

1105.4700 QUALITY REVIEW STANDARDS.

A. For purposes of parts 1105.4600 to 1105.5500, Standards for Performing and Reporting on Peer Reviews (Standards) and Statements on Quality Control Standards (Statements) that are contained in AICPA Professional Standards, Volume 2, are incorporated by reference.

B. Quality reviews conducted according to the standards meet the board's requirements for a quality review. Except as specified in part 1105.4800, inspections conducted under Section 104 of the Sarbanes-Oxley Act of 2002, Public Law 107-204, shall meet the board's requirements for a quality review. Approved report acceptance bodies specified in part 1105.5300, item B, shall file with the board prior to April 1 of each year a statement which details all significant differences between the quality review standards followed by the report acceptance body and the standards specified in item A. A firm shall notify the board and obtain permission prior to having a review conducted through a report acceptance body other than those specified in part 1105.5300.

C. A system review level quality review must include verification that the individuals in the firm who are responsible for supervising attest services and who sign or authorize someone to sign the accountant's report on financial statements on behalf of the firm have met the competency requirements set out in professional standards. The competency requirement is contained in the documents incorporated by reference in item A. The verification required by the reviewer in a quality review shall determine whether:

(1) the firm's quality control policies and procedures require such individuals to gain and maintain relevant competencies to conduct attest services; and

(2) in the reviewer's judgment such policies and procedures are being followed.

Statutory Authority: *MS s 326.18; 326A.02*

History: *27 SR 1425; 28 SR 1636; 30 SR 422; 33 SR 476*

Published Electronically: *September 18, 2008*