

Testimony of the Board of Public Accountancy

**Before the
House Committee on Finance
Thursday, April 1, 2021
2:30 p.m.
Via Videoconference**

**On the following measure:
S.B. 1103, H.D. 1, RELATING TO THE PEER REVIEW OVERSIGHT COMMITTEE**

Chair Luke and Members of the Committee:

My name is Kedin Kleinhans, and I am the Executive Officer of the Board of Public Accountancy (Board). The Board supports this administration bill and requests an amendment.

The purpose of this bill is to clarify the role of the Board in selecting members to serve on the Board's Peer Review Oversight Committee (PROC), which monitors sponsoring organizations to ensure that peer reviews are conducted in accordance with agency standards.

This bill removes the requirement that a prospective PROC member's firm has a rating of pass or an unmodified opinion from its last peer review and replaces it with broader discretion on the part of the Board in selecting members for the PROC. The accountancy profession's standards of review change frequently, and it is anticipated that PROC 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. Further, this bill will help the Board appropriately and timely appoint PROC members.

Lastly, the Board requests amending the effective date to upon approval.

Thank you for the opportunity to testify, and we respectfully ask the Committee to pass this administration bill.

SB-1103-HD-1

Submitted on: 3/30/2021 1:07:08 PM

Testimony for FIN on 4/1/2021 2:30:00 PM

| Submitted By | Organization | Testifier Position | Present at Hearing |
|---------------------|---------------------|---------------------------|---------------------------|
| John D. Smith | Individual | Support | No |

Comments:

I support this bill to be passed through legislature.