STAND. COM. REP. NO.

Honolulu, Hawaii

MAR 0 4 2021

S.B. No. 1103 RE:

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.

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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

The Senate Thirty-First Legislature State of Hawai'i

Record of Votes Committee on Commerce and Consumer Protection CPN

Bill / Resolution No.:*	Committee	Committee Referral:			Date:		
581103	CPN			02.17.2028			
The Committee is reconsidering its previous decision on this measure.							
If so, then the previous decision was to:							
The Recommendation is:							
Pass, unamended Pass, with amendments Hold Recommit 2312 2311 2310 2313							
Members		Aye	Aye (W	R)	Nay	Excused	
BAKER, Rosalyn H. (C)							
CHANG, Stanley (VC)							
MISALUCHA, Bennette E.		/					
NISHIHARA, Clarence K.		/					
RIVIERE, Gil							
SAN BUENAVENTURA, Joy	٩.						
FEVELLA, Kurt							
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TOTAL		7	-	-			
Recommendation:							
Adopted Not Adopted							
Chair's or Designee's Signature:							
Clarene k Dishikum							
Distribution: Original File with Committee Re	Yellow P port Clerk's Office Drafting			ncy		lenrod e File Copy	

*Only one measure per Record of Votes