Rethinking Peer Review From the Inside Out
A CPA Journal Panel Discussion on Quality Review

Marks Paneth & Shron LLP
RETHINKING PEER REVIEW FROM THE INSIDE OUT

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In the past five years, the accounting profession has seen a great deal of discussion about self-regulation and what it means. In 2004, then-NYSSCPA president John Kearney appointed Stephen F. Langowski to head a Quality Enhancement Policy Committee to study all of the ways quality is evaluated, by the profession, by the Society, and by the state of New York. The Committee was charged with focusing in particular on the current issues of peer review, ethics, and education. The first topic the Committee studied in depth was the peer review program. It asked whether peer review was working adequately to meet the needs of today.

All of the panelists—Thomas E. Riley, of TFG CPAs, Brian A. Caswell, of Caswell & Associates CPAs P.C., Andrew M. Cohen, of Weiser LLP, John H. Eickemeyer, of Vedder Price Kaufman & Kammholz (public member of QEPC), Mark Ellis, of Michael C. Fina, Martha A. Jaeckle, of Jaeckle Kearney & Lepselter, Stephen F. Langowski, KMPG LLP, Vincent J. Love, of Kramer Love & Cutler LLP, Michael L. McNee, of Marks Paneth & Shron LLP (original QEPC member, reappointed January 30, 2006), and Robert E. Soh—served on the committee that developed the white paper on Quality Review, which appears in its entirety on page 12 (“Quality Review”). The panel discussion, moderated by CPA Journal publisher and NYSSCPA executive director Louis Grumet, encompassed the concepts put forward by that white paper and the state of peer review in the accounting profession.
Bringing Peer Review Up to Date

Louis Grumet: The Quality Enhancement Policy Committee’s white paper takes a close look at the peer review system that has been in place in the profession over the past few decades. What do you think of peer review as it exists in the profession, and specifically in New York?

Vincent J. Love: I think when peer review was first put into place it met the needs of the time. Those needs have changed, particularly over the last two or three years, so that today it doesn’t meet the needs of either the public or the profession. The time is right to look at peer review and see what could be done to improve on it, to meet our current needs.

Grumet: In your view, what are the major provisions of peer review that need to be addressed for today’s environment?

Love: I think the white paper’s suggested changes for the future, which address discipline and the transparency of the process, are the place to start. By discipline I mean all of the remedies that would be available to the peer review committee, and they could run from the purely educational to the remedial, and, for people who habitually breach the standards, to some kind of disciplinary remedy.

Robert E. Sohr: Another change is that our white paper would make peer review mandatory. Right now, there is no requirement in New York State for a CPA to have a peer review; 38 states do have a requirement; New York does not.

Brian A. Caswell: I think it’s important to note that standards which have such an effect on our profession cannot be static when the profession itself is so dynamic. We need to review any such standard, if for no other reason than it has been in place for a long length of time. This gets into what Vince said: Is peer review responsive to our needs and to the needs of members—not just the largest firms, not just the smallest of firms, and not just people who are in public practice? Is our standard of peer review itself—which has been called, along with education and ethics, one of the three legs that form the very foundation of profession—still meeting its original needs?

Sohr: I also think that the timing right now very much has to do with the public’s changed perception of the profession in the wake of the audit failures of major public companies around the turn of the 21st century, including WorldCom and Enron, and subsequent to that, the Roslyn School District on Long Island. I think we really need to take a fresh look at peer review and take a proactive approach in order to restore a very high public confidence level in the profession.

Thomas E. Riley: There’s also been a change in how peer review is used, and the way it was intended to be in the beginning: an educational tool for the firms that chose to use it. We’re almost 30 years into the peer review program, and we’re past that. In the public’s perception, a peer review means you’re being audited. I think peer reviews are being used, by both firms and the public, for different purposes than the original intention.

Love: I also think that the profession has been drifting from its real anchor, which is public trust, and has become too commercial. I think changing these peer review standards, and bringing us back to our real foundational roots as trusted professionals, is important. I think we’re losing that perception.

Grumet: How was the profession drifting?

Love: I think that public accounting started out as an auditing profession, and it did, of course, over the years, consult with its clients and give its clients business advice. But a lot of things we do, we look at them now and say: Maybe we’re not being as independent as we should be, or maybe these services are affecting, if not the fact of independence, then the appearance of independence.

A lot of CPA firms started to focus on trying to make the same kind of money as the investment banks, and it became a business rather than a profession. The people that did the auditing work, and I think this is true in a lot of the larger firms, were true professionals. But they were surrounded by a firm that was driven by a need to meet revenue targets. I think that’s changing now; I think firms have realized that. I see firms now focusing first on professional responsibilities, and only then on the earnings that have to be managed anyway to make sure the firm is making money, because if it doesn’t make money, the firm won’t be doing anything for the public. But that has become a secondary focus, not a primary focus. Quality work is beginning, again, to become the primary focus of the accounting profession.

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—Thomas E. Riley
Grumet: Does everyone agree with Vince on that?

John H. Eickemeyer: I think that the drift that Vince spoke of came at a time, going back to the 1980s and 1990s, when the public’s perception, even before the scandals Bob referred to, was that accounting, certainly auditing, was a kind of public trust. The Supreme Court decision in *U.S. v. Arthur Young* in 1984 contains the kind of quotes that are thrown at me all the time, about auditors being in a position of public trust. A great deal of litigation has resulted from the perception that auditors haven’t been living up to that public trust. This perception has been there for a very long time, and it has only been sharpened by the recent public company audit failures and Roslyn. Hopefully, we’re getting back to a time when there’s more of a convergence rather than a divergence between the public’s and the legal system’s perspectives on the auditing profession, and the profession’s view of itself.

**Perceptions, Expectations**

*Grumet:* Is there any difference in the way the profession views itself and the way the public views it, with regard to firm size?

*Eickemeyer:* People tend to focus on the big firms, but I don’t think it matters that much.

*Riley:* I think we focus on firm size, but I don’t believe the average user does; they just think, CPA.

*Andrew M. Cohen:* I have an interesting story about firm size. I recently went to a local university to participate in mid-sized firm’s night, and very few students in attendance had been exposed to firms other than the Big Four. This is what they’re learning: Go to the Big Four, they are the firms of choice. I think I helped enlighten the students that night, and I’m happy to say there was a line of interested students, and I stayed until I talked to every single person. There might be a perception that there are differences depending upon the size of the firm, but a CPA should be a CPA.

*Caswell:* There may be business differences in how firms are run, but there should be no quality differences, no differences in the delivery of services.

*Love:* I would like to think that, but in the work that I do, I find that even though a lot of audit failures by large firms make the press, overall—and this is a general comment that doesn’t relate to any particular small firm—the larger firms have higher-quality oversight entrenched in their audit practice than do smaller firms. This doesn’t mean they don’t make mistakes and have bad audits, but just because we see the big firms’ mistakes, and not the smaller firms’ likely to be serviced by the largest of accounting firms. By their very nature, larger firms may require a certain level of resources devoted to the quality side or to the review side. By and large, a small firm should have the same percentage, or the same types of services, and I agree with you that many times when there’s a failure, it’s because such was not the case.

John H. Eickemeyer (left) and Michael L. McNee
accounting profession; and, finally, 3) standards overload, the result of very complex transactions that didn’t exist 20 or 30 years ago and have to be treated with kid gloves.

So I think that perfect storm has really given rise to a lot of problems in the marketplace, and at this point the peer review process is something that, if the public were to really kick the tires on the process and get to know it better, they would disagree vehemently with the process.

Ethics and Engagements

**Grumet:** Let me push that question further. We’ve been talking about the size of the accounting firm; let’s talk about the type of client. In New York State, peer review is not mandatory, unless you’re a government agency or a nonprofit, where the federal Yellow Book standards require peer review. Yet many of our scandals appear to be coming out of those areas. Do you think there’s a different level of auditing going on, depending upon the client being audited?

**McNee:** I think that’s true. I can speak about GAO standards. I think a lot of practitioners believe very strongly that they’re in full compliance with GAO standards as they relate to education and their knowledge base. In truth, though, many people think they’re experts in something when they’re really not. And I think that the peer review process, in its collegial and educational way, should help those people along, it should help them understand their role in the auditing process. If those firms are not equipped to do the kind of work that is necessitated under, in this case, GAO standards, I believe the peer review process should root them out and not allow them to do that work any further.

**Caswell:** In many respects, Yellow Book audits have become much more complex over the past 10 or 15 years. Without once you accept an engagement, you are ethically bound to perform that engagement, even though doing it right will be at a loss. Otherwise, just don’t accept the engagement in the first place.

**Grumet:** As an ethical consideration, for example, what happens to a firm when it is seeking the audit of a school district, and the firm is told that the bidding will be $10,000 or $20,000 on a project that might take $120,000 to do right. What does the firm do?

**Love:** This is an ethical dilemma. Once you accept the engagement, you have an ethical responsibility to apply all of the standards and to apply them properly, including the ethical due-care standard. If the bidding is that far off from actual cost, firms should start refusing to do the work, and start looking into different audits or different kinds of business. Again, once you accept an engagement, you are ethically bound to perform that engagement, even though doing it right will be at a loss. Otherwise, just don’t accept the engagement in the first place.

**Grumet:** Is peer review set up to deal with that issue?

**Stephen F. Langowski:** No, but that isn’t one of peer review’s core objectives. The ethical questions arise from critical weaknesses in how the peer review program is currently structured. Certainly we’re all aware of the pressures of the current environment. But the Quality

Enhancement Policy Committee went through a conscious exercise to consider the three-legged stool, as Brian very aptly described it: Which leg is shortest and needs the most urgent attention?

When we looked at it, certainly there was an issue regarding the expectations from the environment. But when we started to look at the professional ethics program and the peer review program, we felt that, all things considered, the issues in the peer review area were far more urgent. Partly because of the environment, but also because of how that program is executed. What we saw made it clear that peer review was the area that needed immediate attention. I would say that this decision was primarily driven by looking inward. When you consider the actual mechanics and workings of the program, you return to this fundamental question: Is it working well, and what needs to be fixed?

No question, some aspects of the program work well. But when you piece it all together—when you look at the environment, you look at some of the recent failures, and you look at the underlying changes in what an audit is nowadays—the program hasn’t really stayed in sync with practice, with the risks, or with how things are actually happening.

**Selecting Peer Reviewers**

*Grunet:* What did the committee determine were the most serious problems with the current peer review program?

*Love:* One area we looked at was the quality of the people doing the peer review: their experience, and their ability to apply GAAP and GAAS in an industry, including the public sector. I don’t know if higher standards for peer reviewers will cure the problems, but, like Steve has said, it’s a part of what needs to be done. Another part is ethics, and maybe education as well.

*Grunet:* Clearly the most controversial part of your report deals with just that— who does the peer review, and whether it should be done via the traditional firm-on-firm method, or by a pool of experts, which would somehow be determined by an outside body. Would anyone like to comment on that?

*Eickemeyer:* The public has lost confidence in the profession’s ability to police itself. The idea that you can have this triangular arrangement, where A reviews B, who reviews C, who reviews A, so that you have a small circle of reviewers. I think this is a major problem, and it drives the public’s suspicion that the profession is unable to govern and regulate itself. Public perception will inevitably work its way through the system to a legislative response, for good or ill, and I think that the response to this perception has deepened the problems the profession has been having.

*Sohr:* We tried to keep the white paper at a conceptual level, and to look at what would be an ideal situation. In terms of how a peer review team would be selected, I think that there will be serious implementation issues. It does remain an open question as to whether the team

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MARCH 2006 / THE CPA JOURNAL

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concept is an objective that can be achieved.

**Caswell:** Whatever words we use, the bottom line is that the CPA firm that audited the Roslyn School District passed peer review. How did that happen? And was it an isolated system failure incident, or indicative of a systemic problem in the program?

**Cohen:** I always tell people that accounting standards have become very complicated, and that auditing standards have certainly become very demanding. When you have the same firm coming in every three years, the review firm may not know anything about current emerging issues—for example, derivatives, or FIN 46. These standards affect small companies as well as large, and the reviewer firm may not recognize the issue and miss it the first time around, the second time around, perhaps even the third time around. If you have a pool of reviewers, though, there is at least the chance that somebody new will come in and each year it will not be the same old situation.

**Love:** Remember that a misstated financial statement does not necessarily mean that GAAS was not applied in the audit engagement. It’s not prima facie evidence of that. The same can be said for a peer review. We may think that the peer review of Roslyn was deficient in some way, but we really don’t know, we’re just speculating.

**Cohen:** In terms of how I view the knowledge we have of what happened at Roslyn, the peer review was not the compelling point. The more compelling points, even in the absence of a Roslyn story, were the details of how the program operates in this state. And I think that Roslyn helps sharpen people’s views, and helps you look at areas that need to be changed. Personally, I think even without Roslyn I would have come to the same conclusion.

**Grunet:** I’ve always been under the impression, until this committee started, that there was some kind of federal or state oversight of Yellow Book audits. And I was surprised when the GAO came out and said, it’s not our responsibility to oversee them, we just set the standards. Mike, were you as stunned as I was?

**McNee:** Well, that would be the perception of the average person. Sure, I am amazed. Our firm underwent a HUD review—they’re looking at the firms in the country that do the greatest number of HUD audits. It was a very PCAOB-like process. It’s the first one I’ve gone through with a government agency. But, by and large, for the standard OMB A-133 kind of work that’s going on in the government, I don’t know that anyone other than a desk clerk looks over the information. It’s a fascinating situation.

**Langowski:** It depends on the agency. Some federal agencies are very proactive and take their professional responsibilities very seriously and do a very significant amount of oversight. They really get out there and kick the tires. In those situations, they are not shy about pushing the button where they believe that engagements are not being performed according to professional standards; they are quite serious and quite aggressive about doing so.

**Love:** When we look at the failures in peer review, or the perceived failures in peer review, and we say that something’s wrong, we shouldn’t disregard the fact that peer review has been helpful. For those people who buy into peer review, who want their firms reviewed properly, who want to learn from someone else looking at their work, the quality of their work goes up. Take peer review out of the mix, and would we be in the same position? I don’t know. Just as you can’t tell if the peer review process didn’t work when a particular audit was examined, by the same token, it may be working in a lot more situations than we realize.

**Solz:** Although I doubt any peer review system will necessarily eliminate future audit failures, we should strive for a higher level of excellence. As Andy Cohen pointed out, the complexity of accounting standards and auditing procedures; the complex commercial arrangements entered into by corporations today, which necessitate complex accounting arrangements; and the possibility of very sophisticated frauds, unfortunately make it likely there will be audit failures in the future.

**Love:** The problem is more than just complexity. The velocity and quantity of the transactions have gone up substantially, and it all relates to the information technology revolution—we couldn’t have any of the things we call complexity if we didn’t have computers. And then the accounting has to keep up with it. The people on the cutting edge are the ones who look at auditing as a primary means of employing technology. It’s important when you
look at the problem to understand that it’s more than just complexity, it’s also velocity and quantity.

Sohr: Which to me means we really do need to improve peer review, as well as make other improvements in our professionalism, an emphasis on continuing education, and a number of other issues, because we all have to strive to do the best job we can if we’re going to catch everything.

Caswell: I think we’ve said this before, but a certain percentage of firms will always do it wrong, with or without peer review. A certain percentage of firms will always do it right, with or without peer review. It’s in the middle that need peer review, that need the chance to get some education to see how to do it right.

Langowski: Let me add, when you talk about complexity and all of that, this gets to the whole difference between firm-on-firm and a team-based approach. If you reflect on an entity that is performing audits, the complexity could cover a wide range, even for smaller firms, and I think it would be a miracle to find another firm with the appropriate mix of skills to be able to appropriately evaluate the work being done in different situations. Maybe years ago you could, but now there are so many specialties that clients are involved with, I think there’s no other way to deal with it, to properly manage the risks of the profession, than to have a team of specialists who do have the right mix of skills to address an entity’s practice. Again, it would be a miracle if you pulled a firm out of a hat that could do that. It would be an exception to the rule, and we wouldn’t be properly managing our risks.

Grunet: And one of your recommendations is that the state should somehow have a certification process for who can do a peer review.

Cohen: There is no selection process now. I can get a qualified firm or not, whoever I choose. That firm should want to make sure it’s qualified in the specific areas they’re choosing. Under the current system, the choice of reviewer is totally at my discretion.

Progressive Discipline

Grunet: How would your proposals differ from the current system on discipline?

Sohr: To me, while we have discipline in there, what we really should be emphasizing is that we want to give firms the opportunity to first remediate any issues uncovered through peer review in order to improve their practice. Discipline is the stick that you wield only if that improvement doesn’t occur.

Love: When you think about it, the people who really want to get some-basis: those practitioners that would take whatever recommendations that came out of the peer review as educational and use it to improve their practice and impart knowledge to their respective people to make sure that whatever deficiencies the reviewer found don’t happen again. But if that improvement doesn’t occur, you start climbing a ladder. And the steps on the ladder basically take you from education to something that, while it may have some of the earmarks of education, will be fairly heavy-handed. The next rung may involve some kind of additional oversight over your practice or your peer review. If you reach the highest rung of the ladder, where you have not learned your lessons, then it may be time to consider if the a firm or individual warrants continuation of their licensing privileges. That’s obviously the worst-case scenario; there are intervening levels. But if you have a peer review system of some form, how do you provide an incentive for firms to perform properly? And I think people kid you if they don’t admit that some degree of oversight is healthy and that fear is as much a motivator as professional pride. When you put the whole system together, I think discipline does serve as a driver. But the issue is, we as a society don’t have the power to do this, but another body, in this case the licensing body in New York State, does.

Sohr: I don’t know if we can say it any better than in the white paper: “It maintains emphasis on the value of a system that can impart knowledge to firms but does not lose sight of the fact that there may be some who lack the will to comply to high standards without sanctions.” That says it all. The number-one objective is to improve the profession. The second objective is to weed out of the profession those who refuse to maintain a high standard of excellence or to comply with the program.

Martha A. Jaechle: The regulators seem to be interested only in the bad apples, though. They don’t want to spend time going through piles of good peer-review.
reports, they just want to know about the bad ones. We heard it over and over, they’re not interested in everybody’s clean reports.

McNee: I think the marketplace will evolve over the next few years. Clients that have to have an audit done under GAO standards may require that the firm give them their peer review reports as part of the proposal or the engagement letter. If the peer reviews are not done properly over time, the marketplace will not accept it as a quality firm. The market could extend beyond the FDIC and GAO and others that currently ask for these reports. If the general public starts asking for these reports as a condition for hiring an accounting firm, you better believe accounting firms will come up to speed real quickly. Staying in business is the greatest incentive.

Riley: Audit committees should want a copy of the peer review report too. I think audit committees are developing their own policies in this area to varying degrees.

mental, and then we’re going to look much more at quality. The fact that we’re going to look at quality within every firm in the state is, to me, a very big change.

Cohen: I’ve always been amazed at the low percentages of adverse and modified reports issued. With the increasing pressure on peer reviewers, and the pressure for transparency, I think we’ll see a big rise in those percentages if peer review is mandatory.

Sohr: I’d like to make a point that an effective change in peer review was forced on a segment of the profession. It’s not called peer review, it’s called the PCAOB inspection. And it’s interesting to note that, in a sense, the PCAOB also has a progressive disciplinary system, in that part of the PCAOB’s findings are not part of the public record initially. As long as a firm improves its processes and eliminates the deficiencies that are found, it never becomes part of the public process. So, in essence, even the PCAOB is emphasizing the need to improve the quality of the practice.

Riley: I reiterate: For a lot of professionals, higher penalties and enforcement will make no difference. They’re doing as well as they can, they volunteered for peer review long ago, they want to do better, a more strict program may find more deficiencies, but they are already trying their best. I think there’s probably a few on the other end that probably shouldn’t be practicing but will take their chances until they get caught. And then you have the ones in between, for whom peer review may make a difference. In the current environment, peer review will make those firms behave a little differently.

Grumet: I think what we’re trying to do is raise the bar. The theory is that if everybody knows somebody’s watching, it’ll make a difference in quality. If this new system the white paper calls for comes to pass, will it make any difference in litigation?

Eickemeyer: One could make a good argument that, given an increased emphasis on self-examination by the profession, courts ought to give greater recognition to the privilege for self-evaluative information. In the past, the privilege has generally been recognized when the court felt like recognizing it, and that was probably a minority of the instances in which the issue arose. That will be a big issue in future litigation: If peer review is mandatory, should accounting firms be able to assert privilege against the production of those peer review reports?

Another issue is whether a firm’s response to a peer review can be taken as evidence of negligence. In most cases, a subsequent repair of a condition—a physical condition, a defect in a product, or what have you—would not be admissible as evidence that the manufacturer of the product or the party that maintained the facility was negligent. So that’s another threshold issue that will arise in litigation. It’s hard to conceive that implementing this kind of program could result in more litigation than we have already.

What it might do, as the profession’s program matures and as peer review gains some recognition as an effective program, is to help to restore some of the public’s faith in the profession’s ability to regulate itself and correct itself when defective performance is identified. This may in turn push the judicial pendulum back toward the middle. I think the accounting profession between the mid-1980s and 2000 had a pretty good run of positive legal developments, beginning with the Credit Alliance decision in New York, and continuing with a number of states adopting more restrictive rules on

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—Robert E. Sohr

What I’ve observed over the past few years is not so much statutory enactments or particular landmark decisions that have broadened the profession’s exposure to liability, as much as a judicial attitude: The filter to letting claims get through to the jury is not as fine as it used to be, summary judgment is not given as readily as it used to be, and claims that might have been knocked are now getting to the jury. The courtroom is a pretty hazardous place for the profession to be in this environment, because studies indicate that juror attitudes have been negatively impacted by recent audit failures. So in the long run, as this kind of program develops, it might begin to have some salutary effects in the litigation area.

Developing Better Peer Reviewers

**Grunet:** How do we get more people to do peer reviews?

**Cohen:** I think the fees have to be commensurate with regular practice. There has to be some incentive to do this work.

**Sohr:** We are in business. We all have to earn a living. And so the fees have to provide an adequate return for people to be interested in it.

**McNee:** Engagement letters also need to protect peer reviewers, in terms of representations made by firm management over systems that are in place, and so forth. If those things turn out to be other than as they were reported to be, and two years down the line another Roslyn occurs, the peer review firm would be held to account. I think there needs to be some protection from that.

**Riley:** We also need to convince firms that becoming a peer reviewer is excellent training for their higher-level staff or managers. When our firm does peer reviews, people love doing it, they learn during the process. We like being peer reviewed, but we like doing them just as much.

**Caswell:** We’re faced with a dilemma, because I don’t think we want to see a new class of accountant become “professional peer reviewers.” In the past we’ve gotten more peer reviewers by appealing to their professionalism, which is what Tom Riley just said. We have to try everything, but somehow avoid that professional class of people who do nothing but peer review.

**Riley:** Then it’s not a matter of peers anymore.

**Ellis:** I had an interesting conversation with someone who does a fair amount of peer review. His view was that this year, as opposed to earlier years, he will actually have a little more of a combative view than before, just because of the changes made in the AICPA rules on peer review. I think that, as this proposal hopefully goes into effect, the peer review relationship will change to some degree, however much we might not want it to; it will look a lot more at quality and it will be much less collegial.

**Transparency**

**Grunet:** Your report calls for transparency, and I believe the AICPA will be calling for more transparency as well. The more transparency you have, the more what Mark Ellis is talking about will occur. The reports may be required to be filed with the State Education Department, in the Office of Professional Discipline. You or I or any other New York citizen will probably be able to get them. That will change a lot of things.

**Jaacke:** To some extent this will force the peer review program to step back a little bit. Where maybe before people didn’t get excited about a letter of comment, and viewed it just as a constructive tool to help their practice be better, now people will try to hide their weaknesses. I think you’ll eliminate the kind of feedback that the current model provides.

**Sohr:** From an implementation standpoint, the transparency issue will become major. The question is, how can we keep the knowledge base as well as keep minor issues out of the public domain until the firm has had a chance to deal with them? If you look at the PCAOB process, a portion of the inspection report is not made public initially. The report is available, but the comments are not in the public domain until the firm has a chance to deal with them—and if the firm remedies them before the next review, they’re never in the public domain. So I think certain implementation issues that are critical to the success of the system can be dealt with. Reviewed firms must recognize that objective number one is to improve the quality of the profession and their firms, and that peer review is a learning process.

**Ellis:** It should be clear that any sanctions will be used only when someone is blatantly not following auditing standards. We’re out there looking for people who are just blatantly not doing their job. In those circumstances, the sanctions should be harsh, but as professionals we should all be out there doing a competent job.

**McNee:** In much the same way as the definition of a reportable condition is a step down from a material weakness, one definition is a comment that was made in a prior year that met neither the level of a material weakness or a reportable condition, but nonetheless might have been an internal control-related deficiency that repeats itself in a subsequent year and thus automatically falls into a reportable condition.

So, in the same sense, I think there should be a bright-line standard in terms of prior comments and their level of public availability. If comments repeat themselves in subsequent periods, perhaps that should open up the door of public disclosure. I know that remediation envisions having firms be reviewed on a more frequent basis, more than every three years when they receive comments, but it seems like this should be an absolutely mandatory requirement. If the firm is not doing what it should be doing, certainly coach them along, help them become better, but do the reviews on a faster track. That’s an absolute necessity.

**Grunet:** Thank you all for your insights. The committee has put together a very interesting white paper that will provide a starting point for a lot of constructive discussion on the topic of peer review.

**Editor’s Note:** The opinions expressed by the panelists above are their own and do not necessarily represent those of their employers or the NYSSCPA.

Readers are encouraged to write to The CPA Journal with their thoughts and reactions to the quality review white paper and its proposed changes. Send your thoughts to CPAJ-Editor@nysscpa.org. Interesting letters on any aspect of the issue may be published in an upcoming issue.
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