

**AICPA Peer Review Board Meeting – Open Session Highlights  
September 18, 2015**

**Meeting Participants**

*PRB Members:*

Anita Ford  
Dawn Brenner  
William Calder  
James Clausell  
Lawrence Gray  
Richard Hill  
Rich Jones  
Karen Kerber  
Mike LeBlanc  
Toni Lee-Andrews  
Alan Long  
Mike McNichols  
Thomas Parry  
Andrew Pope  
Thad Porch  
Bob Rohweder  
Keith Rowden  
Todd Shapiro  
Debra Seefeld

*Absent:*

Mike Fawley  
Tom Whittle

*AICPA Staff:*

Jim Brackens  
Jennifer Capoccia  
Rachelle Drummond  
Kim Ellis  
Gary Freundlich  
Tim Kindem  
Sue Lieberum  
Fran McClintock  
Donna Roethel  
Beth Thoresen  
Andrew Volz  
Nicole Welman  
Chris Ellis  
Karen Aylor  
Susan Rowley

*Guest Participants:*

See Exhibit 1

*Observer*

Bert Denny

**Agenda Item 1.2: Approve Revisions to the SRM and Review Captain Summary related to the Issue Resolution Hotline – Mr. Parry**

*Discussion Summary:*

1. The purpose of this agenda item is to seek approval for changes to the Summary Review Memorandum (for system reviews) and the Review Captain Summary (for engagement reviews) in order to provide peer reviewers with a place to document consultations with the Issue Resolution Hotline.

*Resolutions:*

1. Summary of changes to the SRM: Addition of question G2 to the “Overall Findings and Conclusions” section requesting reviewers to document specific items from consultations with the Issues Resolution Hotline, including:
  - The name of the person consulted,
  - The date of consultation,
  - Explanation of the facts and circumstances of the issues,
  - Basis for concluding whether the selected engagement is non-conforming, and
  - Impact to the peer review as a whole.

2. Summary of changes to the RCS: Addition of the following bullet point within question 8 of the “Performing the Review” section:
  1. Document within the notes section of this Summary (Item VI), consultation with the Issue Resolution Hotline and/or the Administering Entity, if applicable.
3. These changes have been approved by the STF and, if approved by the PRB, would be updated during the October 2015 production cycle
4. PRB approved these changes as presented

*Open Items:*  
None

### **Agenda Item 1.3: Approve AICPA PRB Annual Oversight Report – Mr. Hill**

*Discussion Summary:*

1. OTF reviewed and approved the Oversight Report. This year’s report included the addition of Enhanced Oversight and RAB Observations. Minor changes to the document will be made to the version presented to clean up any clerical errors or formatting issues. The chart in Exhibit 4 will be changed to show the % of the types of peer review reports instead of the numbers.
2. To alleviate potential scheduling and timing conflicts with the increased number of oversights for 2015, the number of Subject Matter Experts (SMEs) was significantly increased. Also, the AICPA will provide the SMEs with a time frame for completion of each oversight during the initial approval of the oversight. If the SME cannot meet the deadline, the AICPA will pass and find an alternative SME who can meet the deadline.
3. To improve the consistency of the oversight reports, the AICPA added a step in the approval process for Karl Ruben to review the report prior to issuance. Also, the SMEs have training available to them that will help keep them focused and restrict their comments to issues that would make an engagement non-conforming.

*Resolutions:*

1. AICPA PRB Annual Oversight Report approved as presented

*Open Items*  
None

### **Agenda Item 1.4: Update on Planning Task Force (PTF) – Ms. Ford**

*Discussion Summary:*

1. On August 26, the PTF met to discuss the priorities of the PRB for the next 2-3 years. There are a number of significant initiatives underway. The PTF determined the initial priorities as:
  - Hearings
  - The enhanced oversight project
  - Replacing the PRISM system
  - Development of the Reporting Exposure Draft
  - Addressing nonconforming engagements through education and communication.

2. The Planning Task Force will meet again in January to discuss the progress of these initiatives and start working on a tactical action plan.

*Resolutions:*

None

*Open Items:*

None

### **Agenda Item 1.5: 1.5 Operations Director's Report – Ms. Thoresen**

*Discussion Summary:*

1. Covered in Agenda Item 1.4 regarding PRISM enhancements

*Resolutions:*

None

*Open Items:*

None

### **Agenda Item 1.6: Report from State CPA Society CEOs – Mr. Jones**

*Discussion Summary:*

1. Jeannine Birmingham, CPA, Alabama Society of CPAs CEO, will be replacing Mr. Jones after the October elections.
2. This month various state society locations are offering 4-5 hour seminars to provide information on recent peer review changes and enhancing audit quality. These seminars will be provided complimentary by the cooperation of the State Societies and the AICPA.
3. After the peer review conference, various concerns were raised regarding the changes to the peer reviewer requirements including; the uncertainty of the continued roles of the peer reviewers, technical reviewers, and RAB members, the increased time commitment for reviewers to stay current and the potential of losing peer reviewers. The state societies believe increased effective communications are needed to help clarify the future roles. The State Society CEOs will meet at the AICPA Fall Council meeting in October. They will have an opportunity to ask/answer questions. Mr. Shapiro and Ms. Birmingham will bring the information gleaned back to the PRB.

*Resolutions:*

None

*Open Items:*

None

### **Agenda Item 1.7: Update on the Peer Review Program Manual - Ms. Rowley**

*Discussion Summary:*

1. OPL will be updated in late September or October to reflect a conforming change to the 20,700 EBP checklist to include the sentence "*All applicable bolded questions should be answered, even if they are in an area not selected by the reviewer as a highest risk area.*"
2. The next Reviewers Alert will:
  - a. Announce a free 90 day trial of PRPM on OPL.

- b. Provide “Tips for Using the PRPM in OPL”
3. Improvements to the PRPM on OPL which are in process include:
  - a. Addressing “navigation” feedback and some cosmetic issues
  - b. Loading engagement profiles and toolkit content
  - c. Developing a derivative product which will provide tools for a firm to develop or improve its system of quality control, including engagement checklists to perform internal inspections. Although the product is expected to be offered to firms at a reduced price from the PRPM subscriber price for peer reviewers, the price has not been determined at this time

*Resolutions:*

None

*Open Items:*

None

#### **Agenda Item 1.8: For Informational Purposes**

**1.8A: Report on Firms Whose Enrollment was Dropped or Terminated**

**1.8B: Update on Standards Task Force**

**1.8C: Update on Education and Communication Task Force**

**1.8D: Update on Oversight Task Force**

**1.8E: Update on National Peer Review Committee**

*Discussion Summary:*

1. The items are presented for informational purposes only.

*Resolutions:*

None

*Open Items:*

None

#### **Agenda Item 1.12: Future Open Session Meetings – Ms. Thoresen**

*Discussion Summary:*

1. The next open session is a conference call on November 10, 2015 Open Session 1-4pm Eastern Time. The focus for this session will be on approving the Exposure Draft on revised reporting.
2. January 13, 2016 Open Session – Sarasota, FL
3. May 3, 2016 Open Session – Durham, NC
4. August 11, 2016 Open Session – San Diego, CA
5. September 27, 2016 Open Session 1-4pm Eastern Time – Conference Call

*Resolutions:*

None

*Open Items:*

None

## AICPA Peer Review Board Meeting

### Participants for Peer Review Board Open Session September 18, 2015

Name	Organization
1. Julie Phipps	Washington Society of CPAs
2. Sharon Romere-Nix	Thomson Reuters (PPC)
3. Julie Salvaggio	Kentucky Society of CPAs
4. Rita Barnard	KSCPA
5. Stacey Lockwood	LCPA
6. Brian Bluhm	Eide Bailly LLP
7. Kara Fitzgerald	TN Society of CPAs
8. Jerry Cross	TSCPA
9. Lisa Brown	The Ohio Society of CPAs
10. Ryan Murnick	Illinois CPA Society
11. Linda McCrone	California Society of CPAs
12. Jennifer Winters	State Board for Public Accountancy
13. Sherry McCoy	California Board of Accountancy
14. Paul Pierson	Illinois CPA Society
15. Patty Hurley	Oklahoma Society of CPAs
16. Tiffany Tocco	Missouri Society of CPAs
17. Nichole Favors	Indiana CPA Society
18. Tiffney Duncan	Texas State Board of Public Accountancy
19. Daniel Weaver	Texas State Board of Public Accountancy
20. Gregg Taketa	Hawaii Board of Public Accountancy
21. Pamela Lemire	New England Peer Review
22. Katie Cheek	TSCPA
23. Brittany Lewin	WI Dept of Safety and Professional Services
24. Kent Absec	Idaho State Board of Accountancy
25. Michael Jack	D. Michael Jack, CPA