

SB609

Measure Title: RELATING TO ATTESTATION ENGAGEMENTS.

Report Title: Public Accountancy; Attestation Engagements

Description: Requires that peer reviews performed on public accounting firms are performed in accordance with the entirety of the Statements on Standards for Attestation Engagements adopted by the American Institute of Certified Public Accountants.

Companion:

Package: None

Current Referral: CPH

Introducer(s): NISHIHARA, Dela Cruz, Inouye, Kidani

**PRESENTATION OF THE
BOARD OF PUBLIC ACCOUNTANCY**

TO THE SENATE COMMITTEE ON
COMMERCE, CONSUMER PROTECTION, AND HEALTH

TWENTY-NINTH LEGISLATURE
Regular Session of 2017

Monday, February 27, 2017
9:30 a.m.

**TESTIMONY ON SENATE BILL NO. 609, RELATING TO ATTESTATION
ENGAGEMENTS.**

TO THE HONORABLE ROSALYN H. BAKER, CHAIR,
AND MEMBERS OF THE COMMITTEE:

My name is Darryl Komo, and I am the Vice-Chairperson of the Board of Public Accountancy ("Board"). Thank you for the opportunity to testify on behalf of the Board in strong support of Senate Bill No. 609, Relating to Attestation Engagements.

The bill proposes to amend Hawaii Revised Statutes section 466-36, entitled "Hawaii supplement to the peer review report", by deleting the specific reference to AT section 201 of the Statements on Standards for Attestation Engagements ("Standards") of the American Institute of Certified Public Accountants ("AICPA"), and replacing it with language that refers to the Standards themselves. This will allow for reference to the pertinent sections of the Standards currently and in the future without the necessity of additional statutory amendments.

The Board's Peer Review Program encompasses the framework and implementation guidelines of the peer review program of the AICPA, and has adopted the AICPA Standards as the benchmark for the evaluation and peer review of the provision of attestation services by Certified Public Accountants ("CPA") and CPA firms.

The Board therefore requires all licensees under its jurisdiction to adhere to these Standards when performing engagements that require the provision of attestation services.

The Board notes that, as in the past, any future proposed amendments to the AICPA Standards are open to comments and recommendations by state boards of accountancy, as well as by individual members of the AICPA. The Board is assured that all such input on future proposed changes to the Standards will be taken into careful consideration by the AICPA.

In closing, the Board strongly supports Senate Bill No. 609, and respectfully requests the Committee's favorable consideration. Thank you for the opportunity to present the Board's testimony on this measure. I will be available to answer any questions the Committee may have.