

**AICPA Peer Review Board
Open Session Highlights
January 31, 2017**

PRB Members:

Tom Parry, Chair
Jeannine Birmingham
Dawn Brenner
Brian Bluhm
Bill Calder
James Clausell
Bert Denny
Liz Gantnier
Jeff Gendreau
John Guido
Karen Kerber
Barbara Lewis
Andrew Pope
Debra Seefeld
Marty Shannon
Todd Shapiro
Karen Welch
Tom Whittle

AICPA Staff:

Karen Aylor*
Jim Brackens
Sue Coffey
Rachelle Drummond
Kim Ellis*
Gary Freundlich
Donna Freundlich
Laurel Gron
Jennifer Gum
Tim Kindem
Toni Lee-Andrews*
Sue Lieberum
Fran McClintock
LaVonne Montague*
Tracy Peterson*
Beth Thoresen
Andrew Volz*
Nicole Welman*

Absent:

Keith Rowden

Guest Participants:

See [Exhibit 1](#)

Agenda Item 1.1: Welcome Attendees and Roll Call of Board– Mr. Kindem/Mr. Parry

Mr. Kindem conducted the roll call of the Board and guest participants. Mr. Parry called the open session to order and welcomed the Board members.

Agenda Item 1.2: Report on the Planning Task Force – Mr. Parry

Discussion Summary:

Mr. Parry noted the PTF has met three times in the last two months to discuss a variety of topics. The most notable topics include the following and will likely be included as Open Session agenda items in the future:

- Prioritization of peer review initiatives
- Applications for open PRB positions
- Cybersecurity
- Peer Review Information Form

Resolutions:

None

Open Items:

None

Agenda Item 1.3: Discussion of Changes to the Reviewer Qualification Framework – Mr. Pope

Discussion Summary:

Mr. Pope discussed the Standards Task Force (STF) was unable to come to a consensus on whether reviewers with audit experience should automatically be granted approval to review engagements performed under SSAEs or SSARS. Therefore, Interpretation 31b-6 was revised to allow a reviewer to provide an AE proof of experience for an exception to the reviewer qualifications. Staff will ensure any changes to PRIMA programming will be made to allow AEs to have the ability to override scheduling errors, if appropriate.

Resolutions:

1. The proposed guidance changes outlined in Agenda Item 1.3 were approved.

Open Items:

None

Agenda Item 1.4: Evolution Updates – Mr. Shapiro/Ms. Thoresen

Discussion Summary:

None. The evolution updates were provided as part of Agenda Items 1.7 and 1.8.

Resolutions:

None

Open Items:

None

Agenda Item 1.5: Task Force Updates

See Peer Review Board Open Meeting Agenda Item 1.5 for details of what was covered during this discussion.

In addition, Ms. Seefeld noted that effective immediately, administering entities are not required to perform two engagement oversights of “must-select” engagements. Oversight Handbook revisions will be provided at a later date. This change does not impact the other minimum oversight requirements detailed in the Oversight Handbook.

Agenda Item 1.6: Completeness Projects Update – Ms. Montague

Discussion Summary:

Ms. Montague noted the goal of the completeness project is to 1) make sure that all that firms that are required to be enrolled in peer review are enrolled and 2) make sure that that all engagements that should be included in the scope of peer review have been included. Staff has been working toward obtaining EINs for all firms and it will be a requirement for scheduling peer reviews going forward.

The FAC completeness project noted that 139 reviews were not in compliance with the Standards. 32 reviews were recalled and 90 firms were referred to ethics for failing to be enrolled. Due to the volume of reviews where staff was unable to determine if the firm was in compliance, the PRB recently approved guidance to specifically mention single audits in the peer review report.

Another DOL project has commenced on the 2014/2015 EBP filings.

Resolutions:

None

Open Items:

None

Agenda Item 1.7: Operations Director's Report – Ms. Thoresen

Discussion Summary:

Ms. Thoresen discussed the following:

- Numerous communications and training efforts have been made since the prior PRB meeting, including reviewer alerts, a customer satisfaction survey, and a RAB member webcast.
- The 2017 Peer Review Conference will be held in Nashville TN August 14 - 16.
- The PRIMA launch is getting closer and staff continues to devote a significant amount of time towards it. Expected to go live in the spring of 2017 and training sessions will be available prior to launch for all parties to become familiar with the system.
- The original evolution discussion paper feedback indicated that changes are needed to the administration of peer review but there were different opinions on the most effective way to meet the objectives of improving consistency, efficiency and effectiveness. Based on the feedback received, the proposed model was revised to focus on performance benchmarks with fewer staffing requirements. Feedback on the revised paper is requested through June 30th.

Resolutions:

None

Open Items:

None

Agenda Item 1.8: Report from State CPA Society CEOs – Mr. Shapiro

Discussion Summary:

Mr. Shapiro noted that the evolution of peer review has been the primary discussion. The CEOs still have some questions on the revised criteria, most specifically the requirement to have a CPA on staff.

Resolutions:

None

Open Items:

None

Agenda Item 1.9: Update on National Peer Review Committee – Mr. Fawley

Discussion Summary:

Mr. Fawley noted the NPRC has had two meetings since the previous NPRC update. In October 2016, the NPRC accepted one large firm review and approved the 2015 Annual Oversight Report and Ad Hoc Inspection Report and response. At the December 2016 meeting, the NPRC accepted five large firm reviews and one QCM review, Helen Munter from the PCAOB provided an update on PCAOB activities, and the 2017 POA and NPRC PPM were approved.

Resolutions:

None

Open Items:

None

Agenda Item 1.10: For Informational Purposes

- A. Report on Firms Whose Enrollment was Dropped or Terminated*
- B. Approved 2017 Association Information Forms for Associations of CPA Firms*
- C. Updates to the AICPA Peer Review Program Question & Answers*

See Peer Review Board Open Meeting Agenda Item 1.10 for the items noted above, no discussion occurred at the meeting.

Agenda Item 1.11: Future Open Session Meetings

- A. May 12, 2017 Open session – Durham, NC
- B. August 17, 2017 Open session – Nashville, TN
- C. September 29, 2017 Open session – Conference call

The meeting adjourned at 12:12pm EST.

**Exhibit 1:
AICPA Peer Review Board Meeting – Open Session
Guest Participants**

1. Glen Tesch	NYS Education Department	Glen.Tesch@nysed.gov	N
2. Reshoo Patel	TSCPA	rpatel@tscpa.net	N
3. Stephen Hicks	KPMG	stephenhicks@kpmg.com	N
4. Heather Trower	PICPA	htrower@picpa.org	N
5. Anna Durst	Nevada Society of CPAs	adurst@nevadacpa.org	N
6. Katie Cheek	TSCPA	kcheek@tscpa.com	N
7. Gloria Snyder	LCPA	gsnyder@lcpa.org	N
8. Julie Salvaggio	Kentucky Society of CPAs	jsalvaggio@kycpa.org	N
9. Susan Vachereau	COCPA	susan@cocpa.org	N
10. Heather Lindquist	Illinois CPA Society	lindquisth@icpas.org	N
11. Dipesh Patel	TSCPA	dpatel@tscpa.net	N
12. Mark Mersmann	MSCPA/GSCPA	memersmann@kieferbonfanti.com	N
13. Gloria Roberts	Gloria P. Roberts CPA	gloria@gloriarobertscpa.com	N
14. Robert Giblichman	Warady & Davis LLP	rgiblichman@waradydavis.com	N
15. Marsha Moffitt	Arkansas Society of CPAs	mmoffitt@arcpa.org	N
16. Ernie Markezin	NYSSCPA	ejmarkezin@nysscpa.org	N
17. Wendy Garvin	Tennessee State Board of Accountancy	wendy.garvin@tn.gov	N
18. Kary Arnold	NV Society of CPAs	karnold@nevadacpa.org	N
19. Patty Hurley	Oklahoma Society of CPAs	phurley@oscpa.com	N
20. Daniel Weaver	Texas State Board of Public Accountancy	dweaver@tsbpa.texas.gov	N
21. Glenn Roe	NJCPA	groe@njcpa.org	N
22. Gerry Stifter	Gerard E Stifter LLC	gestifter@tds.net	N
23. Rebecca Gebhardt	NASBA	rgebhardt@nasba.org	N
24. Stacey Lockwood	LCPA	slockwood@lcpa.org	N
25. Paul Brown	Florida Institute of CPAs	brownp@ficpa.org	N

26. Mary Kline-Cueter	Kline Group, PC	mkline-cueter@cpa.com	N
27. Michael Jack	Indiana CPA Society	dmichael.jack@gmail.com	N
28. Phyllis Barker	Oregon Society of CPAs	pbarker@orcpa.org	N
29. Liren Wei	Wei, Wei & Co., LLP	liren@weiweico.com	N
30. Brian Powers	Honkamp Krueger	brian.powers@honkamp.com	N
31. Jerry Cross	TSCPA	jcross@tscpa.net	N
32. Leona Johnson	NASBA	ljohnson@nasba.org	N
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34. Rita Barnard	KSCPA	rita@kscpa.org	N
35. Mary Beth Halpern	MACPA	marybeth@macpa.org	N
36. Pamela Lemire	New England Peer Review	pamela@nepr.org	N
37. Paul Pierson	Illinois CPA Society	piersonp@icpas.org	N
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40. Bill Bailey	U.S. Dept of Labor	Bailey.William@dol.gov	N
41. Nelson Lau	State of Hawaii Board of Accountancy	nlau@kpmg.com	N
42. Theresa Campbell	NYSSCPA	tcampbell@nysscpa.org	N
43. Tracy Poe	Idaho Society of CPAs	tracypoe@idcpa.org	N
44. Rick Reeder	Reeder & Associates, PA	rick@reeder-cpa.com	N
45. Gregg Taketa	HI State Board of Accountancy	gregg@tihcpa.com	N
46. Faye Hayhurst	Minnesota Society of CPAs	fhayhurst@mncpa.org	N
47. Jack Dailey	NASBA Compliance Assurance Committee	jdailey@bowmanllp.com	N
48. Chris Rouse	Windham Brannon, PC	crouse@windhambrannon.com	N
49. Jodi Rinne	HSMC Orizon LLC	jrinne@hsmcorizon.com	N
50. Lori Warden	Rudler PSC	lwarden@rudler.com	N
51. Ted Lodden	NASBA	TAL@brookslodden.com	N
52. Mike Wagner	PricewaterhouseCoopers LLP	michael.j.wagner@us.pwc.com	Y
53. Richard Hill	Mitchell Emert & Hill, P. C.	richardhill@mehcpa.com	Y
54. Mike Fawley	BDO USA LLP	mfawley@bdo.com	N