NEW YORK STATE EDUCATION DEPARTMENT

Peer Review Oversight Committee
Meeting Agenda

NYS Education Department
89 Washington Ave, Room EB211, Albany, NY
Other Locations:
26 Kensington Avenue, Thornwood, NY 10594
45 Bryant Woods North, Amherst, NY 14228
100 Meridian Center, Suite 200, Rochester NY 14618
90 Linden Oaks, Suite 100, Rochester, NY 14625
22 Centershore Road S., Centerport, NY 11721
33 Lewis Road, Binghamton, NY 13905

August 17, 2026

9:00 a.m. Public Session

• Review and Approval of Minutes from the May 11, 2026 meeting	Pages 2 - 3
• Future PROC Meetings: o November 16, 2026, 9:00 a.m. - Video Conference o February 10, 2027, 9:00 a.m. - Video Conference (amended due to AICPA Open meeting) o • May 12, 2027, 10:00 a.m. - 80 Wolf Rd, Albany	
• AICPA Peer Review Board Open Meetings o Future Peer Review Board Open Meetings in 2026: ▪ September 16th, November 11th o Future Peer Review Board Open Meetings in 2027: ▪ February 3rd, May 5th, September 1st, November 3rd	
• PRB Proposed Strategic Plan 2027-2030	Pages 4 - 19
• Expanding Peer Review to International Firms Quick Poll	Page 20
• Survey Questions and Answers	Page 21
• RAB Meeting: o Ms. Singer – 7/9/2026	NA
• New Business	NA

10:00 a.m. Executive Session

NEW YORK STATE EDUCATION DEPARTMENT

Peer Review Oversight Committee
Public Session Meeting Agenda

NYS Education Department
80 Wolf Rd, Colonie, NY

May 11, 2026

<u>The following members were present:</u>

Andy Neyman, CPA, Chair
Grace G. Singer, CPA
Mike Nawrocki, CPA
Jesse Wheeler, CPA, Vice Chair
Jason Mayausky, CPA
David Pitcher, CPA

<u>Others in attendance:</u>

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

Call to Order: **Executive Session:** On a motion by Mr. Nawrocki and seconded by Ms. Singer, the Committee voted to enter executive session at 10:00 a.m.

On a motion by Ms. Singer and seconded by Mr. Nawrocki, the Committee unanimously agreed to close executive session at 11:41 a.m.

Public Session: On a motion by Mr. Pitcher, seconded by Ms. Mayausky, the Committee agreed to move to public session at 11:47 a.m.

Minutes: Based on a motion made by Mr. Nawrocki, seconded by Mr. Wheeler, the Committee approved the February 4, 2026 meeting minutes. Mr. Pitcher abstained.

Future Committee Meetings:

- August 17, 2026, 9:00 a.m. - Video Conference
- November 16, 2026, 9:00 a.m. - Video Conference
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- May 12, 2027, 10:00 a.m. - 80 Wolf Rd, Albany

Annual Report – Draft: Mr. Nawrocki provided suggestions for the report prior to the meeting. Mr. Neyman will present the report to the State Board via video conference on July 29th and will update the message from the committee. Mr. Neyman and Singer noted that they were switched on the dates they attended the oversighting of the PICPA meetings. In the statistics table, this is the first time ever NPRC has an engagement review. The second sentence in the recommendations section will be removed and the conclusion will remain the same. Changes will need to be made by the 1st of July. Ms. Winters will send out the report to everyone to review once the changes are made. The 2026 report will note that the PROC met with OPD.

AICPA Peer Review Board Open Meetings:

February 11th – There were discussions about emerging areas in the annual questionnaire reporting form which is expected to result in a larger quantity of dropped firms. The AICPA wants to include technology questions as well. The new questionnaires are starting in June as well as modernization of peer review items. Alternative practice structure firms are going to the NPRC temporarily.

The Committee discussed the proposed ethics change and peer review. Any A&A case will be going through peer review now. The AICPA indicated that this would allow more focus on the firm as a whole and not just individual licensees. Both the PICPA and NASBA letters had good comments.

May 5th – The strategic plan on page 201 comment letter date is currently August 17, 2026. The AICPA may change the due to the date of another PEEC comment letter due date. The Board/PROC will be responding to the plan asking to further define point #7 as well as the reviewer pool sustainability. The Committee and Ms. Winters will create the letter through SharePoint. Agenda item 1.3 – There was no mention of removing anything further from the PRI form.

Mr. Neyman, Mr. Nawrocki and Mr. Mayausky will be attending the upcoming Peer Review Conference in August. They will report to the Committee at its next meeting. Ms. Winters notes that AICPA oversights of Administering Entities will be every three years and risk based. The AICPA indicated that there will be a number of factors to determine if there is more risk that necessitates a more frequent review of an Administering Entity.

Future AICPA Peer Review Committee Open Meetings: Ms. Winters and Mr. Cordell will attend the meetings in 2026: September 16th. The November 11th meeting observation will be determined as the state offices are closed in observance of Veterans Day like they were in 2025. The 2027 dates: February 3rd, May 5th, September 1st and November 3rd.

AICPA PEEC and Peer Review: It was noted the bylaws will not be reexamined and done through AICPA Council.

PCAOB 2025 Annual Report: The Committee briefly discussed the annual report from the PCAOB.

Formal Correspondence - The Systemic Erosion of Independence in the Assurance Industry: The Committee reviewed the letter from the public.

Updated RAB and PRC Schedule: The updated RAB and PRC schedule is in SharePoint. Mr. Nawrocki and Ms. Singer will attend a RAB meeting. Mr. Pitcher, Mr. Wheeler and Ms. Singer will attend a PRC meeting.

New Business: The AICPA's Exposure Draft: proposed revisions related to alternative practice structures is very confusing. A number of boards, including New York, responded to the exposure draft. The Board's Practice Committee reviewed the exposure draft and drafted a comment letter. The comment letter was reviewed at the full board meeting. A discussion ensued on the fact that many employees associated with an APS do not even know which entity they are working for.

Public Session: On a motion by Mr. Wheeler and seconded by Ms. Singer, the Committee voted in favor of adjourning the public session and ending the meeting at 12:46 p.m.

Respectfully submitted,

Jennifer Winters, CPA
Executive Secretary

AICPA

PRB Proposed Strategic Plan 2027–2030

Contents

The Peer Review Board (PRB) is the senior technical committee of the American Institute of Certified Public Accountants (AICPA) designated by the AICPA Council as the body responsible for establishing, maintaining, and administering the AICPA Peer Review Program (the program), including the authority to issue standards, oversee administering entities, and take actions necessary to ensure the quality and integrity of the program.

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A message from the PRB chair and senior director

June 1, 2026

On behalf of the Peer Review Board (PRB), we are pleased to share our proposed strategy and strategic actions for the 2027–2030 period. This strategy is intended to help guide our work in the years ahead as we continue to promote quality across the profession and serve the public interest.

As we move forward, we are seeking input from stakeholders across the profession to ensure our priorities and planned activities remain focused on what matters most, responsive to emerging risks, and practical to implement. Your perspective will help us refine our approach and strengthen the impact of this strategy.

This strategy will inform our standard-setting agenda, our approach to implementation support and education, our stakeholder engagement and advocacy efforts, and the continued modernization of our operating model. We are particularly interested in your views on whether the strategy reflects current conditions, identifies the right opportunities and challenges, and outlines actions that are operable, enforceable, and practical to apply.

In developing this strategy, we considered several key factors shaping the profession and the ethics and independence landscape, including the following:

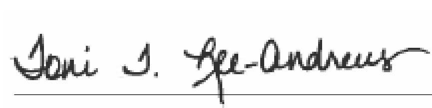
- The evolving technology environment, including the increasing use of artificial intelligence (AI) and technology-assisted procedures, and the related ethical considerations
- Growing regulatory complexity and uncertainty across jurisdictions, along with the need for greater consistency and interoperability of standards
- Ongoing transformation within firms, including globalization, outsourcing and offshoring, alternative staffing models, and evolving practice structures — requiring standards that remain adaptable and scalable
- Changing user expectations and the continued expansion of assurance into areas such as sustainability, cybersecurity, governance, and related controls
- The importance of auditing/attestation, ethics and independence, and peer review requirements working together cohesively through clear definitions and aligned performance expectations
- The need to strengthen internal infrastructure and operational resilience, including modernizing workflows and improving prioritization to support sustainable capacity

This strategy is grounded in the PRB's mission to promote and enhance the quality of accounting and auditing services provided by firms and individuals subject to the AICPA Standards for Performing and Reporting on Peer Reviews (the standards), in service of the public interest. Consistent with that mission, we are focused on advancing high-quality standards, supporting effective implementation, engaging meaningfully with stakeholders, and continuing to modernize how we operate.

Thank you for your time and thoughtful input. We look forward to your feedback as we continue to move this work forward and strengthen trust in the profession.

Sincerely,

Dawn E. Brenner, CPA
Chair — Peer Review Board



Toni T. Lee-Andrews, CPA/PFS, CGMA
Senior Director — Ethics and Peer Review

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Request for comments

This consultation paper was developed by our Planning Task Force and discussed in our public meetings. Comments are welcome on the following questions:

1. Do you agree with “Our Mission and Keys to Our Success” (see page 3)?
2. Do you agree with the “Factors Driving Our Strategy” (see pages 4 to 5)?
3. Do you agree with “Our Strategic Initiatives” (see pages 6 to 7)?
4. Do you agree with “Our Strategic Actions” (see pages 8 to 9)?
5. What topics do you believe should be at the forefront of our standard-setting agenda to achieve our mission and succeed in our strategic initiatives over the next five years?
6. Are there any other considerations that we should address related to our strategy?
7. In addition to the stakeholders we have identified (PRB; state boards of accountancy; National Association of State Boards of Accountancy (NASBA); AICPA board, leadership, and staff; peer reviewers; administering entities; the National Peer Review Committee; federal regulators; firms subject to peer review; International Federation of Accountants; and users of financial statements), who else should we consider engaging as we refine our strategy and why?

In answering the questions, please explain why you agree or disagree with our proposals.

We request that respondents submit their comments electronically by completing the related survey. However, respondents may also email comments to PR_expdraft@aicpa.org. Comments are requested by August 31, 2026. All written replies will become part of the public record of the AICPA.

Our mission and keys to our success

Our mission

The objective of the AICPA Peer Review Program is to promote and enhance quality in the accounting and auditing services provided by the firms and individuals subject to the AICPA Standards for Performing and Reporting on Peer Reviews, in service of the public interest. The objective of the program is achieved by performing peer reviews tailored to practice type and size; remediating and removing firms as appropriate; gathering and analyzing data; proactively identifying emerging quality issues; and sharing relevant insights and information with affected parties.

All our activities are in service to the public interest principle that is found in the AICPA Code of Professional Conduct (the code) — namely, that our activities are performed in a manner that will serve the public interest, honor the public trust, and demonstrate a commitment to professionalism. The code further explains that *public interest* is defined as "the collective well-being of the community of people and institutions that the profession serves."

Keys to our success

Keys to successfully fulfilling our mission include the following:

- Delivering a high-quality practice monitoring program, tailored to practice type and size, by providing clear, consistent, and timely guidance, effective oversight, and administration that support application of peer review standards and requirements by peer reviewers, technical reviewers, report acceptance bodies, and administering entities (AEs)
- Promoting effective detection of nonconformity with professional standards, root cause analysis, and remediation by providing practical tools, guidance, and data-driven insights to support firms and their peer reviewers
- Anticipating and responding to emerging assurance trends, updating program guidance and materials in a timely manner, and clearly communicating impacts to promote consistent application
- Building and sustaining a future-ready reviewer pool through effective recruiting, onboarding, mentorship, training, and support, promoting consistency and ensuring the long-term viability of the reviewer workforce
- Continuously re-evaluating our operating model and technology infrastructure, streamlining processes to reduce administrative burden and enhance the experience of firms, reviewers, AEs, and staff
- Engaging in transparent, proactive, and accessible communication with firms, reviewers, AEs, state boards, regulators, and other stakeholders

Our opportunities and challenges: Factors driving our strategy

Understanding our key opportunities and challenges is essential to ensuring the program continues to protect the public interest in a rapidly changing assurance environment. The most significant factors that have shaped our strategy include the following:

Evolving technology landscape	• Businesses and economies are increasingly affected by rapidly changing and evolving technologies. • Rapid developments in technology are also having a profound effect on audit and attestation engagements, including: – the introduction of new concepts (for example, modern technology terms and definitions); – the need to gain an understanding of new and innovative technologies (for example, artificial intelligence) used by entities in their financial reporting and internal control processes; – the increased use of technology-assisted audit procedures (for example, the use of artificial intelligence); and – adjustments in how engagement teams are structured and interact. • Approaches to technology adoption vary significantly by firm, widening the disparity in firm methodologies and risk profiles.
Growing regulatory complexity and uncertainty	• The regulatory landscape related to assurance is rapidly evolving. • The rapid pace of change is leaving practitioners with little lead time to respond. • Political uncertainty and unpredictability are driving complexity. • New types of attestation engagements are emerging in response to changing regulatory requirements and stakeholder needs. • Strong alignment on emerging issues affecting assurance is needed across key stakeholders including the Auditing Standards Board (ASB), Professional Ethics Executive Committee (PEEC), and the PRB.
Other complexities and their implications	• The business environment is becoming increasingly complex. • Financial reporting standards are becoming more complex; for example, more estimates and management judgments are needed. • Alternative practice structures (APS) raise new questions, for example, related to independence and quality management. • Mergers and acquisitions create complexity in peer review enrollment, administration, and reviewer expertise needs.

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Changing information needs of users	• External reporting is evolving, with many users of reports increasingly looking for information beyond financial statements (for example, information about sustainability, cybersecurity, governance, and related controls) and seeking assurance thereon. • New assurance service lines require updated reviewer competencies and timely guidance. • Stakeholders expect the program to anticipate these developments and equip reviewers and firms accordingly.
Reviewer pool sustainability	• The reviewer pool faces significant demographic and capacity pressures. • Nearly half of high volume reviewers are over age 60, with many planning to retire within the next five years. • Barriers to entry deter new reviewers, and oversight pressure and administrative burden threaten retention. • A shrinking pool risks undermining program consistency, timeliness, and credibility. • New standards, such as those related to quality management, add pressure to reviewers as there is an expectation that they can be seen as experts.
Expectations of stakeholders	• Stakeholders across the ecosystem expect a program that is consistent, focuses on quality improvement and remediation, and provides clear, timely guidance on emerging trends. • Auditing and attestation, ethics, and peer review standards are expected to be interoperable and capable of being consistently applied through common definitions and complementary performance requirements. • Peer review results are expected to be monitored to determine whether existing standards are sufficiently clear and commonly understood.
Internal infrastructure and operational resilience	• The program's operational infrastructure faces various challenges, including – the user experience with PRIMA, which is viewed as outdated, fragile, and overly complex; – data integrity issues creating downstream disruption for stakeholders; and – underutilization of AI capabilities to enhance efficiency and reduce compliance burden. • Modernizing the operating model is essential to improving stakeholder satisfaction and maintaining the program's credibility.

Our strategic initiatives

Our strategic initiatives enable us to achieve our mission. They are the foundation for how we serve the public interest by administering a credible and consistent program. Our strategic initiatives drive our planned strategic actions in responding to both the current environment and anticipated future challenges.

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Initiative A: Modernize and strengthen the peer review operating model.

Strengthening the peer review operating model is essential to delivering a consistent, high-quality practice monitoring program. This includes modernizing PRIMA or its successor; leveraging AI and automation to reduce administrative burden; and addressing internal capacity constraints and succession risks. A modernized operating model will improve the experience of firms, reviewers, AEs, and staff while enhancing program efficiency.

Initiative B: Build a sustainable, future-ready reviewer pool.

The long-term viability of the program depends on a strong, well-supported reviewer pool. This initiative focuses on improving reviewer consistency, strengthening onboarding and mentorship, reducing barriers to entry, and enhancing training on emerging risks. It also includes efforts to improve reviewer retention and attract the next generation of reviewers to ensure the program remains resilient.

Initiative C: Anticipate and lead on emerging assurance trends.

The assurance landscape is evolving rapidly, driven by advances in technology, new service lines, and regulatory developments. This initiative focuses on establishing a structured horizon-scanning process; updating guidance and materials in a timely manner; and equipping reviewers and firms to address emerging areas such as AI-enabled auditing, system and organization controls (SOC) reporting, quality management, and other emerging areas of assurance. By anticipating change, the program can keep enrolled firms informed while effectively detecting and remediating quality challenges as they arise.

Initiative D: Enhance stakeholder engagement and advocacy.

Strong relationships and transparent communication with stakeholders are essential to maintaining trust in the program. This initiative focuses on strengthening engagement with firms, reviewers, AEs, state boards, NASBA, regulators, and other partners, improving the clarity and accessibility of program communications and elevating the program's value proposition to our stakeholders. More robust engagement, with a focus on value proposition, will improve the program's reputation, strengthen alignment across the ecosystem, and enhance the efficacy of the program's advocacy efforts.

Initiative E: Reimagine practice monitoring.

The future of practice monitoring requires a bold, forward-looking vision that reflects modern assurance realities, emerging technologies, and the growing disparity in assurance approaches across firms. This initiative focuses on developing a long-term vision for practice monitoring that leverages the lessons learned from Practice Monitoring of the Future (PMoF); integrates automation and AI to enhance effectiveness while limiting compliance burden; and supports more timely, risk-based, and data-informed approaches.

Our strategic actions

Initiative A: Modernize and strengthen the peer review operating model.

Strategic actions — We will do the following:

- Modernize PRIMA or its successor by leveraging AI, automation, and streamlined workflows to materially reduce administrative burden and enhance the user experience for firms, reviewers, AEs, and staff.
- Strengthen operational resilience by addressing single-point-of-failure risks, improving documentation, and building redundancy across critical processes, systems, and roles.
- Reduce program complexity by clarifying requirements, eliminating unnecessary administrative steps, and anchoring all processes on the program's mission and public-interest purpose.
- Improve internal coordination and culture by reducing siloing, increasing cross-training, and fostering a unified "one team" operating model across technical, oversight, operations, and technology functions.
- Enhance staff capacity and sustainability by addressing workload imbalances, clarifying roles, and creating growth opportunities that support retention and succession planning.
- Improve technology governance by partnering with internal IT teams to ensure system changes are communicated, tested, and aligned with peer review business rules.

Initiative B: Build a sustainable, future-ready reviewer pool.

Strategic actions — We will do the following:

- Strengthen reviewer consistency by improving guidance, training, and calibration on "no" answer detection, systemic evaluation, and remedial action proposals.
- Enhance reviewer onboarding through a redesigned, scalable, and supportive experience that reduces barriers to entry and increases early-career reviewer confidence.
- Develop a national mentorship and apprenticeship model to support new reviewers, transfer institutional knowledge, and build a long-term workforce.
- Improve reviewer retention by reducing administrative burden, clarifying expectations, and addressing sources of reviewer burnout, including oversight pressure and PRIMA frustrations.
- Monitor and improve recidivism rates by using data to identify patterns, strengthen reviewer performance, and support continuous improvement.
- Attract the next generation of reviewers by reducing the average age of the reviewer pool, increasing diversity of experience, and promoting the professional benefits of reviewer service.
- Maintain reviewer capacity relative to firm demand by preserving or improving the ratio of captains to firms.

Initiative C: Anticipate and lead on emerging assurance trends.

Strategic actions — We will do the following:

- Establish a formal horizon-scanning process to identify emerging risks, technologies, and assurance domains that may affect audit quality and peer review expectations.
- Update checklists, guidance, and materials more rapidly to ensure reviewers and firms receive timely, practical support on new and evolving issues.
- Enhance reviewer training on emerging areas such as AI-enabled auditing; environmental, social, and governance (ESG) and sustainability reporting; SOC and cybersecurity; and evolving quality management expectations.
- Provide firms with timely resources to help them avoid the devolution of audit quality in new or complex service areas.
- Strengthen coordination with the ASB, PEEC, and other standard setters to ensure alignment on emerging issues, including APS, independence, AI, and technology-enabled auditing.
- Improve perceptions of the program's agility by demonstrating proactive identification of trends and timely updates to program materials.

Initiative D: Enhance stakeholder engagement and advocacy.

Strategic actions — We will do the following:

- Strengthen communication with firms, reviewers, AEs, state boards, NASBA, and regulators through more frequent, transparent, and accessible updates on emerging issues, program changes, and expectations.
- Improve the clarity and tone of program communications by simplifying language, reducing legalistic phrasing, and ensuring messages reinforce the program's quality-improvement purpose.
- Enhance the program's reputation by repositioning it as a partner in quality improvement rather than a punitive compliance mechanism.
- Strengthen relationships with state boards and NASBA by improving transparency, clarifying governance processes, and aligning on expectations for quality management and APS.
- Elevate the program's advocacy efforts with standard setters and regulators whose requirements fall within the program's purview.
- Improve stakeholder satisfaction through more consistent guidance, clearer expectations, and improved responsiveness.

Initiative E: Reimagine practice monitoring.

Strategic actions — We will do the following:

- Develop a long-term vision for practice monitoring that builds on the PMoF framework and reflects modern audit realities, emerging technologies, and evolving firm structures.
- Explore integration of automation and AI into future practice monitoring models to reduce compliance burden, improve efficiency, and enhance the program's ability to detect systemic quality issues.
- Identify dependencies, risks, and mitigation strategies necessary to support a redesigned practice monitoring model.
- Develop a phased rollout road map that includes stakeholder engagement, pilot testing, and evaluation of operational impacts.
- Socialize the vision with stakeholders to build understanding, gather input, and ensure alignment across the ecosystem.
- Make a go/no-go decision on implementing a redesigned practice monitoring model based on feasibility, stakeholder support, and alignment with the public interest.

Peer Review Board

(2025–2026)

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Beth Thoresen
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AICPA

From: cgray@nasba.org via SurveyMonkey
To: Jennifer Winters
Subject: [External]: Expanding Peer Review to International Firms Quick Poll
Date: Wednesday, May 13, 2026 2:01:58 PM

Dear Executive Director,

The AICPA Peer Review Program is currently evaluating whether the peer review process should extend to firms that do not have a physical presence in the United States. While the program has historically been designed for firms located in the U.S., this initiative seeks to better understand how it may apply in an increasingly global environment.

As part of this effort, the AICPA is working to assess the potential scope of firms that could be subject to peer review requirements. This will help inform future decisions and ensure the program continues to operate effectively and consistently as the profession evolves.

Responses to this brief, 3-question poll are requested by close of business on Wednesday, May 20, 2026. Click the below link to begin the poll.

Thanks in advance for your participation and timely response.

Begin Quick Poll

Q1
Please provide the following:

- Name:Jennifer Winters
- State/Board:NY

Q2
Does your state require a physical U.S. presence for a firm to obtain a permit/perform A&A engagements?

- Yes
- Other (please specify):
- All firms conducting attestation or compilation services in NY must have an actual firm registered. Our laws do not allow the registration of foreign (overseas) entities.

Q3
Does your state recognize non-U.S. peer review programs as meeting licensing requirements?

- No