

NEW YORK STATE EDUCATION DEPARTMENT

Peer Review Oversight Committee

NYS Education Department  
89 Washington Ave, Room EB211, Albany, NY

Other Locations:

410 Upland Road, Ithaca, NY 14850  
33 Lewis Road, Binghamton, NY 13905  
45 Bryant Woods North, Amherst, NY 14228  
100 Meridian Center, Suite 200, Rochester NY 14618  
50 Rockefeller Plaza, New York, NY 10020

November 18, 2024

The following members were present:

David Iles, CPA, Chair  
David Pitcher, CPA  
Jesse Wheeler, CPA

Grace G. Singer, CPA, Vice Chair  
Andy Neyman, CPA

Others in attendance:

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

**Call to Order:** On a motion by Mr. Pitcher, seconded by Ms. Singer, the Committee agreed to move to public session at 9:03 a.m.

**Minutes:** Based on a motion made by Ms. Singer, seconded by Mr. Pitcher, the Committee approved the August 13, 2024, meeting minutes.

**PROC Member Update:** Ms. Winters provided an update that the potential member reported at the last meeting has not panned out. Please send any leads to fill the vacant member spot to Ms. Winters. Mr. Iles term will end in later 2025 and Mr. Pitcher has renewed his term.

**Future Committee Meetings:**

- February 5, 2025, 9:00 a.m. - Video Conference
- May 13, 2025, 10:00 a.m. - 80 Wolf Rd, Albany, NY
- August 18, 2025, 9:00 a.m. – Video Conference
- November 17, 2025, 9:00 a.m. – Video Conference.

**AICPA Peer Review Board Open Meetings:** September 11, 2024 Open Meeting was cancelled.

November 6, 2024 Open Meeting – Changed to November 4<sup>th</sup>. Ms. Winters noted it was a very long meeting. A review of materials in the public packet were as follows:

Page 11 – There was a lot of discussion to allow peer reviewers to continue to serve for up to 18, 24 or 36 months after retiring. The result was 36 months, and they cannot perform as a team captain. The CPAs must remain active and still complete CPEs.

Page 17 – There was a lot of feedback on terminology so they will be readdressing to make it less confusing.

Page 42 – Letter E regarding the nonconforming engagements has been pulled from the proposal due to too much room for interpretation.

Page 161 – There were not a lot of responses from State Boards and NY did not respond. NASBA responded with an analysis of laws and regulations that may need to be changed to include “Quality Management” from “Quality Control”. Mr. Iles points out this could be a problem for firms down the line. PCAOB just changed their language and remains with “Quality Control”. The Committee discussed addressing the matter via a Frequently Asked Question (FAQ) that could be added to the State Board’s website. Ms. Singer suggested that the FAQ including International Standard on Quality Management (ISQM), Standard Quality Measure set (SQM), and Quality Control 1000 (QC1000). Ms. Winters will draft up an FAQ to be reviewed for next PROC meeting.

Page 265 – The Committee discussed the survey from the Accounting Standards Board (ASB). Highlighting the point that firms are not making progress towards the December 2025 deadline to adopt the changes.

Page 277 – Committee members discussed the table regarding Root Causes of Documentation Deficiencies. Noted were concerns that there are no real standards for technical review process. Noting the suggested root causes listed at the top is a result of where the peer reviewers go to first for reasoning. It seems standards are being applied based upon which Administering Entity will be reviewing it. Exercising professional judgement often is missed due to not understanding materiality.

Page 279 – The Committee discussed the issue with attracting more peer reviewers. The AICPA plans on asking auditors who are not doing peer reviews, why they are not doing peer reviews. The perception of the peer review process is not good and adding a costly certificate is not the answer.

Page 280 – An unexpected benefit of being a peer reviewer is professional growth or growing the actual business.

Page 282 – Root causes of MFCs were reviewed.

Page 284 – There will be more training and greater clarity on applying SAS NO. 145. There are more items to report back to the Peer Review Board.

Page 298/299 – The AICPA researched State Boards’ laws and rules and noted which states require FSBA access as noted in the listing. The Committee noted firm mobility is not allowed in NYS therefore, two of the columns on the right side were not application although marked as “No”. Programming on FSBA is based on what each state requires and are individually programmed. There is no time frame on when new reports will be available in FSBA. The revisions of UAA language make sure it is consistent with AICPA Standards.

**Future AICPA Peer Review Committee Open Meetings:** Ms. Winters and Mr. Cordell will attend the meetings in 2025: February 12<sup>th</sup>, May 14<sup>th</sup>, September 10<sup>th</sup>, and November 13<sup>th</sup>.

**Materials for the proposed Peer Review Standards Update:** The Committee briefly discussed the materials.

**RAB and PRC Meetings Oversight of PCIPA:** Mr. Neyman attended a RAB on October 24<sup>th</sup> and mentioned it seemed efficient and ran smoothly. However, the members seemed tough on new peer reviewers. He hopes that it does not discourage the new peer reviewers. Ms. Singer will attend the upcoming PRC meeting in January. Mr. Pitcher will attend a RAB meeting in December or January and Mr. Wheeler will attend the RAB meeting on December 10<sup>th</sup>. Monitor activities will be reported at the February Committee meeting.

**2023 Annual Report of the Peer Review Committee:** The State Board members were appreciative of how much work the PROC does. They are familiar with the discipline cases that originate from the

PROC. They noted that the decrease in the number of firms in the Peer Review Program is significant. Ms. Winters reported that the PROC annual report for the last three years is now posted on our website.

**New Business:** NA

**Public Session:** On a motion by Ms. Singer and seconded by Mr. Wheeler, the Committee voted in favor of adjourning the public session at 10:07 a.m.

**Executive Session:** On a motion by Mr. Neyman and seconded by Mr. Wheeler, the Committee voted to enter executive session at 10:15 a.m.

On a motion by Ms. Singer and seconded by Mr. Neyman, the Committee unanimously agreed to close executive session and end the meeting at 11:28 a.m.

Respectfully submitted,

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Jennifer Winters, CPA  
Executive Secretary