

GOVERNOR
KIM REYNOLDS
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ADAM GREGG

IOWA DIVISION OF BANKING
PROFESSIONAL LICENSING & REGULATION

RONALD L. HANSEN
SUPERINTENDENT

January 4, 2019

Rob Sand, Auditor-Elect
Cindy Adams, Director, ISCPA

On December 7, 2018, the Iowa Society of CPAs (“**Society**”) submitted a letter to the Iowa Accountancy Examining Board (“**Board**”) proposing the formation of a working group to examine and propose solutions relating to the status of the Office of the Auditor of State (“**Auditor’s Office**”) as a CPA Firm within the meaning of Iowa Code chapter 542, and related issues. Through deliberations at several Board meetings, the Board determined it was willing to designate several Board members to participate in the proposed working group.

The Board would propose that the working group be comprised of a total of six (6) individuals, two (2) from each of the following organizations:

- Two (2) members of the Board;
- Two (2) representatives from Auditor’s Office; and
- Two (2) representatives from the Society.

Should this working group ultimately form, the Board voted at its January 4, 2019 meeting to designate the following individuals to participate in the working group on behalf of the Board:

- Aaron Olson, CPA, current Vice Chair, and chair-elect; and
- Robert Snodgrass, CPA.

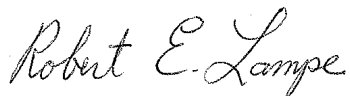
Although a difficult issue, and on the advice of legal counsel, the Board is presently of the view that the Auditor’s Office is not a CPA firm within the meaning of Iowa Code chapter 542. The Board is also of the view that, as the law is presently written, the continued operation of Auditor’s Office absent a permit to practice issued by the Board neither violates the laws or rules administered by the Board; nor does it subject individual CPAs or LPAs continuing to work for the Auditor’s Office to criminal penalties or regulatory scrutiny by the mere fact of their continued employment and performance of their duties in a manner that is otherwise consistent with applicable professional standards.

Notwithstanding, the Board believes examining and clarifying these issues further with an eye towards reaching a solution that is mutually beneficial to all the competing interests involved is in the best interests of the citizens of the State of Iowa. To that end, the Board understands the purpose of the working group is to explore potential changes to Iowa Code chapters 11 and 542 and the Board's and Auditor's Office's Administrative rules with the primary aims of:

1. Clarifying the relationship between the Board and the Auditor's Office; and
2. Ensuring individuals performing attest services in the performance of their duties at the Auditor's Office are qualified, competent, and subject to appropriate oversight.

Please let us know if you would be willing to participate in this working group and we can then proceed to coordinate schedules for a first meeting.

Best regards,

A handwritten signature in cursive script that reads "Robert E. Lampe".

Robert E. Lampe
Executive Officer
Iowa Accountancy Examining Board