

# NASBA

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Via e-mail to: **[PR\\_expdraft@aicpa.org](mailto:PR_expdraft@aicpa.org)**

Re: Exposure Draft dated June 1, 2010 “Proposed Revisions to the AICPA Standards for Performing and Reporting on Peer Reviews of Quality Control Materials (QCM) and Continuing Professional Education (CPE) Programs”

Dear Members of the AICPA Peer Review Board:

We appreciate the opportunity to offer comments to the AICPA Peer Review Board (Board) of the American Institute of Certified Public Accountants (AICPA or Institute) on the Exposure Draft (Exposure Draft) “Proposed Revisions to the AICPA Standards for Performing and Reporting on Peer Reviews of Quality Control Materials (QCM) and Continuing Professional Education (CPE) Programs.” 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. In furtherance of that objective, we offer the following comments on the changes proposed by the Exposure Draft.

## NASBA Support for the Revisions in Standards Proposed by the Exposure Draft

We agree with the revisions to the standards proposed in the Exposure Draft and with the rationale of the Board in bringing forth the proposed changes. We believe that the proposed revisions are in the public interest.

### Revision and Clarification of Guidance

Independence is the keystone of the CPA profession. Without public perception that CPAs are independent, the profession would likely not exist. The public is protected through the requirements of the AICPA’s Code of Professional Conduct (Code) and the requirement that professionals performing attestation and review engagements be independent in accordance with

the provisions of the Code. The public is also protected by other AICPA requirements in line with the Code.

The Board has decided that the present requirement that triennial peer reviews of providers is not sufficient to protect the public from potential independence impairments. The Board proposes to change the existing standard to one that would not permit “those involved in the development and maintenance of QCM or CPE programs” to serve on review teams to peer review firms that use those QCM or CPE programs. NASBA agrees that this is a positive step and supports its adoption. NASBA would not support a “safeguard” approach as an adequate substitution for the “prohibition” approach proposed in the Exposure Draft.

Removal of Requirement for a Triennial Peer Review

The Exposure Draft proposes to eliminate the present requirement for a triennial peer review of the system to develop and maintain QCM or CPE programs. Considering that the original requirement has not served the purpose intended, NASBA agrees with the Board that a triennial peer review is no longer needed. Whether or not a provider would continue to have a review performed would be a business decision of the provider.

We have no comments regarding the revisions to procedures for performing a CPE program review to those that elect to undergo a review.

NASBA recommends that the revisions to standards proposed in the Exposure Draft be adopted as final by the Peer Review Board.

We hope these comments will assist the Peer Review Board in its work.

Very truly yours,



Billy M. Atkinson, CPA  
NASBA Chair



David A. Costello, CPA  
President & CEO