

October 28, 2014

Tim Kindem, Technical Manager
AICPA Peer Review Program
American Institute of Certified Public Accountants
220 Leigh Farm Road
Durham, NC 27707-8110

Re: Exposure Draft - Proposed Changes to the AICPA Standards for Performing and Reporting on Peer Reviews: Preparation of Financial Statements Performed Under SSARS and the Impact on the Scope of Peer Review

Dear Technical Manager, Board Members and Staff:

The Peer Review Committee of The Ohio Society of Certified Public Accountants is pleased to respond to the invitation to comment on the AICPA's Exposure Draft Proposed Changes to the AICPA Standards for Performing and Reporting on Peer Reviews: *Preparation of Financial Statements Performed under SSARS and the Impact on the Scope of Peer Review*.

The committee feels that if preparation standards are part of the professional standards they should in fact be covered by the peer review process and not carved out and excluded from peer review. This point is further supported by the fact that statements under preparation services could be used by third parties and the public interest would not be served by excluding these services from the scope of the review.

The committee also feels that there are sufficient procedures within the Standards to allow peer review to occur. These procedures would be somewhat analogous to the procedures currently included for the review of management-use-only ("SSARS 8") compilations. In particular, reviewing the engagement letter would be a critical procedure relative to the preparation of financial statements, since it establishes the applicable financial reporting framework. Preparation procedures also require ensuring that the applicable financial reporting framework is disclosed on the face of the financial statements, along with a "no assurance" legend (or an accompanying disclaimer.) We believe that in many cases, preparation will result in departures from the applicable financial reporting framework, the omission of statements of cash flows, and/or the omission of substantially all disclosures; these matters are also required by SSARS to be disclosed on the face of the financial statements or in a note. Non-compliance with these provisions of the Standards would create material non-compliance which could result in misleading financial statements. This is clearly not in the public interest. We believe that there is a high risk of non-compliance with these provisions which could be reduced by including preparation services within the scope of a peer review.

We appreciate the opportunity to provide feedback to the proposed changes to the AICPA Standards for Performing and Reporting on Peer Reviews: *Preparation of Financial Statements Performed under SSARS and the Impact on the Scope of Peer Review* and welcome any additional opportunities to further discuss the matter.

Sincerely,

A handwritten signature in black ink that reads "Mark A. Malachin, CPA". The signature is written in a cursive, slightly slanted style.

Mark A. Malachin, CPA
Chairman, Peer Review Committee