

STAND. COM. REP. NO.

616

Honolulu, Hawaii

MAR 04 2021

RE: S.B. No. 1103

Honorable Ronald D. Kouchi
President of the Senate
Thirty-First State Legislature
Regular Session of 2021
State of Hawaii

Sir:

Your Committee on Commerce and Consumer Protection, to which was referred S.B. No. 1103 entitled:

"A BILL FOR AN ACT RELATING TO THE PEER REVIEW OVERSIGHT COMMITTEE,"

begs leave to report as follows:

The purpose and intent of this measure is to clarify the roles of the Board of Public Accountancy (Board) in selecting members to serve on the Board's Peer Review Oversight Committee (PROC).

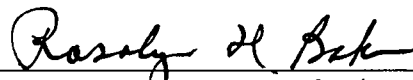
Your Committee received testimony in support of this measure from the Board of Public Accountancy.

Your Committee finds the standards of review for the profession of public accountancy can change frequently, and it is anticipated that the PROC's duties will increase substantially because of recent changes. It is necessary for the Board to have flexibility and discretion in selecting members who have the ability and aptitude to serve on the PROC. Accordingly, this measure will help the Board appropriately and timely appoint PROC members by removing the requirement that a prospective PROC member's firm has a rating of "pass" or an unmodified opinion from its last peer review and grants the Board broader discretion in selecting members for the PROC.



As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1103 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Respectfully submitted on
behalf of the members of the
Committee on Commerce and
Consumer Protection,



ROSALYN H. BAKER, Chair



