



January 30, 2026

NASBA Private Equity Task Force
PETaskForce@nasba.org

Re: Alternative Practice Structures & Private Equity: Considerations and Questions for Boards of Accountancy

On behalf of the Indiana CPA Society, the members of the Government Relations Advisory Council thank you for the opportunity to provide a response to the *Alternative Practice Structures & Private Equity: Considerations and Questions for Boards of Accountancy* white paper. We believe it is essential for all stakeholders to actively engage in ongoing discussions about potential areas of concern. This collaborative approach ensures that current professional standards continue to evolve in response to the changing needs of the profession, always with a focus on protecting the public interest.

Overall, our position is that the ongoing development of ethics, peer review, and professional code of conduct standards is, and will continue to be, both adequate and appropriate for addressing concerns related to alternative practice structures and private equity investments in accounting firms. Our response to specific questions outlined in the white paper follow:

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- How should attest firms operating in an APS model with PE investment maintain audit quality and avoid undue influence and pressure to perform, if non-attest entities influence the attest firm's management, compensation, and performance evaluations?

Response: [AICPA Ethics Division's proposed revisions regarding alternative practice structures](#) and ongoing [peer review standards](#) establish suitable and comprehensive guidelines for firms with private equity investment and APS models. We are confident that, as new needs arise, both the UAA and Model Rules will continue to adapt appropriately to address emerging developments.

- What restrictions should apply to PE investors and their portfolio companies becoming attest clients of an attest firm within their same shared APS structure?

Response: This is adequately addressed in the proposed revisions to the *Conceptual Framework for Independence* interpretation.

- How should peer review processes address the complexity of independence considerations introduced by APS structures with PE investment?

Response: The profession can rely on the rigorous exposure draft process for peer review, ethics and professional code of conduct standards utilized by the profession to ensure critical input, discussion and considered decisions are made to protect the public interest.

- Are there adequate safeguards to ensure that attest firms maintain the necessary internal knowledge and frameworks for compliance with the AICPA Code, and federal/state laws and rules, specifically around the

protection of confidential client information?

Response: This should continue to be an area of focused discussion as AICPA develops guidance and standards in this area.

- Are there positions taken within PEEC's memorandum Potential revisions to the AICPA Code of Professional Conduct and guidance related to independence in alternative practice structures that you believe should impose more restrictive requirements regarding attest firm independence? If so, which provisions, how would you modify them, and why?

Response: None at this time.

- Would your Board of Accountancy consider adopting stricter laws or rules associated with independence than those in the AICPA Code, to enhance public protection?

Response: Likely not.

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- Should Boards of Accountancy require more prominent and standardized disclosures on websites and marketing materials, distinguishing attest and non-attest entities under common control?

Response: Compliance frameworks including guidelines and standards should adequately address this. It should not be necessary for the Board of Accountancy to develop additional oversight or rules beyond regular disciplinary actions in their purview if public trust is violated.

- How can Boards of Accountancy better educate consumers about the distinction between attest and non-attest services in APS structures?

Response: NASBA could develop communication tools BoAs members could use on their websites to provide guidance and education to consumers.

- What clarity is needed regarding Uniform Accountancy Act and Model Rules' wording on the use of the CPA title by individuals not associated with attest firms?

Response: The profession must be careful not to create artificial "tiers" of licensure by changing rules or statute requirements for CPAs in attest vs non-attest functions.

- How should advertising practices be regulated to provide transparency regarding the relationship between attest firms and non-attest entities?

Response: Clear independence standards should adequately address concerns about advertising practices. Firms are required to maintain professional integrity and meet established standards in all communications, including advertising and engagement letters, to ensure transparency and ethical conduct.

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- What are the implications of differing state definitions of "the practice of public accountancy" for attest firms operating nationally under APS models?

Response: Indiana's definition of Practice of Accountancy as defined in [IC 25-2.1-1-10](#) is currently adequate and can be updated if changed in UAA.

- Would Boards of Accountancy find it helpful for the UAA to include definitions of “**active individual participant**” or “**affiliated entities**” within its requirements for non- CPA firm owners?

Response: Terms defined and the conceptual framework in the *Proposed Revisions to Alternative Practice Structures* are sufficient.

- How should Boards of Accountancy coordinate oversight when CPA firms operating under an APS model with PE investments conduct business across multiple jurisdictions?

Response: Boards of Accountancy should follow current processes for reporting violations between jurisdictions.

- Regarding CPA firm registration requirements, do Boards of Accountancy need details on an attest firm's principal place of business and physical presence in the jurisdiction, to ensure compliance with relevant laws and rules?

Response: Boards of Accountancy should clearly understand their statutory authority and should be cautioned not to exceed authority without legislative change.

We appreciate the NASBA private equity task force's role in raising awareness about Alternative Practice Structures (APS) and private equity in accounting firms. Their efforts help boards of accountancy address complex challenges, promote consistency across jurisdictions, and uphold professional standards as industry models evolve.

Sincerely,



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Indiana CPA Society