

Compliance Assurance Committee

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2009 Regional Meetings
June 4, 2009 – Oklahoma City
June 18, 2009 – Indianapolis

Mark P. Harris

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NASBA's Compliance Assurance Committee

- Explore, develop and implement opportunities for state boards to become involved in standard setting and oversight of mandatory compliance assurance review programs. Develop and implement a plan for a compliance assurance review program.
- Oversight Evaluation Task Force - Jim Goad (AR)
 - Charles Clark (ID), Edwin Jolicoeur (WA), Henry Krostich (NY), Ginger Powell (KS)
- Peer Review & UAA Article 7 Task Force - Jim Ciarcia (CT)
 - Alicia Foster (MD), Bennie Hadnott (NJ), Lamar Harris (AL), Robert Petersen (CA)
- SBA Oversight Committee Implementation Task Force-Jim Burkes (MS)
 - Doris Cubitt (SC), Sharon McNair (NV), Janice Gray (OK)

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AICPA's Peer Review Programs

- CPCAF (Center for Public Company Audit Firms)
 - 800 - 900 firms:
 - Inspected by PCAOB
 - Audit *non*-SEC Clients using PCAOB Standards
 - Many firms are voluntary members in this center
 - Firm-on-firm peer review program of Non-SEC issuer practice
 - Public File submission of results
 - Administered by Peer Review Board & the National Peer Review Committee
- AICPA Peer Review Program
 - 32,000 firms
 - Administered by Peer Review Board & 41 State CPA Societies

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CPCAF Peer Review Program - Administration & Oversight

- AICPA Peer Review Board
 - Issues *Standards*, Interpretations & Educates Reviewers
- National Peer Review Committee - 15 members
 - Closed session meetings, acting as the 42nd AE / RAB
 - Extensive oversight by members and AICPA staff
 - Panel Reviews
 - On-site - concurrent evaluation
 - Regulatory presence is eminent

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AICPA Peer Review Program Oversight Model

- 1) PRB's Oversight Task Force: visits 41 Administering Entities
 - Work program & checklists (available upon request)
 - Posted Results of Administering Entity Oversight Visits www.aicpa.org/members/div/practmon/oversight_documents.htm
 - Annual Report on Oversight - 12/12/08 & 10/3/07
- 2) AICPA Staff Conduct 300 Working Paper Reviews (Durham)
- 3) State Society PR Committee's Oversight Procedures Emphasizing Reviewers' Qualifications and Performance * external reporting planned *
- 4) State Board Peer Review Oversight Committee

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Guiding Principles of Oversight

- Ensure a program that is effective and uniform
 - Provide forum opportunities
- Transparency increases understanding & confidence
- Oversight Reporting - responding to calls for transparency

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Criteria for Reliance on Oversight

- Adequacy & Integrity
- Independence
 - From the auditing profession
 - Source of funding
- Transparency

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UAA Rules

- Article 7
 - Rule 7-4 (b) “An Oversight Committee shall be appointed by the Board....and report to the Board..”
 - Rule 7-5 - the Board shall have access to the reports

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Oversight Reporting

- PRB Annual Reports (issued 12/08 & 10/07)
- Component #1 - Oversight Task Force A E visit letters ('08)
- Component #2 - AICPA Working Paper Reviews
- Component #3 - State Admin. Entities - 2009 ?
- Component #4 - State Boards' PROC's

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Oversight Reporting

- AICPA's BOD TF report (issued Feb,2006) called for:
 - a plain English description of Oversight processes, objectives and structure
 - Pg 20, the Peer Review Board recognizes,
"..oversight ..is critical to the continued success of Peer Review..and supports independent state board of accountancy oversight....to provide a level of assurance"

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