149333	Princeton Financial Group, LLC*	NJ
900010112090	Richards Group, PC*	NJ
900010154596	Rizick & Rizick CPAs LLC	NJ
900010026320	S. Finder & Co., LLC	NJ
900255273900	Scott Englehart CPA, LLC*	NJ
900010154002	The Relianz Group, CPA's	NJ
900010137735	Robert J. Rivera, CPA, PC	NM
900255350392	Ronak Bhatt CPA, LLC	NM
900000114015	Schwalm, Martos & Co PC	NM
900255348463	Indiva Advisors, LLP	NV
900004541136	Randall L Scott CPA LLC	NV
900006233366	Anthony M Buzzeo CPA, PLLC*	NY
900010126113	ARTHUR DEDOMINICIS, CPA	NY
900255350674	Audit Peak LLC	NY
900255349768	Brian S. Adjo CPA	NY
900010009768	Bush & Germain, CPA, P. C.*	NY

Firm Number	Firm Name	State
900010100386	Cerullo & Co, CPA, PC	NY
900010134615	Francis X. Rudegeair	NY
900010133589	Hadley & Associates	NY
900010114664	Joseph P. O'Reilly	NY
900255191857	Leon & Co., CPAs PC*	NY
900255348939	ZHOU & TAN CPAs LLP	NY
900255347747	Alinea Certified Public Accountants, LLC	OH
900001026649	Andrea Maria Lazar	OH
900010101315	Gallagher, Cervenik & Associates*	OH
900255270705	Kevin S. Schmahl CPA	OH
900010100187	Prijatel & Associates*	OH
900255270803	R. L. Ditto & Associates	OH
900010150618	Angela A. Claiborn CPA PLLC	OK
900010134894	CPAOKC, PLLC*	OK
900010119881	Urlaub & Co, PLLC*	OK
900255055017	Byzick and Company Hillsboro LLC	OR
900010053940	Pauly, Rogers and Co., P.C.*	OR
900010155078	Perimeter Tax Inc*	OR
900010032298	Denk & Associates, PC*	PA
900010012896	J. L. Cohen & Associates, Ltd.	PA
900006209317	Morris, Paris & Associates	PA
900010128279	Myer & Myer, CPAs	PA
900006524605	Richard B. Snodgrass & Co.	PA
900010064286	Siana Carr O'Connor & Lynam, LLP*	PA
900004433721	Gomez-Ramirez CPA PSC*	PR
900010091176	Allegretti, Major & Company, CPAs	RI
900255350094	Adam R. McKnight, CPA, PC	SC
900010110624	B W Rogers Jr., CPA, LLC	SC
900005900976	Complete Business Services of the Upstate, Inc.	SC
900000160575	Conrad & Company	SC
900255180438	FSU Accounting Group, Ltd.	SC
900255349090	Infini8 Financial Solutions LLC	SC
900001060138	Jay H. Kaplan CPA LLC	SC
900010010627	Jayroe, Lordo & Catalano PA	SC
900255180037	Lighthouse Tax & Consulting, LLC	SC
900255350053	Palmetto Tax Advisor LLC	SC
900010149996	Rhonda L. Nager, CPA, PC	SC
900010095096	Sage & Bell, PA, CPA	SC
900009456736	Barnette, CPA	TN
900255349501	James I. Barber, CPA*	TN

Firm Number	Firm Name	State
900081153273	James Thomas Hatcher Jr	TN
900255351010	Loftis CPA	TN
900001058882	Mike Murdaugh	TN
900256000037	Renata Capital Consulting	TN
900255188804	Amy S. Chang, CPA Inc.	TX
900005063653	Ana M. Blake CPA PC	TX
900010150417	Bryan L. Nelms, PLLC	TX
900255327717	BWJ CPA, P.C.	TX
900004689959	Christopher A Turner PLLC CPA	TX
900005771474	Claudell Bradby CPA	TX
900256000653	Daughenbaugh & Company PLLC	TX
900003882241	Freeze Sulkov & Associates CPAs, PC	TX
900010082479	Garcia & Pena*	TX
900010152729	Garza Accounting Professionals, PLLC	TX
900010152439	Harry Afadapa & Assoc., P.C.	TX
900000472331	Herbert Kraus, CPA	TX
900007305536	Keith Hernandez Argueta, CPA, LLC	TX
900004766931	M & K CPAS, PLLC*	TX
900010093837	Mark G. Snyder P. C.	TX
900255106437	Neriman Guven, PLLC	TX
900255164148	Pegue-Dennis, CPA PC	TX
900255165335	RP & Company CPAs, PLLC	TX
900012195415	Sherri R Scheffer, CPA, PLLC	TX
900010152856	Wonder CPA Firm PC*	TX
900010144652	Advanced Accounting, CPAs PC	UT
900010124829	Tymec Freshwater Consultants	VA
900255349875	Wendalyn Frederick, CPA	VA
900010116318	McCluskey and Company, PC	VT
900010008034	Brink & Sadler*	WA
900010122682	Carol A. Nygren, CPA, PS	WA
900010094129	Mark Whittaker CPA, P.S.	WA
900011793095	Oliveira CPA	WA
900005582734	Parks Associates PLLC	WA
900011460869	Robert A Seth CPA*	WA
900255352007	Victor Jones, CPA, PC	WA
900010152874	Lindgren, Lester and Company, Inc.	WI
900255180885	Autrey & Toler, AC*	WV
900081013369	Jerry W Hanwell	WV
900010069900	Suttle & Stalnaker, PLLC*	WV

Firms Whose Enrollment Was Terminated from the AICPA Peer Review Program since Last Reported

The AICPA Peer Review Board terminated the following firms' enrollment in the AICPA Peer Review Program for failure to cooperate or comply with the requirements of the program. Firm terminations are also published at <https://us.aicpa.org/forthepublic/prfirmterm>.

Failure to complete a corrective action

The firms did not complete corrective actions designed to remediate deficiencies identified in their most recent peer reviews.

Barquin Moran & Associates, LLC – West New York, NJ
 Chris Theoharis – Brooklyn, NY
 Collings CPA Firm, PLLC – Tucson, AZ
 Compass Associates LLC – Chicago, IL
 Crass & Smith, P. A. – Hot Springs, AR
 Jack & Company – Draper, UT
 Jim Lavender & Company – Germantown, TN
 Michael Arthur Petersen, CPA LLC – El Paso, TX
 PKF Puerto Rico, LLC – Trujillo Alto, PR

Failing to complete its peer review after it has commenced

The firm did not timely submit to its administering entity documents required to complete the acceptance process of its peer review.

Morrison, Friedrich & Spinn, CPA's LLC. – Austin, TX

Withholding information significant to the peer review

The firm either omitted or misrepresented information that should have been provided to their administering entity relating to its accounting and auditing practice.

Weidema, Lavin, & Grott Accounting CPA – Portsmouth, NH

Consecutive non-pass reports in system reviews

The firms failed to design a system of quality control and sufficiently comply with such a system to provide reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects, resulting in consecutive pass with deficiency or fail reports.

Green & McElreath CPAs PLLC – Houston, TX
 Hawkins & Company – Boulder, CO

Seriously deficient performance

The firm was found to be so seriously deficient in its performance that education and remedial, corrective actions are not adequate.

BF Borgers CPA PC – Lakewood, CO

Failure to facilitate the arrangement for the exit conference on a timely basis

The firm failed to facilitate the arrangements for the exit conference on a timely basis.

Leonard I. Palevsky & Co. CPA, P. C.— Morganville, NJ

Agenda Item 1.7B

Compliance Update - Firm Noncooperation

Why is this on the Agenda?

This is an informational item to keep AICPA Peer Review Board (PRB) members informed about firm noncooperation, such as drops and terminations.

Hearings, Drops and Terminations

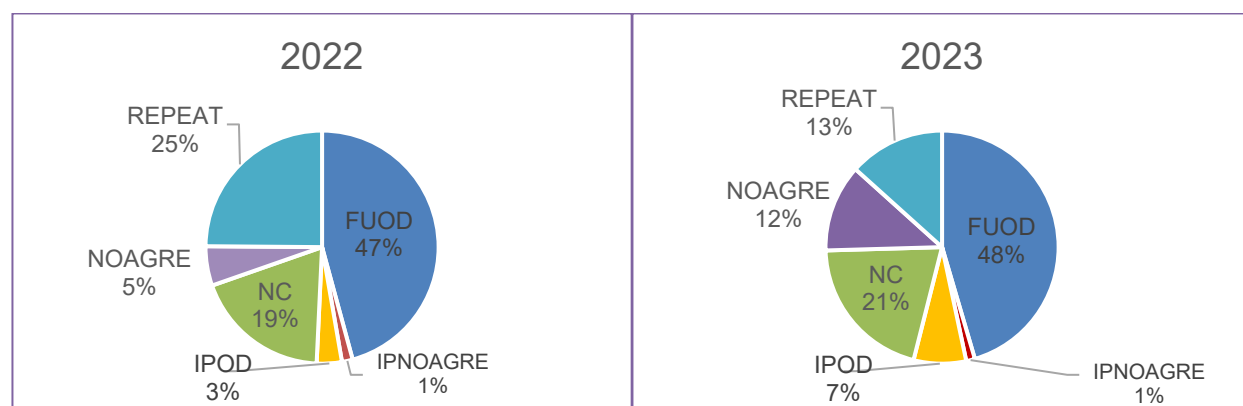
Firm Hearing Referrals and Mediation

Referrals are firm noncooperation cases for which the administering entity (AE) has submitted documentation to AICPA staff to proceed with a termination hearing. Termination hearings align closely with the Enhancing Audit Quality (EAQ) initiatives. The table below shows overall hearing referral volume through December 2023:



Efforts to increase consistency, efficiency, and effectiveness of administration of the AICPA Peer Review Program (PRP) resulted in a marked increase in hearings volume in 2018. The decrease shown in 2020 relates to several temporary changes made by the AICPA Peer Review Program (PRP) in response to the coronavirus impact on firms, providing firms with additional time to complete peer reviews, corrective actions, and implementation plans. Since that time, normal operations have resumed, and volume appears to have returned to a normalized level.

The types of matters for which firms are referred for termination hearings were as follows:



Legend:	
FUOD/IPOD	Failure to complete corrective action(s) or implementation plan
NC	General noncooperation (includes completeness activities/material omission from scope, failure to undergo/complete peer review, failure to improve after consecutive corrective actions, etc.)
NOAGRE/IPNOAGRE	Failure to agree to corrective action or implementation plan, including those subsequently revised upon firm request.
REPEAT	Failure to receive a pass report rating after consecutive non-pass peer reviews

In 2023, there was a slight decrease in the percentage of firms referred for failure to receive a pass report rating after consecutive non-pass peer reviews (reflected in the REPEAT category above) and corresponding increases in other types of matters. This reflects the impact of increased education and monitoring in the past year. Investments made in automation of warning letter delivery as required by guidance as well as education and monitoring will likely result in increases in REPEAT referrals, which aligns with EAQ initiatives and the overall objective of the program.

Firms referred for certain charges, such as failing to agree to or complete corrective actions, can sometimes be encouraged and assisted to resolve these matters prior to hearing. AICPA staff attempts to mediate hearing referrals, where appropriate, to assist in keeping cooperative firms enrolled in the program and reduce panel and other resource usage. Mediation is not attempted for charges such as consecutive non-pass reports or material omission from scope because those firms do not have any recourse. Through December 2023, mediation was attempted on 114 of the hearing referrals accepted in 2023, resulting in 57 (or 50%) of those hearings being resolved prior to hearing.

Firm Enrollment Drops

A firm's enrollment may be dropped from the AICPA PRP without a hearing prior to the commencement of a review for failure to submit requested information concerning the arrangement or scheduling of its peer review or timely submit requested information necessary to plan or perform the peer review. A detailed list of noncooperation reasons that may lead to a drop is included in the [AICPA Standards for Performing and Reporting on Peer Reviews](#) (PR-C 300.12, .A6-.A7) (previously in the [Peer Review Board Drop Resolution](#) included in Interpretation 5h-1).

Although warning letters are sent, staff does not perform mediation outreach to firms that may be dropped. Firms whose enrollment will be dropped from the AICPA PRP are sent to PRB members for approval via negative clearance and subsequently reported in PRB open session materials. Firms may appeal an enrollment drop from the PRP and mediation is attempted for firms filing an appeal. Through December 2023:

<u>Action/Status</u>	<u>#</u>
Appeals received	29
Less:	
Withdrew appeal	1
Reenrolled prior to appeal hearing	20
Panel affirmed decision	3
Awaiting appeal panel	<u>5</u>

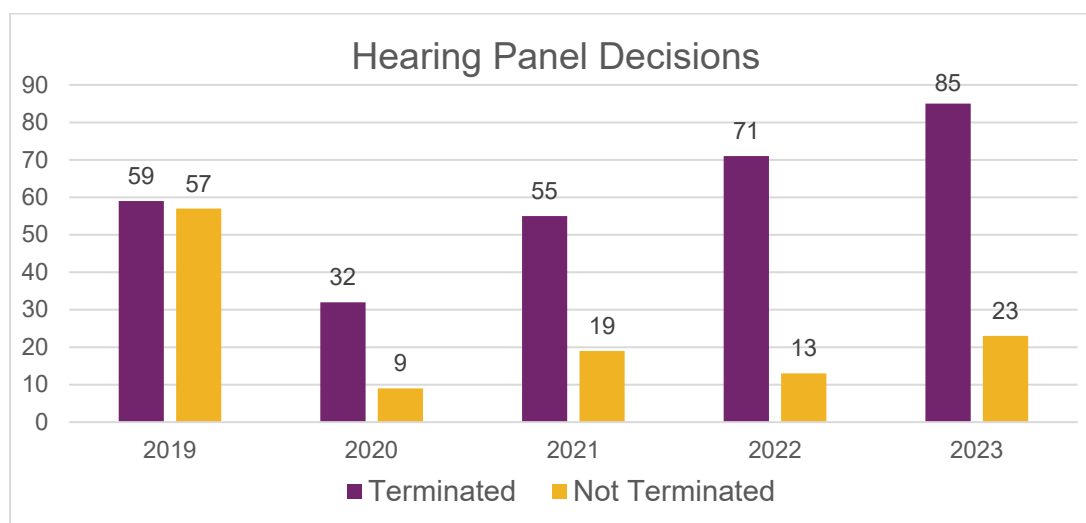
Firm Enrollment Terminations

A firm's enrollment may be terminated for other failures to cooperate with the PRP (typically after the commencement of a review). A detailed list of reasons that may lead to termination is included in the [AICPA Standards for Performing and Reporting on Peer Reviews](#) (PR-C 300.13) (previously in the [Peer Review Board Termination Resolution](#) (Interpretation 5h-1) on aicpa.org. Terminations from the PRP must be decided upon by a hearing panel of the PRB. Firms may appeal PRP enrollment termination.

Drops and terminations of firms enrolled in the PRP are ordinarily reported in a monthly communication to state boards of accountancy Executive Directors and State Society CEOs and maintained on a listing for AEs.

[Firms \(with AICPA members\) for which enrollment in the AICPA Peer Review Program was terminated](#) are published on aicpa.org and included in the PRB open session materials. Firms without AICPA members for which enrollment in AICPA PRP has been terminated are not published by the AICPA but are included in the statistics of this agenda item.

Below is a summary of firm hearing panel decisions over the past five years:



Enrollment terminations reported above represent hearing panel decisions to terminate, including firms within their available appeal period and firms that agreed to the charges and were terminated without a hearing.

Firms not terminated reported above represent a hearing panel decision not to terminate the firm's enrollment. In such cases, hearing panels may require corrective, remedial actions to remain enrolled. Examples of additional corrective actions that might be required include, but are not limited to:

- Replacement review (omission cases)
- Formalization (in writing) of a firm's decision to limit practice in a certain industry or engagement type or
- Pre-issuance or post-issuance review

In the rare circumstance that additional corrective actions are not required, the review continues uninterrupted. For example, any outstanding corrective actions would need to be completed and accepted before the review is completed.

The number of panel decisions increased significantly in 2019, corresponding to the increase in firm referrals during 2018. A significant portion of those referrals were the result of completeness activities, or material omission from scope, and were not terminated but required to complete replacement reviews. The decrease shown in 2020 relates to the previously mentioned temporary changes made by the PRP in response to the coronavirus impact on firms.

This summary does not reflect:

- Later decisions by an appeal mechanism to reverse or modify PRB hearing panel termination decisions or
- Cases that are mediated or the underlying cause is resolved (stopped hearings)

Firm Reenrollments

If a firm's enrollment in the PRP is dropped or terminated, it should address or remediate the cause of the drop or termination to be considered for reenrollment. For example, a firm

terminated for failure to complete a corrective action may be reenrolled by completing the corrective action to the peer review committee's satisfaction. However, reenrollment requests for some firms must be considered by a hearing panel (PR-C 300.16 .A14). These include firms:

- Dropped for not accurately representing its accounting and auditing practice;
- Terminated for:
 - Omission or misrepresentation of information relating to its accounting and auditing practice;
 - Failure to improve after consecutive non-pass peer reviews; and
 - Failure to improve after consecutive corrective actions

Reenrollment approvals by a hearing panel may be contingent upon some required action(s), such as a successful pre- or post-issuance review of a particular engagement type. Such required actions are a condition of reenrollment and, as such, evidence of satisfaction of the required action must be completed (attached to the reenrollment case in PRIMA) at the time of reenrollment. During 2023, one reenrollment request was considered and approved.

Agenda Item 1.7C**Updates to the AICPA Peer Review Program Question & Answers****Why is this on the Agenda?**

Staff has completed its annual update of the Peer Review Frequently Asked Questions document with proposed changes included below. For ease of use, only those questions and answers with proposed changes have been included for consideration.

Additionally, links to quality management resources, such as the recently published practice aid were added.

Finally, other minor clerical revisions (such as grammar, formatting changes or changes to update old references to new PR-C references) were made as necessary.

The entire Peer Review Frequently Asked Questions document, which provides firms with answers to common peer review questions as they go through the process, can be accessed at the following webpage:

<https://us.aicpa.org/interestareas/peerreview/resources/faqs>

Effective Date

Staff presented the proposed revisions to the ECTF on January 16, 2024, and incorporated all changes that came from that meeting. These revisions, subject to any changes requested by the PRB, or other observers, will be published subsequent to this meeting. Additional revisions can be requested at any time outside the annual update should the need arise.

Board Consideration

Advise Staff if any additional changes are necessary (including the need for additional questions) or if any of the proposed revisions need to be modified.

What is a System Review?

A System Review is designed to provide a peer reviewer with a reasonable basis for expressing an opinion on whether, during the year under review:

- a. The reviewed firm's system of quality control for its accounting and auditing practice has been designed in accordance with quality control standards established by the AICPA and
- b. The reviewed firm's quality control policies and procedures were being complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects.

This type of review is for firms that perform engagements in accordance with the Statement on Auditing Standards (SASs,) the *Government Auditing Standards* (Yellow Book), examinations under the Statement on Standards for Attestation Engagements (SSAEs) or audit and examination engagements under the PCAOB standards.

Example procedures in a System Review include, but are not limited to:

- interviewing firm personnel,
- examining CPE records,
- examining outside consultations regarding A&A matters,
- examining independence representations and
- testing a reasonable cross-section of the firm's engagements with a focus on high-risk engagements and significant risk areas.

The scope of the peer review does not encompass other segments of a CPA practice, such as tax services or management advisory services, except to the extent they are associated with financial statements, such as reviews of tax provisions and accruals contained in financial statements.

What is an Engagement Review?

The objective of an Engagement Review is to evaluate whether engagements submitted for review are performed and reported on in conformity with applicable professional standards in all material respects.

Enrolled firms ~~that only perform services under SSARSs or services under the SSAEs that do not require System Reviews are~~ eligible to have Engagement Reviews if the highest level of service does not require a system review and is performed under the SSARSs the SSAEs or is an other attestation engagement under PCAOB standards.

An Engagement Review consists of reading the financial statements or information submitted by the reviewed firm and the accountant's report thereon, together with the applicable documentation required by professional standards.

An Engagement Review does not provide the review captain with a basis for expressing any form of assurance on the firm's system of quality control for its accounting practice. However, firms eligible for an Engagement Review may elect to have a System Review.

How are engagements selected for a System Review?

The *Standards* require engagements selected by the review team should provide a reasonable cross section of the reviewed firm's accounting and auditing practice, with greater emphasis on those engagements in the practice with higher assessed levels of peer review risk. Examples of the factors considered when assessing peer review risk at the engagement level include size, industry area, level of service, personnel (including turnover, use of merged-in personnel, or personnel not routinely assigned to accounting and auditing engagements), communications from regulatory, monitoring, or enforcement bodies; the results of reviews or inspections performed by regulatory or governmental entities; extent of non-audit services to audit clients, significant clients' fees to a practice office(s) and a partner(s) and initial engagements.

In addition, at least one of each of the following types of engagement should be selected for review:

- Engagements subject to Government Auditing Standards (GAS),
- Audits subject to the Employment Retirement Income Security Act (ERISA),
- Engagement subject to the Federal Deposit Insurance Corporation Improvement Act (FDICIA) and
- Examinations of service organizations (SOC 1 or SOC 2 engagements).

Additionally, if the engagement selected is an entity subject to GAS but not subject to the Single Audit Act and the firm performs engagements of entities subject to the Single Audit Act, at least one such engagement should also be selected for review. The review of this additional engagement must evaluate the compliance audit requirements and may exclude those audit procedures strictly related to the audit of the financial statements.

~~If a firm performs both SOC 1 and SOC 2 engagements and a proper risk assessment determined that only one SOC engagement should be selected, ordinarily a SOC 1 engagement should be selected over a SOC 2 engagement.~~

Finally, while carrying and non-carrying broker-dealer engagements were scoped out of peer reviews, the Securities Investor Protection Corporation (SIPC) agreed upon procedures engagements will remain subject to peer review. Further, the only Broker Dealers subject to peer review are CFTC-only registered. Due to the limited population of these BDs, the PRB determined must-select designation for these engagements is not necessary.

Allowable Implementation Plans: System Reviews (PRC 420 Exhibit C)

Finding	Allowable Implementation Plan
Nonconforming engagements and <ul style="list-style-type: none"> initial findings on a must-select industry or repeat findings for any industry 	<ul style="list-style-type: none"> Require members of the firm to take specified types and amounts of CPE. Require the firm to hire an outside party approved by the report acceptance body (RAB) to perform a pre-issuance or post-issuance review of certain types or portions of engagements. Require the firm to hire an outside party approved by the RAB to review the firm's remediation of nonconforming engagements. Require the firm to hire an outside party approved by the RAB to review the firm's completion of its intended remedial actions outlined in its response on the finding for further consideration (FFC) form or to evaluate the appropriateness of alternative actions. Require the firm to hire an outside party approved by the RAB to review the firm's internal monitoring or inspection report.
Engagements indicate repeat findings without nonconforming engagements	<ul style="list-style-type: none"> Require members of the firm to take specified types and amounts of CPE. Require the firm to hire an outside party approved by the RAB to review the firm's internal monitoring or inspection report.
Failure to possess applicable firm licenses	<ul style="list-style-type: none"> Require the firm to submit proof of its valid firm licenses.

What are the qualifications necessary to become a reviewer?

To qualify as a peer reviewer, you must:

- Be a member of the AICPA [in good standing](#).
- Be currently active in public practice at a supervisory level in the accounting or auditing function.
- Be associated with a firm that has received a report with a peer review rating of pass.
- Possess [appropriate experience and](#) current knowledge of professional standards applicable to the kind of practice to be reviewed.
- Have spent the last 5 years practicing in the accounting or auditing function.
- Have completed a peer review resume.
- Meet specific additional qualifications if you plan to review engagements that must be selected during a peer review.

In addition, if you are a partner ¹ in your firm, you are qualified to be a team captain. See [Appendix B](#) for a complete listing of qualifications.

APPENDIX A

System Review or Engagement Review Determination

(Applies to engagements that are not subject to PCAOB permanent inspection)

If an enrolled firm performs these types of engagements as its highest level of service, the firm would be required to have:	System Review	Engagement Review
Statements on Auditing Standards (SAS)		
Engagements	X	
Government Auditing Standards (GAS)		
Financial Audits	X	
Attestation Engagements (Examination, Review, or Agreed-upon procedures under GAS)	X	
Performance Audits	X	
Statements on Standards for Attestation Engagements (SSAEs)		
Examination Engagements	X	
Reviews		X
Agreed-upon procedures Engagements		X
Public Company Accounting Oversight Board (PCAOB) Standards		
Audits of non-SEC issuers	X	
Attestation of non-SEC issuers Examinations	X	
Other attestation engagements (reviews, attest, or agreed upon procedures engagements under PCAOB standards)		X
Statements on Standards for Accounting and Review Services (SSARs)		
Reviews of financial statements		X
Compilations of financial statements		X
Preparation of financial statements		X

If a firm is required to have a System Review, all the engagements listed above would be subject to selection for review, ordinarily based on periods ending during the year under review, except for financial forecasts or projections and agreed upon procedures. Financial forecasts or projections and agreed upon procedures with report dates during the year under review would be subject to selection.

For enrollment information for firms that only perform preparation of financial statement engagements in accordance with AR-C Section 70, please see the [Peer Review Enrollment Requirements](#).

¹ A Partner is a proprietor, shareholder, equity or non-equity partner or any individual who assumes the risks and benefits of firm ownership or who is otherwise held out by the firm to be the equivalent of any of the aforementioned.

If a firm performs or reports on engagements under International Standards, ~~refer to Interpretations 6-7 and 6-8.~~ the engagements should be included in the scope of a peer review. Under U.S. professional standards, the engagement should comply with elements of both the international standards and U.S. professional standards. However, the peer reviewer should test compliance with only the U.S. professional standards. Testing of compliance with any international standards is not included in the scope of the review. Contact AICPA staff with additional questions, if needed.

APPENDIX B

Reviewer Qualifications

Performing and reporting on a peer review requires the exercise of professional judgment by peers (see paragraphs .05 - .08 of Section 200 of the *Standards* for a discussion of a reviewer's responsibilities when performing a peer review). Accordingly, an individual serving as a reviewer on a System or Engagement Review should at a minimum:

- a. Be a member of the AICPA in good standing, licensed to practice as a CPA, and employed by or an owner of a firm enrolled in the program (that is, AICPA membership in active, non-suspended status).
- b. Be in public practice as a partner, manager, or person with equivalent responsibilities in the accounting or auditing practice or carrying out a quality control function in the CPA's firm. (Ref: par. .A3)
- c. Have current practice experience by performing or supervising accounting or auditing engagements in the CPA's firm or carrying out a quality control function in the firm, with reports dated within the last 18 months. (Ref: par. .A4)
- d. Have spent the last five years in the practice of public accounting in the accounting or auditing function.
- e. Be employed by or be the owner of a firm that has received a report with a peer review rating of *pass* or *pass with scope limitations* for its most recent peer review. (The report should have been accepted timely.) (Ref: par. .A5–.A6)
- f. Possess appropriate experience and current knowledge of professional standards ~~and experience~~ related to the kind of practice and the industries of the engagements to be reviewed. (Ref: par. .A7)
- g. Obtain at least 48 hours of AICPA-required continuing professional education (CPE) every 3 years in subjects relating to accounting, auditing, and quality control with a minimum of 8 hours in any 1 year
- h. Be free of restrictions from regulatory or governmental bodies on the CPA's ability to practice public accounting. (Ref: par. .A8)
- i. Provide qualifications and experience via a reviewer resume.

PRB Observers

Clay Huffman	Rebecca Tres
Paul Ziga	Heather Lindquist
Dipesh Patel	Faye Hayhurst
Sherry Kidd	Jessica Mytrohovich
Jennifer Winters	Julie McNeal
Nick Myers	Darlene Boles
Blaine Peterson	Paul Pierson
Thomas Cordell	Albert Denny
Ivory Bare	Kent Absec
Viki Windfeldt	Mark Harris
Chris Rouse	Deidre Budahl
Laura Harrison	Wendy Garvin
Pamela Lemire	Suzanne Heidenreich
Micah Wheeler	Jill Turner
Rebekah Olson	Geof Brown
William Bailey	Mark Mersmann
Richard Hill	Anna Durst
Gary Miyashiro	Bob Doyle
Tara Loghing	Tim Montgomery
Hunter Cook	Kevin Humphries
Tracy Taylor	Christine Wells
Karen Guerra	
Marissa Brooks	
Justin Long	
Bomani Brown	
Gloria Snyder	
Ashley Plyushko	
Paul Brown	
Ahava Goldman	
Chuck Jordan	
Adelina Burke	
Julie Phipps	
Raegen Nuffer	
Stacey Lockwood	
Erin Jones	
Glenn Roe	
Alma Velez	
Mary Kline-Cueter	
Elizabeth Ott	
Samuel Winfield, CPA	
Gavin Burnham	
Marc Feinstein	
Dawn Carlson	
Marilee Lau	
Carla Ratchford	
Michael Kintz	
Kathleen Hoover	



AICPA[®]

Peer Review
Program

2023 Peer Reviewer Survey and Table Talk Findings

Presentation at the February 2024 Peer Review Board Meeting

Background

- Survey
 - 2nd survey conducted in connection with the annual Peer Review conference
- Table talk
 - 2nd round of table talk discussions at the annual Peer Review conference

Lead Researcher:

Greg Jenkins, ASB
member and
Professor, Auburn
University

Data Analysis:

Jordyn Joseph
and Andrew
Messier

Survey and Table Talk Focal Points

- Survey
 - Fraud-related audit procedures
 - Sustainability and ESG engagements
 - Peer review-related experiences
 - Audit documentation
- Table talk
 - Peer review-related experiences
 - Quality management
 - Technology selection, implementation, and use

Occurred
July through
August 2023

Survey and Table Talk Information

- Survey

- Sample = 163 (139 for 2022)
- 32 years experience in public accounting
- 17 years experience as a peer reviewer
- 13 system peer reviews in the last 3 years
- Most reviews were for firms with 1-10 professionals (57.1%) and 11-50 professionals (32.5%)

- Table talk

- Written notes were received from approximately 70 tables (in-person and virtual)

Similar Survey
Demographics for
2023 and 2022

Findings

Fraud-related Procedures

- Required discussion and fraud brainstorming session
 - Discussion among team was sufficiently documented – 95% (95%)*
 - Documentation included a robust description of team discussion – 81%
 - Team inquired about management's fraud risk assessment – 89%
 - Team considered management's fraud risk assessment – 85% (93%)*
- Presumed risk of fraud due to improper revenue recognition
 - Teams rebutted the presumption – 39%
 - No reasons for rebuttal were documented – 9.4%
- Use of IT in the consideration of fraud – 26.4% (42%)*

* 2022 results are reported parenthetically when available

Fraud-related
Survey Findings

Fraud-related Challenges

Fraud-related Challenges	Average Ranking (Std. Dev.)	
	2023	2022
Using data analytics	3.46 (2.20)	3.21 (2.11)
Deploying specialized skills (e.g., forensic and IT)	3.73 (2.26)	4.00 (2.46)
Developing responses to fraud risks	4.25 (1.90)	4.66 (1.93)
Identifying fraud risks	4.26 (2.29)	4.11 (1.95)
Assessing fraud risks	4.26 (2.05)	4.64 (1.73)
Using technology to test JEs	4.85 (2.38)	3.84 (1.99)
Conducting effective brainstorming sessions	5.01 (2.06)	4.44 (2.18)
Communicating with management and TCWG	6.17 (2.01)	7.09 (1.73)

Rankings: 1 = most challenging, 2 = next most challenging, and so forth.

Fraud-related
Survey Findings

Peer Review Perceptions

	Average Agreement (Std. Dev.)
Peer review helps identify opportunities to improve engagement quality for the peer reviewed firm.	2.17 (1.83)
The benefits of a peer review exceed its cost.	2.93 (1.83)
The peer review program enhances the public's trust in the accounting profession.	3.21 (1.83)
A lack of clarity in the auditing standards is a significant cause of findings reported in peer reviews.	3.77 (1.77)
The results of peer reviews are shared with clients.	3.80 (1.87)

Note: 1 = strongly agree, 4 – neither agree or disagree, and 7 = strongly disagree

Peer Review
Survey Findings

Potential Efficiency Gains

- Improved use of software and technology (37)
- Enhanced documentation strategies (35)
- Reducing excessive testing in low-risk areas (28)
- Effective use of practice aids (27)
- Appropriate risk assessment (27)
- Appropriate sampling on engagements (13)
- Going paperless (10)
- Others - more reliance on data analytics (8), better understanding of standards (8), and use of dual-purpose tests (4)

2/3 of survey respondents identify efficiency gains on a frequent or very frequent basis

Aspects of GAAS Lacking Clarity

Clarity Themes	# of survey respondents
Standards need to be simplified and written in plain English	18
Risk-based auditing is difficult to apply on small clients	16
There is a need for more specific examples in the standards	13
Audit judgments are often second-guessed by peer reviewers	9
Greater consideration should be given to scalability	7
Methodology providers' materials and checklists are overwhelming	5
Excessive documentation requirements	5

43% of survey respondents noted that a lack of clarity in GAAS leads to PR findings

Reviewer Actions That Can Lead to a Better PR Experience

Recommended Reviewer Actions	# of survey respondents
Suggest efficiencies to the firm	33
Establish expectations of peer review being educational and not punitive	31
Communicate throughout the peer review process	30
Suggest solutions on how to fix identified problems/deficiencies	30
Explain new standards and how to prepare for new requirements	28
Share “best practices” from other firms	27
Explain the “why” behind peer reviewer comments	23
Conduct planning meeting to discuss logistics and expectations	13
Spend ample time during the exit conference answering questions	10
Share example documentation for new standards	10

Firm Actions That Can Lead to a Better PR Experience

Recommended Firm Actions	# of survey respondents
Prepare for the review and make necessary personnel available	59
Be open to reviewer's comments and recommendations	41
Respond in a timely manner to reviewers' questions	33
Have engagement documentation well organized for the reviewer	21
Communicate openly and honestly with reviewer	18
Embrace the "enhancing quality" nature of peer review	17
Accurately complete the engagement profile	10

Audit Documentation Deficiencies

	# of survey respondents
AU-C 230, Audit Documentation	111
AU-C 330, Performing Audit Procedures in Response ...	90
AU-C 315, Understanding the Entity and its Environment ...	89
AU-C 530, Audit Sampling	63
AU-C 300, Planning an Audit	44
AU-C 240, Consideration of Fraud in a Financial Statement Audit	29
AU-C 540A, Auditing Accounting Estimates, Including Fair Value ...	19
Quality Control/Quality Management Policies, Procedures, and Activities	16
AU-C 260, The Auditor's Communication with TCWG	13

Reasons for Documentation Deficiencies

	Average Ranking (Std. Dev.)
Insufficient details about the <i>nature</i> of the work performed	2.93 (1.47)
Insufficient details about the <i>extent</i> of the work performed	2.99 (1.52)
Documentation missing from engagement files	3.01 (1.98)
Misunderstanding or misapplication of auditing standards	3.30 (2.09)
Insufficient details about the <i>timing</i> of the work performed	5.03 (1.47)
Insufficient details about <i>when</i> the work was performed and/or reviewed	5.27 (1.55)
Insufficient details about <i>who</i> performed and/or reviewed the work	5.47 (1.50)

Rankings: 1 = most common reason, 2 = next most common, and so forth.

Technology

Key Takeaways from Table Talk Discussions

64 of 91

- Results were very consistent with other recent ASB outreach on technology use in the audit
- Hurdles to Technology Selection
- Influence of New Standards on Technology Adoption
- Impediments to Implementing New Technologies

64 of 91

Quality Management

Key Takeaways from Table Talk Discussions

- Majority of firms are not pilot testing or requesting feedback on QM from their PR
- Areas of difficulty or concern about QM
- QM Resources



Association
of International
Certified Professional
Accountants®

67 of 91

Thank you

67 of 91

From: [Jim Brackens](#)
To: [Jennifer Winters](#)
Cc: [Beth Thoresen](#)
Subject: FSBA
Date: Wednesday, April 3, 2024 3:02:29 PM
Attachments: [image001.png](#)
[image002.png](#)
[image003.png](#)
[image004.png](#)
[image005.png](#)
[image006.png](#)

Jennifer,

It was good to see you last week at the ED conference. As I said from the open mike, I thought you and Vicki did a great job.

I was hoping to chat with you about one item though. On one of your slides you indicated you now require firms submit (through FSBA) certain of the documents that are now specified in the UAA rules. We were unaware of this change in your regulations and can make changes in FSBA to ensure you are receiving these documents for firms.

I'm leaving tomorrow for vacation, so I'm copying Beth Thoresen, asking her to reach out to you and explain more.

Regards,

Jim

James W. Brackens, Jr., CPA, CGMA

Vice President – Ethics & Firm Quality

[Association](#) | [AICPA](#) | [CIMA](#)

Jim.Brackens@aicpa-cima.com

220 Leigh Farm Road
Durham, NC 27707

Contact the Member Engagement Center about [AICPA](#) and [CIMA](#)



This message, including any attachments, may contain confidential information intended for a specific individual and purpose and is protected by law. If you are not the intended recipient, please delete it. Any disclosure, copying or distribution of this message is strictly prohibited.

Views expressed by Association employees are expressed for purposes of deliberation, providing member services and other purposes exclusive of practicing public accounting. Views expressed by Association staff do not necessarily represent the official views of the AICPA unless otherwise noted. Official AICPA positions are determined through certain specific committee procedures, due process and deliberation.

 ***** This message, including any attachments, may contain
 confidential information intended for a specific individual and purpose and is protected by

law. If you are not the intended recipient, please delete it. Any disclosure, copying or distribution of this message is strictly prohibited.

NASBA EXECUTIVE DIRECTOR CONFERENCE

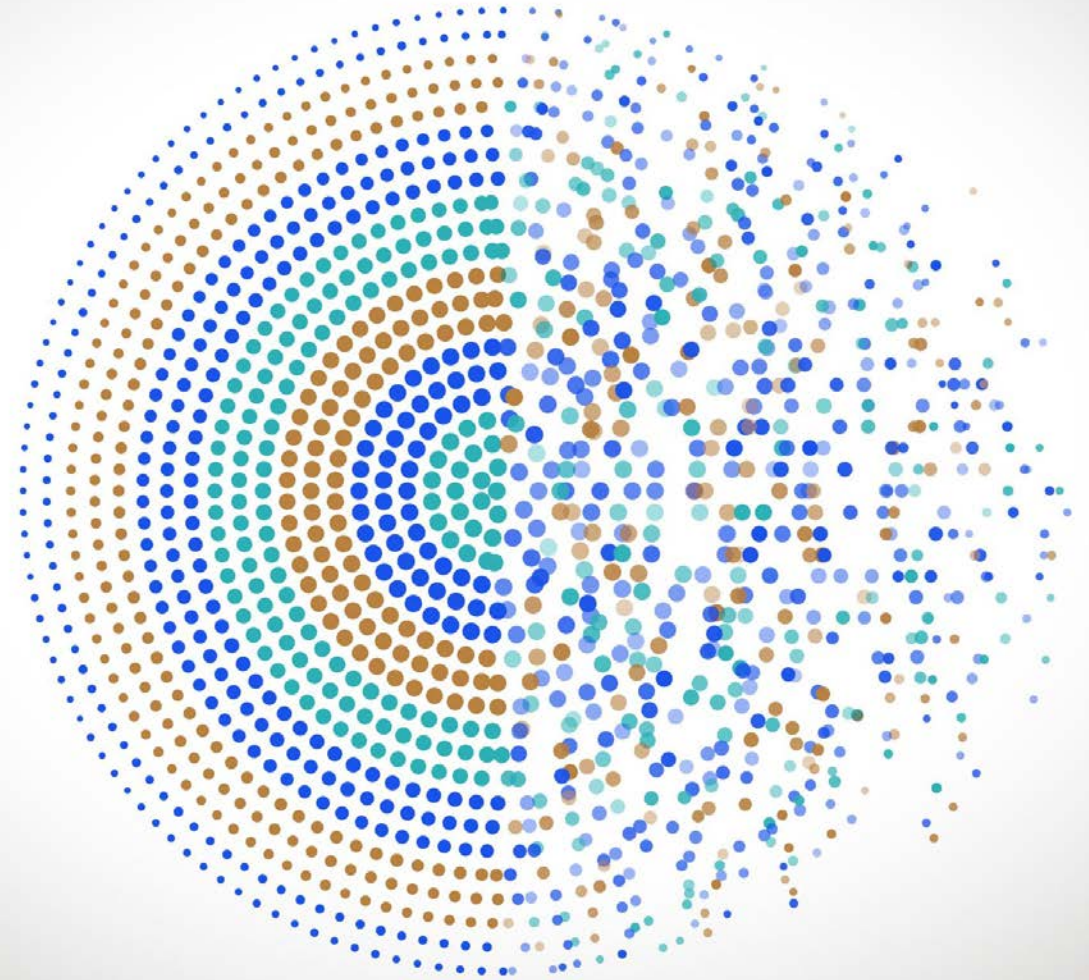
Mandatory Peer Review Program Updates, Compliance, and Enforcement Efforts



Viki Windfeldt, Executive Director, Nevada State Board Of Accountancy
Jennifer Winters, Executive Secretary, New York State Board for Public Accountancy

Overview

- **UAA Updates – January 2024**
- **New Data Elements in Facilitated State Board Access**
- **Mandatory Peer Review Program in NY**
- **Rules on Unprofessional Conduct**
- **Ways to Monitor Peer Review Compliance**



UAA Changes

Model Rule Amendment – Peer Review

Sections: 7-4 (a) & (e)

- Enrollment Date/Info
- Extension Dates

Rule 7-4 – Enrollment in Board-Approved Peer Review Program

(a) Enrollment in a Board-approved peer review program is a condition for renewal of a permit for firms that issue attest or compilation reports. The Board requires licensees that issue attest or compilation reports pursuant to UAA 6(j) or UAA 7(a)(1)(A) and firms that issue such reports pursuant to UAA 7(a)(1)(C) to be enrolled in a Board-approved peer review program, and to provide a copy of the enrollment letter to the Board within thirty (30) days of enrollment pursuant to Rules 7-5(b) through 7-5(d).

~~COMMENT: The requirement for provision of a copy of the enrollment letter to the Board is new. This will be effective for firms enrolling for the first time or filing for re-enrollment after the date these rules are adopted.~~

(e) The firm shall provide to the Board a copy of a grant of an extension (including the resulting new due date) within thirty (30) days of the date of the letter receipt from the Administering Entity or Sponsoring Organization pursuant to Rules 7-5(b) through 7-5(d).

UAA Changes

Model Rule Amendment – Peer Review Rule 7-5 (a)

Adds:

Objective Information to list
of available firm peer review
documents/dates

Rule 7-5 – Submission of **Peer Review Documents** *and Objective Information*

(a) The objective of this reporting rule is to reinforce the Board's efforts to ensure that only appropriately qualified CPA firms are engaged in the offering and rendering of services subject to peer review. Based upon its review of the documents submitted pursuant to this rule, the Board may consider, pursuant to hearing or by consent, additional corrective actions such as probation, practice limits, additional continuing education, pre-issuance reviews, more frequent peer reviews, and other measures, including, in severe cases, discipline against the reviewed firm and any individual licensees employed or contracted by the reviewed firm.

COMMENT: The reference in *this* Rule 7-5(a) to possible discipline against "individual licensees employed or contracted by the reviewed firm" is not intended to include peer reviewers or their staff with regard to firms they review.

UAA Changes

Model Rule Amendment – Peer Review - Rule 7-5 (b)

- Amendment outlines timeline of 30 days that firms are required to submit information to the Board.

Rule 7-5 – Submission of Peer Review Documents and Objective Information

(b) The firm is required to submit a copy of the results of its most recently accepted peer review to the Board within 30 days, which includes the following documents:

1. Peer Review Report
2. Letter of Response
3. Acceptance Letter
4. Corrective Action Letter
5. Letter of Completion

* Abbreviated listing of documents – UAA has more detail

UAA Changes

Model Rule Amendment – Peer Review - Rule 7-5 (C)

- Outlines the additional objective information

(c) The firm is required to provide the following additional documents and objective information, as applicable, to the Board within 30 days of the:

- 1. Date of the most current peer review program enrollment or reenrollment letter.**
- 2. Firm representation to the administering entity that it has not performed engagements subject to peer review in the last 12 months.**
- 3. Identification of the due date of the current peer review and due date on any open corrective action(s).**
- 4. Date of the peer review or corrective action extension letter(s)**
- 5. Date of the letter acknowledging the peer review was scheduled.**
- 6. Identification of the estimated dates of the peer review commencement and presentation to a report acceptance body**

UAA Changes

Model Rule Amendment – Peer Review – Rule 7-5 (d)

- Firms must provide information to boards!
- The information should be made available in FSBA

Rule 7-5 – Submission of Peer Review Documents and Objective Information

(d) The firm shall allow ~~satisfy this document submission requirement by allowing~~ the administering entity to provide the Board access to the documents and objective information via a secure website process such as the AICPA Facilitated State Board Access (FSBA).

FSBA

Facilitated State Board Access Program Data Elements

Enrollment Information

- Enrollment Letter
- Date of Enrollment
- Original Enrollment Date
- Due Date (if applicable)
- Type of Practice

Current Review Status

- Due Date
- Due Date Extension Letter
- Review Scheduled Date
- Estimated Commencement Date
- RAB Presentation Date
- Corrective Action or Extension Letter

KEY MANDATORY PEER REVIEW PROGRAM CRITERIA



Mandatory Peer Review Program History in New York



Established in law in 2009 with effective date January 2012.



Regulations drafted for general oversight of the program. However, they did not include any enforcement related rules.



Became apparent that we needed to adopt rules related to the unprofessional conduct for peer review.



Rules on unprofessional conduct adopted in the fall of 2021.

RULES ON UNPROFESSIONAL CONDUCT

Failure to Cooperate

Failure of a firm to cooperate with the peer review process as determined by either the administering entity, sponsoring organization, or the Peer Review Oversight Committee at any point in the process. ...

Termination

A firm's termination or expulsion for any reason by the sponsoring organization, from the peer review program in accordance with the AICPA Standards for Performing and Reporting on Peer Reviews.

RULES ON UNPROFESSIONAL CONDUCT (con't)

False Representations

Making a false, fraudulent, misleading or deceptive statement, as part of, or in support of, a firm's peer review reporting.

Remedial Actions

Failure of a firm and its licensees to follow the peer review process and complete any remedial actions required by the administering entity

Access to Peer Review Info

Failure of a firm to provide access to its peer review information, as required by ...Mandatory Peer Review Program Access to Peer Review Information...

WAYS TO MONITOR COMPLIANCE

- **Requires ongoing staff monitoring of the firm's compliance**
- **PROC delegates to Board staff to ensure continuous monitoring**
- **Reports reviewed at the Peer Review Oversight Committee meetings**

Examples of Monitoring Letters

- 1 Dropped
- 2 Terminated
- 3 Substandard Peer Review
- 4 Overdue Peer Review or Corrective Action

Each instance the firm is sent correspondence

- ☐ Firms must respond in 30 days acknowledging the letter
- ☐ Firms must provide an explanation as to their status and provide action plan, if applicable
- ☐ Firms must submit a revised firm registration form with the revised level of service, if applicable

Actions Taken at the PROC Meeting

DROPPED MONITORING LETTER

- Use the information from the periodic emailed AICPA notifications
- Run Dropped and Terminated report in the Facilitated State Board Access

Firm reenrolled into the program

❖ No longer monitored

Firm no longer providing attest services

❖ No longer monitored

No Response

❖ Continue to monitor until resolved

Firms may be referred to Office of Professional Discipline:

- ☐ No response for longer than 30 days;
- ☐ If attestation service still being performed and not re-enrolled;
- ☐ Subsequent termination – see next slide

TERMINATED LETTER

- Use the information from the periodic AICPA notifications
- Run Dropped and Terminated report in the Facilitated State Board Access

Actions Taken at the PROC Meeting

Referred to
Office of
Professional
Discipline

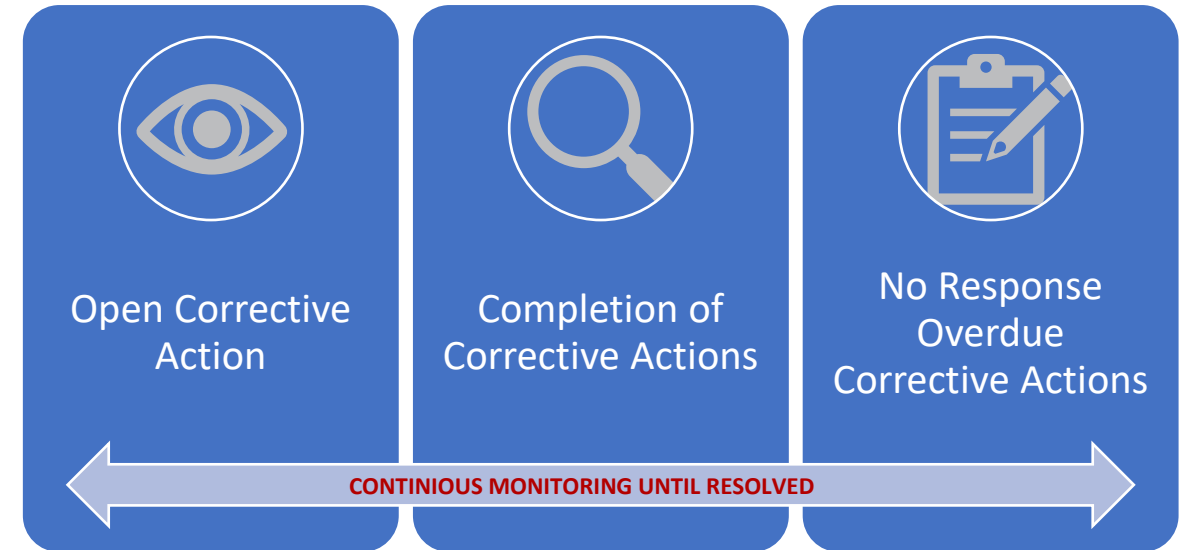
**No longer
monitored**

**Firms ARE referred to
Office of Professional Discipline**

SUBSTANDARD PEER REVIEW REPORT MONITORING LETTER

- **Run the Reviews with a Pass with Deficiencies or Fail Report Rating report in the Facilitated State Board Access**

Actions Taken at the PROC Meeting



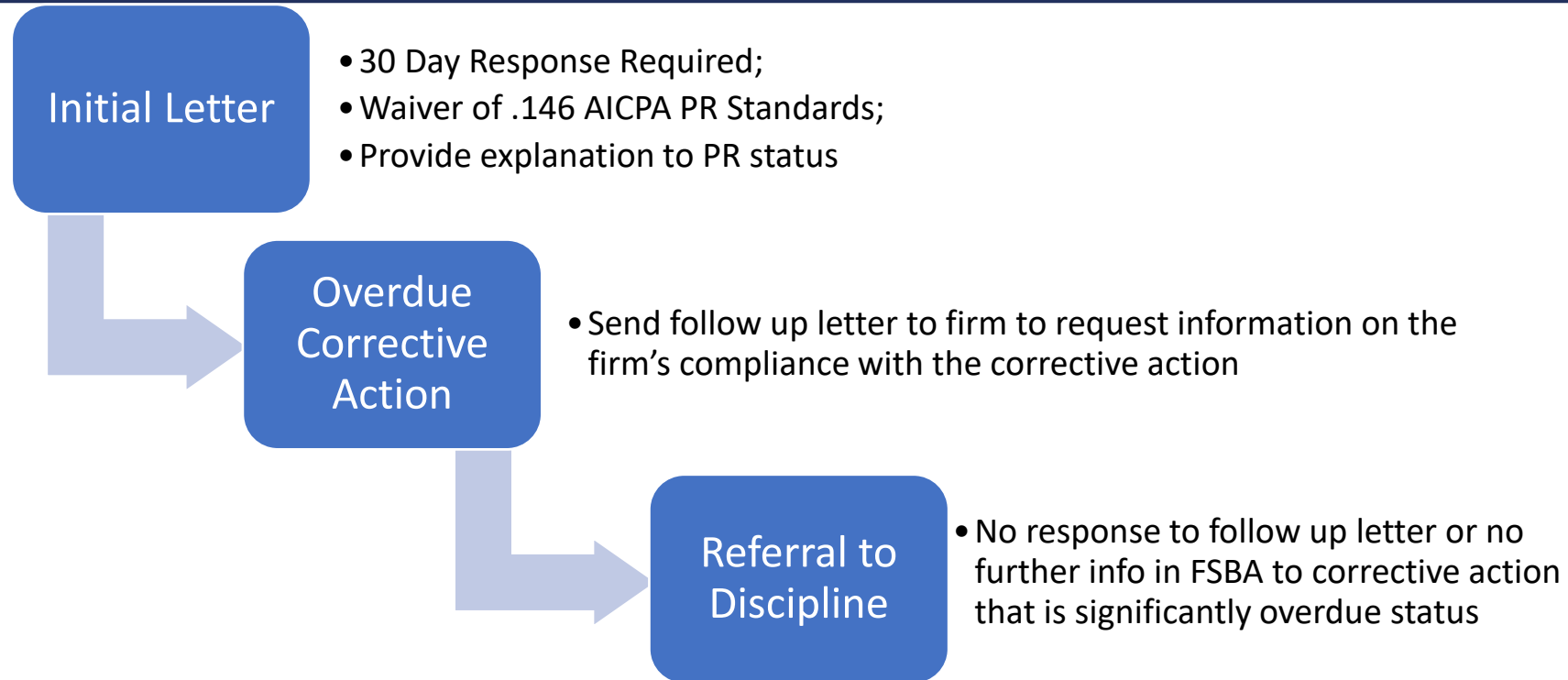
Firms may be referred to Office of Professional Discipline:

- ☐ No response AND has overdue corrective actions
- ☐ Subsequent termination – see previous slide

OVERDUE CORRECTIVE ACTION OR PEER REVIEW

- Focus on updated information in Facilitated State Board Access
- Review responses from CPA firm owner

Example of PROC Monitoring



Examples of PROC Monitoring

Review list of
peer
reviewers

Review list of
enrolled firms

Review list of
accepted
reviews

Firms may be referred to Office of Professional Discipline:

- ☐ Discovery of non-registered firms
- ☐ Other Agencies discover audit work and firm is either not registered or not enrolled in Peer Review Program

OTHER COMPLIANCE EFFORTS

- Review public website on peer reviewers
- Review information in Facilitated State Board Access

Examples of Ensuring Compliance MPRP

Require
Registered Firm
Information

Require as part
of RFP, peer
review

Provide public
access website
to firm and PR

Firms may be referred to Office of Professional Discipline:

- ☐ Non-registered firm with NYS clients
- ☐ Not enrolled in Peer Review Program when conducting attestation work for NYS clients

EXAMPLE OF COMPLIANCE EFFORTS INTERAGENCY COOPERATION

- **Engaging other state and federal agencies, other regulators on firm registration and peer review requirements.**

EXAMPLES OF CLOSED ENFORCEMENT ACTIONS

Examples of Enforcement from Referrals

Referral from state of Hawaii – Securities Examiner

- Firm not registered, not enrolled in Peer Review

Referrals from the PROC

- Firm never completed PR after enrollment

Referrals related to underlying audit work

- Public charges are displayed as audit errors, typically contains other charges in the consent order, firm registration and peer review

SUPPLEMENTAL INFORMATION

NY Statutes and Regulations on Peer Review

- **State Education Law, Article 149, Section 7410- Mandatory Peer Review**

<https://www.op.nysed.gov/professions/certified-public-accountants/laws-rules-regulations/article-149#%C2%A77410-mandatory-peer-review>

- **Commissioner's Regulation, Section 70.10 Mandatory Peer Review Program**

<https://www.op.nysed.gov/professions/certified-public-accountants/laws-rules-regulations/part-70#%C2%A77010-mandatory-peer-review-program>

- **Rules of the Board of Regents, Unprofessional Conduct – Special Provisions for the Profession of Public Accountancy, Section 29.10.j Peer Review**

<https://www.op.nysed.gov/title8/rules-board-regents/part-29#%C2%A7-2910-special-provisions-for-the-profession-of-public-accountancy>



QUESTIONS