



National Association of State Boards of Accountancy

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October 28, 2014

Tim Kindem, Technical Manager
AICPA Peer Review Program
American Institute of Certified Public Accountants
220 Leigh Farm Road
Durham, NC 27707-8110

PR_expdraft@aicpa.org

Re: Proposed Changes to the AICPA Standards for Performing and Reporting on Peer Reviews

Dear Mr. Kindem:

We appreciate the opportunity to provide comments on the Exposure Draft regarding revisions to the *AICPA Standards for Performing and Reporting on Peer Reviews* (“Standards”). The National Association of State Boards of Accountancy’s (NASBA) mission is to enhance the effectiveness of the licensing authorities for public accounting firms and certified public accountants in the United States and its territories. Our comments on the Proposed Standards are made in consideration of our charge as state regulators to promote the public interest.

Our largest concern with this document is with respect to Question 2 in the Guide for Respondents. Question 2 indicates: “The Board is interested in receiving feedback as to whether any SBOAs plan to require peer review for firms performing ‘services under SSARS’, ‘issuing reports under SSARS’ or any peer review requirements for engagements under SSARS that are not reviews or compilations. The Board would appreciate the applicable statute/regulation citations for any such requirements.”

We are aware of nine jurisdictions (Guam, Kentucky, Minnesota, Missouri, Nebraska, New Hampshire, Texas, Washington and Wyoming) where there is a peer review requirement for “Compilations for Management Use Only.” Other states are currently reviewing their peer review requirements. We believe that this matter would create an issue under firm mobility where a firm whose permit is issued by a state that does not require a peer review for this service may wish to practice in a jurisdiction that does require such a peer review.

We also believe there is a typographical error in the third paragraph on page 6: "The proposed SSARS does not require the financial statements to disclose the basis of accounting or related disclosures (or the omission of such disclosures)." We do not believe that this statement is correct as the SSARS as issued will require such disclosures. Thus, a peer reviewer could review the engagement letter, determine there is a legend on the prepared financial statements and verify that the financial statements disclose the basis of accounting (and or the omission of such disclosures).

We appreciate the opportunity to respond to the AICPA Standards referenced above.

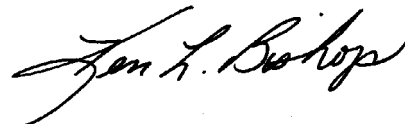
Sincerely,



Carlos E. Johnson, CPA

NASBA Chair

Sincerely,



Ken L. Bishop

NASBA President and CEO