
**AICPA Peer Review Board
Open Session Agenda
Thursday, April 2nd, 2020
Teleconference**

Peer Review Board (PRB) Members:

Andrew Pope, Chair
Joe Beck
Brian Bluhm
Dawn Brenner
Mike Colgan
Mike DeFalco
Steve Fetterman
Liz Gantnier
Jeff Gendreau
Jeff Graham
John Guido
Barbara Lewis
Kristen Mascis
Ethan Miller
Mike Pescatore
Cathy Schweigel
Bonnie Stewart
Mike Wagner
Richard Wortmann

AICPA Staff:

Karen Aylor
Ivory Bare
Jim Brackens
Brad Coffey
Rachelle Drummond
Kim Ellis
Donna Freundlich
Gary Freundlich
Laurel Gron
Justin Long
Jennifer Gum
Gloria Harewood
Tim Kindem
Fran McClintock
LaVonne Montague
Daphne Owings
Tracy Peterson
Beth Thoresen
Lori Warden

Observers:

See attachment A

1.1 Welcome Attendees and Roll Call of Board – Mr. Kindem/Mr. Pope

Discussion Summary: Mr. Kindem began the meeting by taking roll and Mr. Pope thanked everyone for attending and shared that we all hope everyone is safe and healthy during these uncertain times.

1.2 VP Remarks – Mr. Brackens

Discussion Summary: Mr. Brackens thanked PRB members, observers, and Staff for being able to participate in this important meeting on such short notice. The peer review team is first and foremost concerned with the health and well-being of team members and our peer review stakeholders. In addition to being sympathetic to the health needs of our members, we are committed to helping our members meet their business needs. Special consideration from Staff and the PRB of COVID related implications on peer review is likely to continue throughout 2020, if not beyond. We encourage everyone to visit the [AICPA Coronavirus](#) website, which includes a sub-topic for peer review. There was also a [reviewer alert](#) distributed to peer review stakeholders and made available on our website. Mr. Brackens reiterated that there will be many more steps in this process and that Staff are appreciative of the PRB's efforts and flexibility in developing these future steps.

Mr. Brackens also noted that many standard setters, including ASB, FASB, GASB, and PEEC are reconsidering the effective dates for new standards and certain other deadlines.

Resolutions: None.

Open Items: None.

1.3 Approval of Temporary Process Changes for Extension Requests – Mr. Kindem

Discussion Summary: Mr. Kindem went over the information contained within agenda item 1.3 and asked PRB members to approve the following recommendations for temporary guidance during these uncertain times:

- Allowing administering entities (AEs) greater flexibility as to who can approve extension requests related to COVID-19 for corrective actions and implementation plans, including those for greater than 90 days.
- Not disqualifying peer reviewers from performing peer reviews if their own firm's most recent peer review has not been accepted within the past 42 months, if a COVID-19-related extension is necessary.
- Allowing AEs flexibility to approve any peer review related extension requests related to COVID-19, even if the request is over 90 days or if the request is made after the review's due date.
- Providing additional communications to the peer review community that:
 - Encourage firms to request peer review extensions related to COVID-19 and to encourage AEs to grant those requests
 - Encourage peer reviewers to perform offsite system reviews, when possible, and request extensions when it is not possible
 - The messaging in any communication will:
 - Explain why blanket extensions can't be provided at this time
 - Explain why reviewers cannot request extensions on behalf of peer reviewed firms
 - Link to detailed instructions on how to submit extension requests
 - Work to eliminate any stigma that exists related to requesting an extension
 - State that if there are additional items that Staff and the Peer Review Board (PRB) should consider, stakeholders should contact the peer review team
- Timing for these temporary measures will be indefinite and will be revisited by the PRB at future Board meetings to determine if the measures should continue and when an end date should occur.

The PRB members did not have questions or concerns regarding this proposal. Mr. Pope opened the floor to questions or concerns from observers. The following items were asked by observers and responded to by PRB members and Staff:

1. Is there guidance on the level of specificity of documentation needed to substantiate an extension request related to COVID-19?

The intent is to be lenient and give firms the relief they need during these uncertain times. From a peer review perspective, documentation related to extension requests is not expected to be extensive. AE's will also need to consider what may be helpful to their members and State Board.

Additionally, the 2018 Yellow Book indicates that the Government

Accountability Office (GAO) will accept approved extensions that are under 90 days and will need to concur on the approval of extensions greater than 90 days; however, the GAO is also being lenient during these times and has indicated that they will not require a concurring approval for COVID-19 related peer review extensions that are greater than 90 days.

2. What are plans for peer review related trainings and the annual Peer Review Conference?

The annual Peer Review Conference is currently being evaluated, there are no plans at this time to cancel the conference, but it is possible that it will be held virtually. Stakeholders are encouraged to reach out to Staff with any feedback on their preferences for the 2020 conference.

Other trainings are currently being evaluated and Staff are planning to host a webcast offering guidance for offsite system reviews.

3. If a firm, for example, has a June 30, 2020 due date and has requested a six-month extension, is it ok to approve extensions that extend that far into the future?

This will be at the discretion of the AE and every fact pattern will need to be individually assessed, but the intent is to be lenient. AE's will also need to consider what may be helpful to their members and State Board.

4. Current guidance indicates that the firm is required to consult with their reviewer when requesting an extension, is that still necessary?

From a logistical standpoint, the firm should confirm that the reviewer will be available to perform the review on the update timeline.

5. Are there any updates regarding on-site AE oversights?

The Oversight Task Force will be discussing AE oversights at their May meeting, further information will be provided after that meeting.

6. Have you considered the impact to engagement listings due to delays in the performance of A&A engagements subject to peer review, particularly for must-select engagements?

Each situation will need to be individually evaluated. If a representative sample of engagements is not completed, the firm may need to request an extension or consider a peer review year-end change. When requesting year end changes, firms need to consider any impact to their licensure and regulatory oversight.

7. The recent [Reviewer Alert](#) that was issued indicates that offsite reviews can be conducted without prior approval and the reviewer needs to document their rationale. If a reviewer elects to perform an off-site review, does the AE have any ability to question or push back on a reviewer's decision?

The intent is to be lenient during the COVID-19 pandemic. The general concept of off-site system reviews is currently being evaluated outside of the COVID-19 pandemic. Additionally, Peer Review Staff are planning to host a webcast

offering guidance for offsite system reviews.

There is also a webcast, [Risky Business - Conducting Remote Audits in Uncertain Times](#), that is available for free to everyone (members and non-members) and includes CPE. A no-CPE archive will also be made available soon.

8. Will approved extension letters be visible in FSBA?

If firms have granted permission for extension letters to be posted in FSBA, then those letters will be visible.

Resolutions: Mr. Bluhm made a motion to accept the recommendations by Staff, and Ms. Schweigel seconded the motion. The PRB unanimously approved the recommendations.

Open Items: None.

1.4 Discussion of Temporary Changes to Firm and Reviewer Fair Procedures – Ms. Montague

Discussion Summary: Ms. Montague went over the information contained in agenda item 1.4. Specifically:

- Firm drop and termination procedures have been stopped or delayed for at least 30 days, including those currently in process.
- Two reviewer hearings currently scheduled for April are expected to proceed. However, no additional firm or reviewer hearing panels will be scheduled for the time being.
- Initial peer review requests for information, responses, and actions will continue to provide firms opportunity to comply if they can
 - Cover notification email will be modified to contain information on how to request extensions and other Association and Program COVID-19 resources.
- Intervals between warning letters for firm noncooperation will be extended by an additional 30 days.

The automated PRIMA warning letters that will be sent will contain existing references to the potentiality of a firm's enrollment being dropped or sent to termination hearing. Though the timing of the letters is easy to change in PRIMA, revising the actual wording of the multiple letters would not be efficient or as effective.
- For at least 30 days, no firms will be dropped or terminated as the final letters in the process, which need to be mailed with proof of delivery, will not be sent.
- The initial letter for overdue working papers and revisions will continue to be sent to reviewers (with a copy also sent to firms) but the cover notification email will be modified to contain information on how to request extensions and other Association and Program COVID-19 resources..
 - Administering entities will also be encouraged to consider the situations and delay required outreach and reviewer suspensions as it relates to overdue working papers or revisions.
- On April 8, 2020 there will be a call for Administrators to discuss specific administrative questions related to these changes.

The PRB members did not have questions or concerns regarding this agenda item. Mr. Pope opened the floor to questions or concerns from observers. The following items were asked by observers and responded to by PRB members and Staff:

1. When a firm receives a non-pass peer review report, a letter informing them of their responsibilities to improve quality and the consequences of receiving another non-pass report (“REPEAT letter”) in their next review is required to be sent to the firm with proof of receipt (Interpretation 5h-1). Typically, these letters are sent via certified mail. During this time, should they be emailed with a read receipt and a paper copy mailed later or should they be held until a time when it can be sent via certified mail?

PRB recommended that the REPEAT letters be held for the time being, acknowledging they will eventually need to be sent to be in accordance with fair procedures. The REPEAT letter and its delivery method will be discussed by PRB at a future meeting in 2020.

2. Should acceptance letters that include corrective actions or implementation plans still be sent during this time?

Yes, all acceptance letters and implementation plan letters should be sent under normal timeframes. Corrective actions and implementation plans have due dates associated with them and the acceptance letter is sent via PRIMA which tracks when the letter is accessed by the firm.

Resolutions: The PRB agreed it was appropriate for staff to make the decisions it did, and to make revisions as the needs of members during the pandemic continues. Staff will make the PRB aware of any changes to fair procedures related to the COVID pandemic.

Open Items: None.

1.5 Discussion of Modifications Related to Enhanced Oversight – Mr. Bluhm

Discussion Summary: Mr. Bluhm provided the PRB an overview of recent discussions held by the OTF regarding Enhanced Oversight. Specifically:

- For the 2019 sample:
 - 26 oversights that were selected aren’t complete. The status and proposal for each are as follows:
 - For 11 selections, the working papers haven’t been requested. The OTF proposes that the process should be stopped.
 - For 2 selections, the working papers have been requested but have not been provided. The OTF proposes that the process should be stopped, and the AE should resume the normal acceptance process.
 - For 3 selections, the working papers have been received by Staff but have not been provided to the subject matter expert. The OTF proposes that the process should be stopped and, based on the firm’s preference, the working papers should be returned to the firm or destroyed. Also, the AE should resume the normal acceptance process.
 - For 7 selections, the working papers have been provided to the subject matter expert. The OTF proposes that the process should be stopped and that no report should be issued. The subject matter expert will still

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- be asked to share any preliminary findings with the peer reviewer and firm (as an educational tool). The AE should resume the normal acceptance process.
 - For 3 selections, the oversight has been completed and findings have been provided to the peer reviewer. The OTF proposes that the peer reviewer should be given the option to respond to any findings noted and Staff will work with the reviewers to determine if they intend to respond. Since these reviews have been accepted and a report has been issued, these selections will be completed.
 - While the sample will not be statistically valid, the task force/board will still be able to analyze data from those that have already been completed.
 - For the 2020 sample:
 - The task force decided to put an indefinite delay on the process as there are too many unknowns currently.
 - Any communications related to the sample will be careful to not imply that the process has been permanently stopped.
 - Additional conversations will occur at future OTF meetings, including upcoming April and May meetings.

The PRB members did not have questions or concerns regarding this agenda item. Mr. Pope opened the floor to questions or concerns from observers. The following items were asked by observers and responded to by PRB members and Staff:

1. Will there be any impacts to oversights performed by AE's or other oversight activities, for example, reviewer resume verifications?

The OTF, including the Focus Groups, will discuss anticipated impacts throughout the year and are open to receiving questions for consideration.

Resolutions: Board members did not have any questions or concerns related to the proposed actions of the OTF.

Open Items: None.

1.6 Discussion of Education and Communications Related Matters – Mr. Brackens

Discussion Summary: Mr. Brackens stated that Staff are planning to develop a to provide reviewers guidance on how to perform offsite system reviews. The annual Peer Review Conference is being evaluated to determine the best way meet the needs our stakeholders. Staff are also considering other reviewer trainings, particularly given that certain training opportunities, like the Employee Benefit Plan conference, are being postponed or canceled.

Stakeholders are encouraged to reach out to Staff with questions and concerns that arise during these uncertain times.

Resolutions: None.

Open Items: None.

1.7 Other Business

Discussion Summary: Mr. Pope then opened the floor for any other additional comments or questions. There were no additional comments or questions.

1.8 Future Open Session Meetings

Discussion Summary: Mr. Pope noted the dates for future open sessions are as follows:

- A. May 13, 2020 – Teleconference (date and time may change to better accommodate those on the West Coast)
- B. September 2, 2020 – Teleconference
- C. November 11, 2020 – Durham, NC (or teleconference)

The meeting was adjourned at approximately 3:20pm ET.

AICPA Peer Review Board Meeting

Participants for Peer Review Board Open Session

April 2, 2020

	Name	Company
1.	Heather Lindquist	Illinois CPA Society
2.	Boyd Busby	Alabama State Board of Public Accountancy
3.	Jill Turner	Society Colorado of CPAs
4.	Dipesh Patel	Texas Society of CPAs
5.	Maria T Laboy	Puerto Rico Society of CPAs
6.	Stacey Lockwood	Society of Louisiana CPAs
7.	Michele Courtney	Illinois CPA Society
8.	Marilee P. Lau	Society Colorado of CPAs
9.	Kathleen Hoover	Corbets & Associates
10.	Gloria P Roberts	Gloria Perel Roberts, CPA
11.	Richard Hill	Mitchell Emert & Hill
12.	Sharon Romere-Nix	Thomson Reuters
13.	Jennifer Winters	NYS Education Department
14.	Faye L. Hayhurst	Minnesota Society of CPAs
15.	Dawn M. Carlson	MCK CPAs & Advisors
16.	Kent A. Absec	Idaho State Board of Accountancy
17.	Allison M. Henry	Pennsylvania Institute of CPAs
18.	Kevin D. Humphries	PBMares, LLP
19.	Kara Fitzgerald	Tennessee Society of CPAs
20.	Viki A. Windfeldt	Nevada State Board of Accountancy
21.	Anna Durst	Nevada Society of CPAs
22.	Heather Trower	Pennsylvania Institute of CPAs
23.	Chris Rouse	GSCPA
24.	Bimpe McMillon	Texas Society of CPAs
25.	Rafael Wiesenber	ICPAS
26.	Kary Arnold	Nevada Society of CPAs
27.	Phyllis B. Barker	Oregon Society of CPAs
28.	Kari Bedell	Greater Washington Society of CPAs
29.	Eileen Lee	Community CPA
30.	Patty Hurley	Oklahoma Society of CPAs
31.	Mary Kline-Cueter	Kline Group PC
32.	Anthony Pugliese	California Society of CPAs
33.	Jason Fox	California Society of CPAs
34.	Vinit Shrawagi	California Society of CPAs
35.	Todd M. Shapiro	Illinois CPA Society
36.	Katie Cheek	Tennessee Society of CPAs

	Name	Company
37.	Adelina Burke	Pennsylvania Institute of CPAs
38.	Allison Henry	Pennsylvania Institute of CPAs
39.	Tara Loghing	Pennsylvania Institute of CPAs
40.	Marc Feinstein	Pennsylvania Institute of CPAs
41.	Jean Rudolph	Pennsylvania Institute of CPAs
42.	Monica Farrell	Pennsylvania Institute of CPAs
43.	Robert N. Brooks	NC State Board of CPA Examiners
44.	Thomas Cordell	NYS Education Department
45.	Rebecca Tres	WellsColeman
46.	Rita Barnard	Kansas Society of CPAs
47.	Deidre Budahl	South Dakota Board of Accountancy
48.	Mary Beth Halpern	MACPA
49.	Paul Ziga	Georgia State Board of Accountancy
50.	Marsha Moffitt	Arkansas Society of CPAs
51.	Julie Salvaggio	Illinois CPA Society
52.	Pamela M. Lemire	New England Peer Review
53.	Beth A. Lyons	Massachusetts Society of CPAs
54.	Jennifer Gorman	Wyoming Board of CPAs
55.	Jay Kaufman	Massachusetts Society of CPAs
56.	Jack B. Goldberg	Massachusetts Society of CPAs
57.	Dan Sweetwood	Nebraska Board of Public Accountancy
58.	Heather Myers	Nebraska Board of Public Accountancy
59.	Mark E. Mersmann	MO/GA/AL
60.	Connie S. Harris	Sheppard-Harris & Associates, PC
61.	Julie Phipps	Washington Society of CPAs
62.	Bert Denny	Regier Carr & Monroe, LLP
63.	Mark P Harris	Society of Louisiana CPAs
64.	Phil Windschitl	VSCPA
65.	Grace Berger	Department of Labor & Industry
66.	Melinda Hart	Illinois CPA Society
67.	Darlene Zibart	Kentucky Society of CPAs
68.	AJ Vélez	Puerto Rico Society of CPAs
69.	Gloria Snyder	LCPA
70.	Glenn Roe	NJCPA
71.	Stephen K. Young	Illinois CPA Society
72.	Robin Abbott	New Hampshire Society of CPAs
73.	Chuck Jordan	Alabama Society of CPAs
74.	Susan Tomes	Kentucky State Board of Accountancy
75.	Janice V. Hodge-Louis	Virgin Islands Board of Accountancy
76.	Rodney M. Harano	CW Associates
77.	Ed Mann	E.L. MANN, PC
78.	Alan Long	Baldwin CPAs

	Name	Company
79.	Ahava Goldman	AICPA
80.	Paul N. Brown	Florida Institute of CPAs
81.	Kathy Creel	Florida Institute of CPAs
82.	Stephanie Peters	Virginia Society of CPAs
83.	Jerry Cross	Texas Society of CPAs
84.	Gregg Taketa	Hawaii Board of Public Accountancy
85.	Wendy S. Garvin	Tennessee State Board of Accountancy
86.	Laura D. Harrison	Georgia Society of CPAs
87.	Jeannine Birmingham	ASCPA
88.	Jaime Sanabria	Puerto Rico Society of CPAs
89.	Cori Hondolero	Alaska Board of Public Accountancy
90.	Karen Guerra	Michigan Association of CPAs
91.	Peggy Jury	Michigan Association of CPAs
92.	Patti Woods	Missouri Society of CPAs
93.	Laura Minnick	Arizona State Board of Accountancy
94.	Robert Vachon	Vachon Clukay & Company PC
95.	Harrison Greene, Jr.	FDIC
96.	Andi Byrd	Arizona State Board of Accountancy
97.	Steve Hicks	KPMG LLP
98.	Vincent Castoro	KPMG LLP
99.	Paul Burns	KPMG LLP
100.	Mary Kelly	North Carolina Association of CPAs
101.	Jessica Mytrohovich	Georgia Society of CPAs
102.	Bonnie Schmidt	Michigan Association of CPAs
103.	Nicole Kasin	South Dakota Board of Accountancy
104.	Terry Ann Cervi	COCPA
105.	Alex K. Buchholz	PKF O'Connor Davies LLP
106.	Clynt Hart	Warren Averett, LLC
107.	Cora Edwards	Maryland Association of CPAs, Inc.
108.	Robert Irwin	Bridges, Horning & Company, P.C.
109.	C Jack Emmons	New Mexico Public Accountancy Board
110.	Stephen Langowski	NASBA CAC
111.	Andrew Overton	FDIC
112.	Dan Weaver	Texas State Board of Public Accountancy
113.	Ernie Markezin	New York State Society of CPAs
114.	Horace Emery	Suttle & Stalnaker, PLLC
115.	Christine Ringo	Ringo & Assoc PC
116.	Laura A. Hay	Ohio Society of CPAs
117.	Lisa Brown	Ohio Society of CPAs
118.	Wade A. Jewell	NASBA
119.	James Clausell	Clausell & Associates, CPAs', P.C.
120.	Art Sparks	Alexander Thompson Arnold PLLC

