

December 1, 2021

Mr. Brad Coffey
AICPA Peer Review
Via email @ PR_expdraft@aicpa.org

Re: Proposed Changes to AICPA Standards for Performing and Reporting on Peer Review –
Clarification of AICPA Standards for Performing and Reporting on Peer Reviews

Dear Mr. Coffey

The Peer Review Committee (the Committee) of the Florida Institute of Certified Public Accountants (FICPA) respectfully submits its comments on the above referenced proposal. The Committee is a technical committee of the FICPA and has reviewed and discussed the above referenced proposed Peer Review Standards. The FICPA has more than 19,600 members, with its membership comprised primarily of CPAs in public practice and industry. The Committee is comprised of 22 members consisting of different size firms throughout the state. The response below reflects only the views of the Committee. The Committee has the following comments related to the questions requested for comment numbered below:

1. Removal of requirement for the majority of procedures in a System Review be performed at the reviewed firm's office. The Committee agrees with this proposed change. In today's environment where most firms are providing services in a paperless process it only makes sense that a peer review can be effectively performed in a remote environment. If the recent COVID pandemic has taught us anything it is how to work remotely whether that be performing audits or other assurance or attest engagements or peer reviews. Most peer reviews performed during COVID were performed remotely during the temporary removal of the above requirement. Those peer reviews were performed effectively, and peer review risk was not increased during this process. In addition, the recommended change still allows for the review to be performed at the firm's office if the reviewer determines that given the risks associated with the firm that it would be more appropriate to do so.
2. Change to the Requirements for Onsite Office Visits in System Reviews. Similar to the same reasons stated above for performing peer reviews remotely, the requirement to consider visiting offices is no longer necessary when determining the appropriate procedures to be performed as part of the peer review risk assessment. Engagements between offices can easily be submitted via a paperless environment and any necessary discussions or inquiries can be made virtually as easily as onsite.

3. Removal of requirement for surprise engagements in system reviews. The committee agrees with the removal of the requirement. If number 1 above is approved to allow system reviews to be conducted remotely, the selection of a surprise engagement is really not possible in the sense as when performed at the firm's office. In addition, given current technology if the reviewer felt based on risk that such an engagement should be selected, one can easily be selected to be uploaded in a remote setting. The committee also noted that during Florida RAB meetings there has been no empirical evidence that the selection of the surprise engagement has yielded any different results during the peer review process.
4. Removal of the term "Significant Deficiency" in Engagement Reviews. The committee agrees that the term "significant deficiencies" should be removed from the standards and only reference to "deficiencies" is necessary since the report concludes on whether "deficiencies" were noted in one or more but not all engagements reviewed or in all engagements reviewed. The determination of whether deficiencies occurred in one or more, but not all or in all engagements has nothing to do the severity of the deficiencies noted.
5. Removal of the requirement that peer review documents for single audit engagements be included in materials for RAB meetings. The committee agrees that this requirement should be removed. Technical reviewers, who review all of these documents are required to go through specific training related these forms and how it relates to peer review conclusions. Providing these materials to the RAB becomes a duplicative effort and adds extra time required for volunteers. There are no other specific working papers the reviewer completes that are provided to RAB members so why is this held out differently. The committee fully understands the risk, but each AE should determine the experience and oversight results of the technical reviewers of their related AE to determine whether the RAB needs these materials or not.
6. Are the requirements in the proposed peer review standards clear and understandable? The Committee believes the requirements are clear and understandable. We appreciate the Standards Task Force and Peer Review Board's effort to get all of the peer review requirements into one clarified set of standards. Although the extant standards were sufficient, there were too many other places where guidance and various other materials such as the RAB Handbook were actually requirements not in standards. We feel the proposed standards also point the users (reviewers, firms, and administering entities) right to the place where they need to go for their related involvement in the peer review process. This will become immensely helpful for intended parties.
7. Is the application and other explanatory material helpful to support the application of the requirement. The Committee believes that the application material and other

explanatory material does support the requirements. The committee likes how the Appendices support the application and other explanatory material in the proposed standards.

8. Are the definitions easy to understand and apply? The committee believes the definitions are accurate for the most part. We would like to call attention to the following in the definitions:
 - a. Closing meeting - The definition makes it sound like that meeting will always be held in advance of the exit conference. However, standards indicate that the closing meeting and exit conference could be held in advance or concurrently with the exit conference date in certain situations. We believe this should be added to the definition.
 - b. Commencement date – it is always difficult to determine when the reviewer learns information that effects the results of the current review. The explanatory reference does provide additional guidance, but this is still a difficult term to understand but is acceptable as presented.
 - c. The committee believes the master glossary is helpful to all users by having all definitions in one place rather than in each section.

9. Do the requirements for commencing peer reviews appropriately reflect considerations for both system and engagement reviews? As noted above in the definitions the Commencement Date can be confusing, especially on a system review. The committee had a lot of discussion on this issue including what would be the appropriate definition. The committee considered at the time the engagement letter is signed; the date the review is fully scheduled in PRIMA; and the current definition. In order to provide the best scenario for due process to the firm, the Committee believed the current definition is the best at this time. The commencement date has no impact on the reviewer but does for the firm as that is when non-compliance switches from a drop to a termination.

10. Is the application and other explanatory material appropriate and understandable regarding committee members who are not team captain-qualified but practicing with a firm that has received a non-pass peer review report rating? The committee believes the application and other explanatory material is appropriate and understandable regarding members who are not team captain qualified but are associated with a firm not receiving a pass report. That committee member may or may not have had anything to do with why or how the firm received a non-pass peer review report and may be amply qualified to perform the duties as a committee member with the limitations noted in the requirements and application and other explanatory material. In addition, requirements to be a RAB member are different and require a RAB member to be associated with a firm that has received a Pass report on its most recent peer review.

11. Provide views on the proposed effective date. The committee believes the effective date of the proposed standards is appropriate. There are few changes to the extant standards in the proposal and the few changes being made are less restrictive for reviewers, firms, and AEs so it should be easy to implement those changes. We also do not believe there needs to be any training or resources to begin using the proposed standards. Again, there is little change to the extant standards that have been in place for some time.

The Committee appreciates this opportunity to respond to the exposure draft. Members of the Committee are available to discuss any questions or concerns raised by this response.

Respectfully submitted,

Ron Weinbaum, CPA
Chair, Florida Institute of CPAs Peer Review Committee

Committee members coordinating this response:

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