

**AICPA Peer Review Board
September 30, 2014 Conference Call Open Session Meeting Highlights**

Meeting Participants

Board Members

Richard W. Reeder, Chair
James T. Ahler
Michael A. Fawley
Anita Ford
Scott Frew
Lawrence Gray
Richard W. Hill
Richard Jones
Michael LeBlanc
Toni Lee-Andrews
G. Alan Long
Michael McNichols
Randy L. Milligan
Thad E. Porch
Jodi L. Rinne
Robert Rohweder
Keith Rowden

AICPA Staff

Fran McClintock, Staff Liaison
Jim Brackens
Sue Coffey
Melissa Dunn
Kim Ellis
Gary Freundlich
Laurel Gron
Tim Kindem
Sue Lieberum
Carl Mayes
LaVonne Montague
Donna Roethel
Susan Rowley
Karl Ruben
Beth Thoresen

Guests Participating In Person and Via Telephone

See Exhibit 1

Absent

Thomas J. Parry
Steven K. Stucky

Purpose of the Meeting

Regularly scheduled meeting to review and discuss proposed guidance and other topics. Mr. Reeder called the meeting to order at 1:00pm ET. The meeting was adjourned at 2:15 ET.

Discussion Points

1.1 Welcome Attendees

Mr. Reeder called the open session to order and welcomed the Peer Review Board (PRB) members and all participants.

1.2 Approval of Guidance on Firm and Individual License

Ms. Ford presented the proposed guidance related to the review of firm and individual licenses during system and engagement reviews. Ms. Ford presented some clarifying changes to the guidance. Mr. Long indicated that language should be added indicating that MFC's should be created to the areas in the guidance that indicate that the issue should rise to an FFC or deficiency. Mr. Long was concerned that reviewers would skip the MFC creation.

Decisions, Next Steps and Action Items:

- Standards revisions and peer review alert were approved with the clerical revisions and the additions discussed.

1.3 Approve Guidance on Coordination of Noncooperation and Recall Guidance

Ms. Ford presented guidance to coordinate the recall guidance with the non-cooperation guidance for peer reviews commenced on or after April 1, 2014. The guidance indicates that if a hearing panel determines that a firm should not be terminated and their peer review documents have been recalled, the firm's replacement due date will be approximately 60 days after the hearing panel decision. Ms. Ford also presented guidance for the voluntary correction program (VCP). The VCP applies to firms that come forward and notify their AE or the AICPA of an omission or misrepresentation about the firm's accounting and auditing practice that may result in a material departure in the firm's most recently accepted peer review. Ms. Ford also requested feedback from the Board on whether the VCP should be expanded to include firms that signed a no A&A letter. Currently, those firms are not able to use the VCP. The Board did not want the VCP extended to no A&A firms.

Decisions, Next Steps and Action Items:

- Standards revisions and peer review alert were approved.

1.4 Approve AICPA PRB Annual Oversight Report

Mr. Hill presented the AICPA PRB Annual Oversight Report for approval. Mr. Hill noted that minor clerical revisions had been made to the report by the oversight task force. Mr. Hill also noted that one addition has been made to the section discussing the DOL project to indicate the reason the DOL provided the listing of firms to the AICPA.

Decisions, Next Steps and Action Items:

- Report approved for issuance subject to the addition of the language to the DOL project section and the clerical revisions.

1.5 Operations Director's Report

Ms. Thoresen presented the results of the customer satisfaction survey. Ms. Thoresen noted that overall satisfaction with the program decreased slightly, with comments pointing to PRISM and online MFCs, peer review checklists and change management around our enhancing audit quality initiatives. Ms. Thoresen also informed the Board that feedback from conference attendees indicates a preference for the optional sessions to be held on Monday instead of Sunday. Ms. Thoresen asked the Board if they had any objections to moving the optional session to Monday for the 2016 conference. The Board did not have any objections to moving the optional sessions. Ms. Thoresen indicated that the 20 minute PRISM system timeout has not been implemented due to issues discovered during testing. The process will be implemented in the future when all system tests are completed successfully. Finally, Ms. Thoresen announced that in response to positive feedback regarding increasing transparency of peer review reporting, staff is considering implementing a voluntary opt-in public file. Ms. Thoresen requested feedback from the Board on this idea, and the Board did not have any concerns or objections to moving forward with investigating the feasibility of a voluntary public file. All of the Board members affirmed their support for exploring this further.

Decisions, Next Steps and Action Items:

- AICPA Staff will move forward with exploring the creation of the opt-in public file

1.6 Report from State Society CEOs

Mr. Ahler presented the update from the State Society CEOs. Mr. Ahler indicated that he would be discussing the following items at the state society CEO fall council meeting: the audit quality discussion paper, peer review board open session, the failure to disclose ERISA audits and Practice Monitoring of the Future.

Decisions, Next Steps and Action Items:

- None

1.7 Update on the DOL Project

Ms. Lieberum provided an update on the DOL Project. The project should be completed by the end of October. Staff is working on a report that should be available in a few months. Due to the fact that the results will arrive over an extended period of time, the report may be issued with initial information and then updated as further results are available. Ms. Lieberum also indicated that the AICPA has requested the workpapers on the replacement reviews that resulted in pass ratings and a sample of replacement reviews that resulted in pass with deficiencies ratings.

Decisions, Next Steps and Action Items:

- None

1.8 Update on National Peer Review Committee

Mr. Gray indicated that the National Peer Review Committee (NPRC) has two meetings coming up. The meetings will occur on October 31 and December 11. The focus during both meetings will be on the presentation of large firm peer reviews for acceptance. The NPRC will also approve the annual oversight report. Finally, the NPRC will be reviewing the administrative review oversight report that will be performed by Jerry Hensley.

Decisions, Next Steps and Action Items:

- None

1.9 For Informational Purposes

Mr. Reeder requested comments on the informational agenda item. The Board did not have any comments

1.10 Future Open Session Meetings

Ms. Thoresen noted the dates of the future open session meetings:

- A. Tuesday, September 30, 2014 Open Session – Conference Call
- B. November 14, 2014 Open session – Conference call
- C. Monday, January 26-27, 2015 Task Force Meetings/Closed/Open – Puerto Rico
- D. Monday, May 4-5, 2015 Task Force Meetings/Closed/Open Sessions – Durham, NC
- E. Wednesday, August 5, 2015 Closed/Open Sessions – New Orleans, LA

**Exhibit 1: Peer Review Board Open Session
Guests Participating In Person and Via Telephone
September 30, 2014**

Name	Organization	Email Address	Call/In
1. Thomas Kirwin	Sullivan Bille PC	tkirwin@sullivanbillepc.com	
2. Rita Barnard	KSCPA	rita@kscpa.org	
3. Paul Pierson	IL CPA Society	piersonp@icpas.org	
4. Heather Reimann	PICPA	hreimann@picpa.org	
5. Dipesh Patel	TX Society of CPAs	dpatel@tscpa.net	
6. Ernest Markezin	NYSSCPA	ejmarkezin@nysscpa.org	
7. Art Winstead	Davenport Marvin Joyce & Co. LLP	awinstead@dmj.com	
8. Judy Chaplin	IA Society of CPAs	jchaplin@iacpa.org	
9. Nichole Favors	IN CPA Society	nfavors@incpas.org	
10. Wendy Garvin	TN Society of CPAs	wgarvin@tscpa.com	
11. Gloria Snyder	LCPA	gsnyder@lcpa.org	
12. Dana Paehlig	State of Michigan	paehligd@michigan.gov	
13. Roger Johnson	TN Society of CPAs	rdjcpa2002@gmail.com	
14. Cheryl Hartfield	Thomson Reuters	cheryl.hartfield@thomsonreuters.com	
15. Phyllis Barker	OR Society of CPAs	pbarker@orcpa.org	
16. Julie Salvaggio	Kentucky Society of CPAs	jsalvaggio@kycpa.org	
17. Julie Phipps	WA Society of CPAs	jhipps@wscpa.org	
18. Sharon Romere-Nix	Thomson Reuters	sharon.romere@thomsonreuters.com	
19. Nelson Lau	HI State Board of Public Accountancy	nlau@kpmg.com	
20. Faye Hayhurst	MN Society of CPAs	fhayhurst@mncpa.org	
21. Linda McCrone	CA Society of CPAs	linda.mccrone@calcpa.org	
22. Glenn Roe	NJ State Society of CPAs	groe@njscpa.org	
23. Paul Brown	FICPA	brownp@ficpa.org	
24. Susan Lamb	CA Society of CPAs	susan.lamb@calcpa.org	
25. Ryan Murnick	IL CPA Society	murnickr@icpas.org	

26. Bill Bailey	US DOL	Bailey.William@dol.gov	
27. Daniel Weaver	TX State Board of Public Accountancy	dweaver@tsbpa.state.tx.us	
28. Kent Absec	Idaho State Board of Accountancy	kent.absec@isba.idaho.gov	
29. Patty Hurley	OK Society of CPAs	phurley@ospca.com	
30. Gerard Stifter	Gerard E Stifter LLC	gestifter@tds.net	
31. Pamela Lemire	NEPR	pamela@nepr.org	
32. Gordon Ciano	KKDLY LLC	gordon@kdlcpa.com	
33. Jeff DeLyser	CA Board of Accountancy Peer Review Oversight Committee	jdelyser@pcclp.com	
34. Jerry Cross	TSCPA	jcross@tscpa.net	
35. Mary Kline-Cueter	MICPA	mary@isisgrp.com	
36. Stacey Lockwood	LCPA	Slockwood@lcpa.org	
37. Darshae Dabney	VA Society of CPAs	ddabney@vscca.com	