

October 31, 2014

Mr. Tim Kindem, Technical Manager
AICPA Peer Review Program
220 Leigh Farm Road
Durham, NC 27707-8110

Re: August 18, 2014 AICPA Peer Review Board Exposure Draft of Proposed Changes to the AICPA Standards for Performing and Reporting on Peer Reviews, *Preparation of Financial Statements Performed Under SSARS and the Impact on the Scope of Peer Review*

Dear Mr. Kindem:

One of the objectives that the Council of the American Institute of Certified Public Accountants (AICPA) established for the PCPS Executive Committee is to speak on behalf of local and regional firms and represent those firms' interests on professional issues in keeping with the public interest, primarily through the Technical Issues Committee (TIC). This communication is in accordance with that objective.

TIC has reviewed the ED and is providing the following comments for your consideration.

TIC supports the Peer Review Board's proposal to exclude preparation services from the scope of the AICPA's peer review program. TIC agrees with the Board's conclusion on page 6 of the ED that financial statement users may inappropriately place reliance on the financial statements prepared by the accountant if they were subject to peer review.

The preparation standard is a nonattest service that has no requirement for the accountant to verify the accuracy or completeness of the information provided by management, gather evidence to express an opinion or a conclusion on the financial statements or otherwise report on the financial statements. Therefore, there would be little value derived from a public interest perspective in requiring preparation services to be subject to peer review.

TIC has not commented on the second question for respondents, since TIC does not include representatives from the State Boards of Accountancy.

TIC appreciates the opportunity to present these comments on behalf of PCPS member firms. We would be pleased to discuss our comments with you at your convenience.

Sincerely,

A handwritten signature in black ink that reads "Scot Phillips". The signature is written in a cursive, slightly slanted style.

Scot Phillips, Chair
PCPS Technical Issues Committee

cc: PCPS Executive and Technical Issues Committees