

Texas House of Representatives



EDDIE LUCIO III

DISTRICT 38
CAMERON COUNTY

August 16, 2018

Ken Levine
Director
Sunset Advisory Commission
P.O. Box 13066
Austin, Texas 78711

Dear Director Levine:

I am writing this letter to express support for The American Institute of CPAs (AICPA) and their concerns regarding the Texas Sunset Advisory Commission's (the Commission) review of the Texas State Board of Public Accountancy (TSBPA). As a State Official, I commend the Commission's inquiry on the TSBPA to ensure that the State's public is served best. However, I appreciate AICPA's solid and existing foundation which includes the current composition of the TSBPA and a comprehensive Peer Review Program (PRP).

With respect to the Commission's recommendation to adjust the board's composition to consist of eight public members and seven certified public accountants (Recommendation 3.2), I support AICPA's position to keep the board's composition as is. I truly believe in our state's capability via statute and the Commission's oversight to protect against antitrust suits rather than altering the TSBPA's composition.

In respect to the Commission's recommendation for TSBPA to amend its peer review rules to account for risk posed to the public, I firmly believe in the strength of AICPA's PRP. The PRP already in place takes into account, to a high degree, the risk posed by the services provided by a CPA firm. Moreover, this PRP identifies CPA firms with sub-par systems of quality control, identifies performance deviations, and imposes remedial action to correct deficiencies. On a final note, I feel at ease knowing that the very nature of AICPA's PRP is to better protect the public.

I'd like to recognize both the Commission's due diligence to ensure our government is efficient, effective, and accountable as well as AICPA's vital role to protect members of the public who rely on the accuracy and quality of accounting and auditing services provided by CPAs.

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Again, I strongly support AICPA's history of serving the public interest since 1887. It is because of their efforts and the fact that AICPA sets ethical standards for its members at the federal, state, and local governments that very few state boards manage their own peer review program.

If I can be of any further assistance, please do not hesitate to contact my office at (956) 542-2800 or (512) 463-0606.

Sincerely,

A handwritten signature in cursive script that reads "Eddie Lucio III".

Eddie Lucio, III
State Representative
District 38