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Utah Department of Commerce  
Division of Occupational and  
Professional Licensing  
P O Box 146741  
Salt lake City, Utah 84114-6741

Dear Utah Board of Accountancy members,

As a peer reviewer, I have had several questions relating to SSARS 21 provisions relating to firm licensing requirements for firms that have only clients requesting Preparation Engagements, under SSARS 21 effective December 15, 2015, and the peer review requirement to be issued a CPA license.

Has, or will, this requirement be changed to incorporate the SSARS 21 provision relating to when a peer review will be required?

I await your response, and thanks for all you do for us.

Sincerely,



Ralph B. Larsen, CPA

Enclosures:

- (1) Section R156-26a-303a of Utah CPA licensing regulations, copy of
- (2) Letter to NSCPA relating to enrollment in peer review program, copy of

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& PROFESSIONAL LICENSING

provides the applicant's examinations, education and experience is determined to be substantially equivalent to the 2007 Uniform Accountancy Act licensure requirements or a version of the Uniform Accountancy Act having substantially equivalent requirements.

(4) In accordance with Section 58-26a-306, the qualifications to sit for the AICPA examination are clarified or supplemented as follows:

(a) In accordance with Subsection 58-26a-306(1)(a), the form of application approved by the Division shall be the application that CPA Examination Services (CPAES) requires in order to sit for the examination.

(b) In accordance with Subsection 58-26a-306(1)(b), the fee shall be the fee charged by CPAES. No additional fee shall be due to the Division.

(c) In accordance with Subsections 58-26a-306(1)(c) and (d), the Board has approved CPAES to make the determination of whether the applicant has met the education requirements, provided however that, if an applicant disputes the finding of CPAES, the Board shall make a final determination of whether the applicant is qualified to sit for the AICPA examination.

**R156-26a-302b. Qualifications for Licensure - Experience Requirements.**

~~In accordance with Subsections 58-1-203(1)(b) and 58-1-301(3), the experience~~ requirements for licensure in Section 58-26a-302 are clarified, or supplemented as follows:

(1) The Division in collaboration with the board may accept experience of a person who holds a license as a certified public accountant or equivalent designation in a foreign country, if the applicant has obtained from the National Association of State Boards of Accountancy (NASBA) verification of compliance with the terms of an agreement for reciprocal licensure between the foreign country and the International Qualifications Appraisal Board of NASBA, which agreement provides the applicant's examinations, education and experience is determined to be substantially equivalent to the 2007 Uniform Accountancy Act licensure requirements or a version of the Uniform Accountancy Act having substantially equivalent requirements.

**R156-26a-302c. Qualifications for Licensure - Examinations.**

The Division in collaboration with the Board may accept testing of a person who holds a license as a certified public accountant or equivalent designation in a foreign country, if the applicant has obtained from the National Association of State Boards of Accountancy (NASBA) verification of compliance with the terms of an agreement for reciprocal licensure between the foreign country and the International Qualifications Appraisal Board of NASBA, which agreement provides the applicant's examinations, education and experience is determined to be substantially equivalent to the 2007 Uniform Accountancy Act licensure requirements or a version of the Uniform Accountancy Act having substantially equivalent requirements.

**\* R156-26a-303a. Renewal Requirements - Peer Review.**

(1) General.

In accordance with Subsections 58-1-308(3)(b) and 58-26a-303(2)(b), there is created a peer review requirement as a condition for renewal of licenses issued under the Certified Public Accountant Licensing Act, providing for review of the work products of CPA and CPA firm licensees.

(a) The purpose of the program is to monitor compliance with professional standards.

(b) The program shall emphasize education and may include other remedial actions when non-compliance is found.

(c) If a licensee is unwilling or unable to comply with or intentionally disregards professional standards, the administering organization shall refer the matter to the Division for consultation and determination of appropriate action.

(2) Scheduling of the Peer Review.

(a) A firm's initial peer review shall be assigned a due date to require that the

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Dear Peer Review Division

In researching the SSARS 21 provisions and how they relate to peer reviews, I have the following question:

If a firm has had a peer review in the past but will only be doing "Preparation Engagements" in the future, is the firm currently enrolled in the peer review program?

The Peer Review manual, page 2014, copy included, states that Preparation Engagements, which is the Firm's highest level of service, are subject to peer review if the firm is enrolled in the peer review program.

If the answer is yes, how can the firm disenroll in the Peer Review Program.

Also enclosed is a copy of the letter I submitted to the Utah Department of Commerce asking them if the CPA licensing requirement relating to the peer review requirement is going to be changed.

I await your response.

Sincerely,  
*Ralph*

Ralph B. Larsen, CPA

Enclosures:

- (1) Page 2014, AICPA Peer Review Program Manual
- (2) Letter to Utah Dept. of Commerce, copy of

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If a Firm Performs These Types of Engagements as Its Highest Level of Service, the Firm Would be Required to Have:	System Review	Engagement Review
Examinations performed under AT section 801, <i>Reporting on Controls at a Service Organization</i> (AICPA, <i>Professional Standards</i> )	X	
<b>Public Company Accounting Oversight Board (PCAOB) Standards</b>		
Audits of non-SEC issuers	X	
Attestation of non-SEC issuers	X	
<b>Statements on Standards for Accounting and Review Services (SSARs)</b>		
Reviews of financial statements		X
Compilations of financial statements with disclosures		X
Compilations of financial statements without disclosures		X
Compilations performed when the compiled financial statements are not expected to be used by a third party (management use only), when no compilation report is issued <sup>4</sup>		X
Preparation engagements of financial statements with disclosures		X
Preparation engagements of financial statements without disclosures		X

If a firm is required to have a System Review, all the engagements listed in the preceding table would be subject to selection for review, ordinarily based on periods ending during the year under review, except for financial forecasts, projections and agreed upon procedures. Financial forecasts, projections and agreed upon procedures with report dates during the year under review would be subject to selection.

If a firm performs or reports on engagements under International Standards, refer to Interpretations 6-7 and 6-8.

## Preparation of Financial Statements Engagements

**7-3** *Question*—A firm is not required to enroll in the AICPA peer review program if its only level of service is performing preparation engagements (with or without disclaimer reports) under SSARs. However, if the firm elects to enroll in the peer review program, is the firm required to have a peer review?

*Interpretation*—Yes. If a firm is required to enroll in the peer review program due to licensing or other requirements or otherwise elects to enroll in the peer review program, and its only level of service is performing preparation engagements (with or without disclaimer reports) under SSARs, it is required to have a peer review. The peer review is required to be performed under these standards.

**7-4** *Question*—Would preparation engagements (with and without disclaimer reports) be subject to peer review when the firm is already enrolled in the program because, for example, it performs services and issues reports on other engagements that are within the scope of the standards?

*Interpretation*—Yes. For firms enrolled in the program, preparation engagements (with and without disclaimer reports) fall within the scope of peer review. The standards define an accounting and auditing practice as all engagements covered by SSARs except when SSARs provide an exemption from those standards.

<sup>4</sup> Refer to Interpretations 6-1 to 6-6.