

NEW YORK STATE EDUCATION DEPARTMENT

Peer Review Oversight Committee

NYS Education Department
80 Wolf Road, Albany, NY

August 18, 2025

The following members were present:

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

Grace G. Singer, CPA, Vice Chair
Andy Neyman, CPA
Mike Nawrocki, 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. Neyman, seconded by Mr. Pitcher, the Committee agreed to move to public session at 10:03 a.m.

Minutes: Based on a motion made by Ms. Singer, seconded by Mr. Neyman, the Committee approved the May 13, 2025, meeting minutes. Mr. Nawrocki and Mr. Mayausky abstained.

PROC Member Update: The Committee welcomed Mr. Nawrocki and Mr. Mayausky to the PROC. This is Mr. Iles last meeting after serving two, 5-year terms on the PROC. Ms. Winters presented Mr. Iles a certificate of appreciation and all in attendance thanked him for his time on the PROC. Going forward, Mr. Neyman will be the Chair and Mr. Wheeler will be the Vice Chair. Ms. Winters asked the Committee members to refer licensees who are familiar with peer review to join the State Board to participate in the disciplinary cases related to firms and peer review.

Future Committee Meetings:

- November 17, 2025, 9:00 a.m. – Video Conference
- February 4, 2026, 9:00 a.m. – Video Conference
- May 11, 2026, 10:00 a.m. - 80 Wolf Rd, Albany
- August 17, 2026, 9:00 a.m. - Video Conference

2024 AICPA Annual Report on Oversight: Ms. Winters presented the report to the State Board at their July 30th board meeting. The Board members noted that there was an uptick in cases referred to OPD and reported on the upcoming regulation changes. The Committee discussed issues regarding the written conclusion on last page concerning the ongoing issues with the AICPA/FSBA communication.

AICPA Peer Review Board Open Meetings and Peer Review Conference: May 14th – The meeting focused on Quality Management checklists. A discussion about the peer reviewer pool ensued. Mr. Iles attended the Peer Review conference and noted that the AICPA indicated that the peer reviewer pool is fine. However, the actual peer reviewers are skeptical that the pool of peer reviewers is sufficient. The AICPA is trying to get younger peer reviewers by using incentives. Mr. Nawrocki stated that many peer reviewers plan to discontinue doing peer reviews once the Quality Management standards go into effect. Mr. Pitcher stated that private equity firms may become an issue as well in limiting partners as peer

reviewers. There was mention that changes to allow retired partners to be team captains for up to 36 months after retirement may be helpful to include partner equivalents, such as, managing directors. The Committee discussed the level of oversights reported and it was noted that Pennsylvania had one of the highest numbers of oversight. The Committee discussed the newer features being implemented in FSBA for states that require them such as NY. The November open meeting will be included as an additional handout at the next PROC meeting due to timing.

Future AICPA Peer Review Committee Open Meetings: Ms. Winters and Mr. Cordell will attend the meetings in 2025: September 10th, and November 11th or 12th.

2024 AICPA Annual Report on Oversight: Ms. Winters will request Pennsylvania's annual oversight report. Mr. Nawrocki noted that NY's pass rates are below the national average for pass reports. Ms. Winters mentioned it could be due to Pennsylvania taking over the peer review from NY with a lot of complicated firms in the backlog which has been cleaned up.

PICPA Oversight: Ms. Singer is going to attend the RAB meeting on September 9th. She will provide a report at the next PROC meeting.

2024 Enhancing Audit Quality Highlights Report: Mr. Iles reported that at the peer review conference information was provided that the quality of peer reviews was overall improving. However, there were still specific matters discussed on lingering issues related to changes on revenue recognition and leases. There were five new areas of focus in the report. A discussion regarding private equity, the name of the firms, use of title, and attest engagements were discussed. Noted in the report that the employee benefit plan audits were highlighted again for errors on those specific engagements.

New Business: Ms. Winters noted that the commissioner's regulations section 70.10 will be adopted by September 24, 2025, to amend System of Quality Control to System of Quality Management.

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

Executive Session: On a motion by Mr. Wheeler and seconded by Ms. Singer, the Committee voted to enter executive session at 11:13 a.m.

On a motion by Ms. Singer and seconded by Mr. Mayausky, the Committee unanimously agreed to close executive session and end the meeting at 12:35 p.m.

Respectfully submitted,

Jennifer Winters, CPA
Executive Secretary