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Scott Walker, Governor
Dave Ross, Secretary

ACCOUNTING EXAMINING BOARD
Room 121C, 1400 East Washington Avenue, Madison
Contact: Brittany Lewin (608) 266-2112
November 13, 2014

The following agenda describes the issues that the Board plans to consider at the meeting. At the time of the meeting, items may be removed from the agenda. Please consult the meeting minutes for a record of the actions of the Board.

AGENDA

9:00 A.M.

OPEN SESSION – CALL TO ORDER – ROLL CALL

A. Adoption of Agenda (1-4)

B. Approval of Minutes of September 4, 2014 (5-9)

C. Administrative Matters
1) Staff Updates
2) 2015 Meeting Dates
   a) Tuesday, February 17, 2015
   b) Wednesday, June 10, 2015
   c) Tuesday August 11, 2015
   d) Tuesday, November 10, 2015
3) Newsletter Request
4) Accounting Licensee Database

D. Legislative/Administrative Rule Matters – Discussion and Consideration (10-52)
1) Potential Statutory Changes **(10-11)**
   a) 2013 Wisconsin Act 114 **(12-15)**
   b) 2013 Wisconsin Act 210/Assembly Bill 669 **(16-21)**
   c) Wisconsin Statute Chapter 442 **(22-25)**
2) Discuss and Consider a Proposed Rule Draft of Accy 1-9, Wis. Admin. Code **(26-52)**

E. Speaking Engagement(s), Travel, or Public Relation Request(s)
1) Report of the 2014 NASBA 107th Annual Meeting – November 2-5, 2014 in Washington D.C. – Gerald Denor

F. Deliberation on Items Added After Preparation of Agenda:
1) Introductions, Announcements and Recognition
2) Administrative Updates
3) Education and Examination Matters
4) Credentialing Matters
5) Practice Matters
6) Legislation/Administrative Rule Matters

7) Liaison Reports
8) Informational Items
9) Disciplinary Matters
10) Presentations of Petitions for Summary Suspension
11) Presentation of Proposed Stipulations, Final Decisions and Orders
12) Presentation of Proposed Decisions
13) Presentation of Interim Orders
14) Petitions for Re-Hearing
15) Petitions for Assessments
16) Petitions to Vacate Orders
17) Petitions for Designation of Hearing Examiner
18) Requests for Disciplinary Proceeding Presentations
19) Motions
20) Petitions
21) Appearances from Requests Received or Renewed
22) Speaking Engagement(s), Travel, or Public Relation Request(s)

G. Public Comments

CONVENE TO CLOSED SESSION to deliberate on cases following hearing (s. 19.85(1)(a), Stats.); to consider licensure or certification of individuals (s. 19.85(1)(b), Stats.); to consider closing disciplinary investigations with administrative warnings (ss. 19.85 (1)(b), and 440.205, Stats.); to consider individual histories or disciplinary data (s. 19.85 (1)(f), Stats.); and to confer with legal counsel (s. 19.85(1)(g), Stats.).

H. Credentialing Matters

1) Application Reviews: Approval for Licensure as a Certified Public Accountant **(53-55)**

Application Reviews - Initial

1. Albrecht, Scott M.
2. Alfred, Shawn M.
3. Bardasheva, Galina
4. Baugher, Jonathon D.
5. Birschbach, Dustin J.
6. Bohl, Jessica J.
7. Castell, Scott W.
8. Cords, Kevin J.
9. Cyffka, Peter J.
10. Ehler, Zachariah J.
11. Fares, Tareq
12. Fischer, James R.
13. Goetter, Robert M.
14. Goldman, Binyamin G.
15. Gong, Shuang-Ying
16. Graczyk, Spencer J.
17. Hazard, Carrie L.
18. Huxsol, Michael J.
19. Jesowshek, Michael J.
20. Kerkhoff, Cameron P.
21. Klett, Steven T.
22. Lechova, Mariyana G.
23. Lim, Marilyn B.
24. Marrari, Valerie Jo
25. Marsolek, Kristina R.
26. Mbewe, Edward K.
27. McCormick, Cheryl A.
28. Rabbach, Trevor
29. Rubish, Holly A.
30. Salzmann, Jacob T.
31. Schnelle, Laura
32. Smith, Samuel T.
33. Smith, William C.
34. Spelich, Scott
35. Stawicki, Erin M.
36. Steinmann, Erica M.
37. Wagner, Kevin C.
38. Wendtland, John A.
39. Dahlinger, Julianna
40. Prock, Larry

Application Reviews – Previewed

1. Askin, Jason D.
2. Audretsch, Jeffery S.
3. Beardsley, Benjamin M.
4. Behring, Steven
5. Bessler, Jason D.
6. Bilsinger, Taylor J.
7. Bourbon, Jennifer M.
8. Brandt, Jonathon T.
9. Brennan, Joseph A.
10. Childers, Brock
11. Cropp, Jaclyn
12. Daniels, Hannah C.
13. Duclon, Lindsay
14. Dumke, Michael J.
15. Eckardt, Heather N.
16. Evans, Dave I
17. Fentzlaff, Caitlin E.
18. Fisher, Ashley A.
19. Foley, Candice L.
20. Frohmader, Andrew D.
21. Gilsner, Taylor
22. Greer, Kevin A.
23. Grube, Emily M.
24. Haack, Taylor M.
25. Harrop, Seth W.
26. Jacobson, Leary
27. Justison, Leah A.
28. Kallies, Elizabeth L.
29. Kanethavong, Cristina M.
30. Kaplan, Scott R.
31. Kastein, Nicholas J.
32. Krause, Arielle
33. Krueger, Robert J.
34. Lang, Margo M.
35. Larsh, Austin J.
36. Larson, Samuel S.
37. Leitner, Aaron D.
38. Lin, Yuqi
39. Linn, Michael W.
40. Linzmeier, Kristin M.
41. Liu, Huixuan
42. Long, Koen G.
43. Lukomski, Michael S.
44. Mahn, Jason M.
45. Marti, Sarah A.
46. Mayo, Rebecca L.
47. McDowell, Lauren L.
48. Meiklejohn, Marcus C.
49. Meng, Hui
50. Meyer, Linda C.
51. Micke, Emily J.
52. Mitchell, Lauren L.
53. Mollert, Tyler C.
54. Murray, Courtney R.
55. Ness, Keren
56. Nettles, Mark
57. Nylen, Paul C.
58. Palmer, Ryan
59. Pearl, Alexandria
60. Pfrang, Matthew B.
61. Pritzl, Adam G.
62. Richgels, Ryan
63. Salisbury, Jennifer
64. Sannes, Emily J.
65. Scaffidi, Michael A.
66. Schmitz, Alyssa R.
67. Schmitz, Glenn A.
68. Schmoldt, Eric J.
69. Schneider, Gina
70. Skiles, Genevieve E.
71. Sobieck, Madelyn M.
72. Speel, Anthony M.
73. Towne, Ryan W.
74. Treinen, Rachel
75. Van Ryzin, Lauren M.
76. Vivian, Brentan R.
77. Waibel, Jennifer M.
78. Walls, Taylor E.
79. Wilensky, Howard L.
80. Young, Amy E.

I. Case Status Report (56)

J. Case Closing(s)

K. Deliberation of Items Added After Preparation of the Agenda

1) Education and Examination Matters
2) Credentialing Matters
3) Disciplinary Matters
4) Monitoring Matters
5) Professional Assistance Procedure (PAP) Matters
6) Petitions for Summary Suspensions
7) Proposed Stipulations, Final Decisions and Order
8) Administrative Warnings
9) Proposed Decisions
10) Matters Relating to Costs
11) Case Closings
12) Case Status Report
13) Proposed Interim Orders
14) Petitions for Assessments and Evaluations
15) Petitions to Vacate Orders
16) Remedial Education Cases
17) Motions
18) Petitions for Re-Hearing
19) Appearances from Requests Received or Renewed

L. Consulting with Legal Counsel

RECONVENE TO OPEN SESSION IMMEDIATELY FOLLOWING CLOSED SESSION

M. Vote on Items Considered or Deliberated Upon in Closed Session, if Voting is Appropriate

N. Open Session Items Noticed Above not Completed in the Initial Open Session

ADJOURNMENT

ACCOUNTING EXAMINING BOARD
MEETING MINUTES
September 4, 2014

PRESENT: Christine Anderson (arrived at 9:16), Joseph Braunger, Todd Craft, Gerald Denor, Kathleen LaBrake (GoToMeeting), Glenn Michaelsen, John Scheid

STAFF: Brittany Lewin, Executive Director; Gretchen Mrozinski, Legal Counsel; Karen Rude-Evans, Bureau Assistant; Shawn Leatherwood, Rules Coordinator

CALL TO ORDER

John Scheid, Board Chair, called the meeting to order at 9:05 a.m. A quorum of six (6) members was confirmed.

ADOPTION OF AGENDA

MOTION: Gerald Denor moved, seconded by Glenn Michaelsen, to adopt the agenda as published. Motion carried unanimously.

APPROVAL OF MINUTES

MOTION: Todd Craft moved, seconded by Gerald Denor, to approve the minutes of May 8, 2014 as published. Motion carried unanimously.

SPEAKING ENGAGEMENT(S), TRAVEL, OR PUBLIC RELATIONS REQUEST(S)

MOTION: Glenn Michaelsen moved, seconded by Gerald Denor, to allow the Chair to designate a Board member to attend the NASBA 107th Annual Meeting on November 2-5, 2014 in Washington, DC. Motion carried unanimously.

CLOSED SESSION

MOTION: Todd Craft moved, seconded by Gerald Denor, to convene to closed session to deliberate on cases following hearing (s. 19.85(1)(a), Stats.); to consider licensure or certification of individuals (s. 19.85(1)(b), Stats.); to consider closing disciplinary investigations with administrative warnings (ss. 19.85 (1)(b), and 440.205, Stats.); to consider individual histories or disciplinary data (s. 19.85 (1)(f), Stats.); and to confer with legal counsel (s. 19.85(1)(g), Stats.). John Scheid read the language of the motion. The vote of each member was ascertained by voice vote. Roll Call Vote: Christine Anderson – yes; Todd Craft – yes; Gerald Denor – yes, Kathleen LaBrake – yes; Glenn Michaelsen – yes; John Scheid - yes. Motion carried unanimously.

The meeting convened to Closed Session at 11:09 a.m.

RECONVENE TO OPEN SESSION

MOTION: Joseph Braunger moved, seconded by Kathleen LaBrake, to reconvene into open session. Motion carried unanimously.

The meeting reconvened into Open Session at 12:21 p.m.

AFFIRM ALL VOTES MADE IN CLOSED SESSION

MOTION: Glenn Michaelsen moved, seconded by John Scheid, to affirm all votes made in closed session. Motion carried unanimously.

PROPOSED STIPULATIONS, FINAL DECISIONS AND ORDERS

MOTION: Glenn Michaelsen moved, seconded by John Scheid, to adopt the Proposed Stipulation, Final Decision and Order in the matter of disciplinary action against **Jennifer M. Brawner, case 13 ACC 016**. Motion carried unanimously.

CASE CLOSING(S)

MOTION: John Scheid moved, seconded by Kathleen LaBrake, to close case **14 ACC 005 for no violation (NV**). Motion carried unanimously.

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APPLICATION REVIEWS

Review for Experience

MOTION: Kathleen LaBrake moved, seconded by Joseph Braunger, to approve the applications of those listed below for Certified Public Accountant Licensure once all requirements for licensure have been met. Motion carried unanimously.

1. Armstrong, Keara N.
2. Bach, Elizabeth J.
3. Barker, Jeremiah J.
4. Barrie, Frank D.
5. Beaudin, Cole J.
6. Bentley, Nathan R.
7. Bogenschultz, Melanie L.
8. Bulai-Hletko, Laura M.
9. Carlson, Wesley J.
10. Clark, Brian A.
11. De Lorme, Daniel
12. Djurickovic, Amanda K.
13. Doremus, Nicholas G.
14. Drews, Michael F.
15. Edmonds, Robert W.
16. Fields, Lisa C.
17. Fonk, Mandy M.
18. Goberman, Galina
19. Griedl, Aaron L.
20. Harris, Jennifer L.
21. Heinrich, Shelby E.
22. Heppe, Adam S.
23. Hussain, Areeba
24. Igielski, Danielle M.
25. Kehl, Lynn M.
26. Kennedy, Justin J.
27. Krumm, Christopher T.
28. Levenstein, Adam E.
29. Luckmann, Michelle
30. Marousek, Erik S.
31. Moore, Kala B.
32. Nordness, Brian
33. O'Brien, Chase D.
34. Pasanen, Anna M.
35. Perez, Roxanne
36. Porubcan, Andrew J.
37. Prodoehl, Eric A.
38. Rasmussen, Kevin K.
39. Rehmus, Brandon
40. Rood, Julie M.
41. Schmidt, Heather L.
42. Schuelke, Nicole L.
43. Stoner, Kenneth V.
44. Story, Kendra
45. Taylor, Ross A.
46. Viney, Kayla M.
47. Welch, Patrick J.
48. Wenger, Brett J.
49. Wheeler, Shane
50. Wycklendt, Alice L.
51. Yager, Brad J.
52. Yost, Stephanie A.
53. Zimmerman, Alycia C.
54. Zimmerman, Carmen

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MOTION: John Scheid moved, seconded by Todd Craft, to delegate authority to Kathleen LaBrake to work with DSPS staff to review and make the final credentialing decision regarding the following applicants who need to supply additional information. Motion carried unanimously.

1. Alsuhaibani, Azzam A
2. McDougall, Michael R
3. Venne, Shanna M.

Review for Arrest/Conviction, Lawsuit Record or Other Board's Action

MOTION: Gerald Denor moved, seconded by Kathleen LaBrake, to approve the applications of those listed below for Certified Public Accountant Licensure once all requirements for licensure have been met. Motion carried unanimously.

1. Shambeau, Matthew S.
2. Tordoff, Mitchell J.

Review for Experience and Arrest/Conviction Record

MOTION: Kathleen LaBrake moved, seconded by Gerald Denor, to approve the application listed below for Certified Public Accountant Licensure once all requirements for licensure have been met. Motion carried unanimously.

1. Larson, Christopher J.

Applications for Approval of Licensure

MOTION: Glenn Michaelsen moved, seconded by Kathleen LaBrake, to approve the applications of those listed below for Certified Public Accountant Licensure once all requirements for licensure have been met. Motion carried unanimously.

1. Banach, Nicholas J.
2. Barth, Matthew G.
3. Bartz, Nathaniel T.
4. Blayney, Joseph P.
5. Brunner, Eric A.
6. Caillouette, John M.
7. Canedo, David
8. Carroll, Daniel C.
9. Chomeau, Henri
10. Chau, Ting
11. Chen, Miaofan
12. Erickson, Patrick D.

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13. Evers, Nicole C.
14. Filtz, Ryan
15. Glaaser, Ana L.
16. Hack, Tyler
17. Haroldson, Anastasia T.
18. Henn, Stephanie L.
19. Heritsch, Michael R.
20. Hies, Steven M.
21. Hill, Brittany M.
22. Hughes, Sarah E.
23. Iwanski, Matthew J.
24. Jeske, Nicole
25. Johnson, Benjamin J.
26. Kaestner, Kyle R.
27. Kertz, Amalia F.
28. Klaetsch, Rebecca M.
29. Kusmerek, Kimberly A.
30. Lange, Brandon W.
31. Logan, Nathaniel J.
32. Loke, Jacqueline S.
33. Londo, Jason R.
34. Mahlke, Scott W.
35. Mantych, Samuel M.
36. Meckstroth, Jacob N.
37. Mueller, Kayla E.
38. Mustafa, Saqib
39. Nooyen, Jennifer A.
40. Nsiah, Tabi
41. Nyquist, Ryan M.
42. Olle, Bryan R.
43. Palick, Peter A.
44. Radulovich, Corey M.
45. Rasmussen, Daniel J.
46. Rutten, Samuel C.
47. Schutte, Justin J.
48. Shaurette, Amanda M.
49. Skaletski, Kelley
50. Spahn, Justin A.
51. Starbird, Tyler W.
52. Uhen, Benjamin J.
53. Van Rossum, Charlotte L.
54. Voster, Kristen L.
55. Wagner, Charity
56. Walters-Ketchum, Alexi
57. Wenzel, Marco
58. Wilk, Jamie M.
59. Wintheiser, Aaron J.
60. Wirkus, Tyrrell F.
61. Wood, Kevin A.
62. Wubben, Joshua L.
63. Young, Aaron K.

ADJOURNMENT

MOTION: Gerald Denor moved, seconded by John Scheid, to adjourn the meeting. Motion carried unanimously.

The meeting adjourned at 12:25 p.m.

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State of Wisconsin
Department of Safety & Professional Services

AGENDA REQUEST FORM

1) Name and Title of Person Submitting the Request:	2) Date When Request Submitted:
Brittany Lewin on behalf of Chairman John Scheid	**September 6, 2014** Items will be considered late if submitted after 12:00 p.m. and less than: ▪ 8 work days before the meeting

3) Name of Board, Committee, Council, Sections:
Accounting Examining Board

4) Meeting Date:	5) Attachments:	6) How should the item be titled on the agenda page?
November 13, 2014	☒ Yes ☐ No	**Legislative/Administrative Rule Matters - Potential Statutory Changes – Discussion and Consideration**

7) Place Item in:	8) Is an appearance before the Board being scheduled? If yes, who is appearing?	9) Name of Case Advisor(s), if required:
☒ Open Session ☐ Closed Session ☐ Both	☐ Yes by (name) ☒ No	

10) Describe the issue and action that should be addressed:

Talking Points from Chairman Scheid:

It has been pointed out to me that since the 2013 Wisconsin Act 210 Wisconsin statutes permit an individual to sit for the CPA exam upon completion of 120 semester hours of education - not mentioning the 48 hours of accounting concentration. While so far this has not been an issue yet with new candidates, we should clarify the statute to include the accounting hour requirements. Given that this will require legislative action - hopefully in early January 2015 - we should also gain additional clarification of the Accounting Examining Board's authority.

So I would propose we discuss three (3) clarification points :

(1) Adding the 48 accounting concentration phrase to the 120 hour requirement for sitting for the CPA examination.

(2) Adding language to give the Accounting Examining Board the authority to study continuing education requirements for licensed CPAs in Wisconsin. Currently Wisconsin is the only state without a CPE requirement (all 49 other states require some CPE to maintain CPA license). Perhaps we can consider grandfather provisions or phase in requirement.

(3) Adding language to allow the Accounting Examining Board to consider additional oversight of the peer review process for CPAs currently required to have such a peer review.

11) Authorization

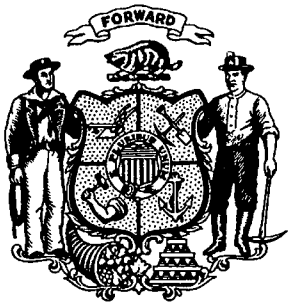
Signature of person making this request — Date

Supervisor (if required) — Date

Bureau Director signature (indicates approval to add post agenda deadline item to agenda) — Date

Directions for including supporting documents:
1. This form should be attached to any documents submitted to the agenda.
2. Post Agenda Deadline items must be authorized by a Supervisor and the Board Services Bureau Director.
3. If necessary, Provide original documents needing Board Chairperson signature to the Bureau Assistant prior to the start of a meeting.

State of Wisconsin



Date of enactment: **December 19, 2013**
2013 Senate Bill 337 Date of publication*: **December 20, 2013**

2013 WISCONSIN ACT 114

AN ACT *to repeal* 449.05 (intro.), 451.06 (2), 452.09 (3) (e), 454.07 (3), 454.24 (3) and 456.04 (intro.); *to renumber* 442.04 (4) (a), 449.05 (1m), 449.05 (2m), 451.06 (1), 456.04 (1), 456.04 (2), 456.04 (3) and 456.04 (4); *to renumber and amend* 441.04, 441.06 (1), 441.07 (1), 441.10 (1), 441.10 (3) (a), 442.04 (4) (bm), 442.04 (4) (c), 442.04 (5), 449.04 (1), 450.03 (2), 450.04 (3) (intro.), 450.04 (3) (a), 450.04 (3) (b) and 456.03; *to amend* 39.393 (1) (c), 253.10 (7), 441.15 (3) (a) (intro.), 441.16 (2), 445.045 (1) (g), 449.04 (title), 449.055 (5) and 459.26 (3); *to repeal and recreate* 441.07 (title); and *to create* 440.071, 441.07 (1c), 441.10 (3) (a) 6. and 456.03 (5) of the statutes; **relating to:** examination requirements for various professional credentials and powers of the Board of Nursing.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

SECTION 1. 39.393 (1) (c) of the statutes is amended to read:

39.393 **(1)** (c) A program in this state that confers a 2nd degree that will make the person eligible ~~to sit~~ for ~~examination~~ licensure under s. ~~441.04~~ 441.06 or 441.10.

SECTION 2. 253.10 (7) of the statutes is amended to read:

253.10 **(7)** AFFIRMATIVE DEFENSE. No person is liable under sub. (5) or (6) or under s. 441.07 ~~(1)~~ (1g) (f), 448.02 (3) (a), or 457.26 (2) (gm) for failure under sub. (3) (c) 2. d. to provide the printed materials described in sub. (3) (d) to a woman or for failure under sub. (3) (c) 2. d., e., f., fm., or g. to describe the contents of the printed materials if the person has made a reasonably diligent effort to obtain the printed materials under sub. (3) (e) and s. 46.245 and the department and the county department under s. 46.215, 46.22, or 46.23 have not made the printed materials available at the time that the person is required to give them to the woman.

SECTION 3. 440.071 of the statutes is created to read:

440.071 No degree completion requirement to sit for examination. (1) Except as provided under sub. (2), the department or a credentialing board or other board in the department may not require a person to complete any postsecondary education or other program before the person is eligible to take an examination for a credential the department or credentialing board or other board in the department grants or issues.

(2) This section does not apply to an examination for a real estate appraiser certification under s. 458.06 or license under s. 458.08.

SECTION 4. 441.04 of the statutes is renumbered 441.06 (1) (a) and amended to read:

441.06 **(1)** (a) ~~*Requisites for examination as a registered nurse.* Any person who has graduated~~ The applicant graduates from a high school or its equivalent as determined by the board~~, does~~.

(b) The applicant does not have an arrest or conviction record, subject to ss. 111.321, 111.322 and 111.335~~, holds~~.

(c) The applicant holds a diploma of graduation from an accredited school of nursing and, if the school is

* Section 991.11, WISCONSIN STATUTES: Effective date of acts. "Every act and every portion of an act enacted by the legislature over the governor's partial veto which does not expressly prescribe the time when it takes effect shall take effect on the day after its date of publication."

located outside this state, submits evidence of general and professional educational qualifications comparable to those required in this state at the time of graduation ~~may apply to the department for licensure by the board as a registered nurse, and upon payment of~~.

(d) The applicant pays the fee specified ~~under~~ in s. 440.05 (1) ~~shall be entitled to examination~~.

SECTION 5. 441.06 (1) of the statutes is renumbered 441.06 (1) (intro.) and amended to read:

441.06 **(1)** (intro.) ~~An~~ Subject to s. 441.07 (1g), the board shall grant a license as a registered nurse to an applicant for licensure ~~as a registered nurse~~ who complies with all of the following requirements ~~of this subchapter and satisfactorily passes an~~:

(e) The applicant passes the examination ~~shall~~ under s. 441.05 to receive a license as a registered nurse in this state. The applicant may not take the examination before receiving a diploma under par. (c) unless the applicant obtains a certificate of approval to take the examination from the school of nursing the applicant attends and submits that certificate to the board prior to examination.

(1m) The holder of ~~such~~ a license as a registered nurse under the laws of another state or territory or province of Canada may be granted a license as a registered nurse in this state without examination if the holder's credentials of general and professional educational qualifications and other qualifications are comparable to those required in this state during the same period and if the board is satisfied from the holder's employment and professional record that the holder is currently competent to practice the profession. The board shall evaluate the credentials and determine the equivalency and competency in each case. The application for licensure without examination shall be accompanied by the fee prescribed in s. 440.05 (2).

SECTION 6. 441.07 (title) of the statutes is repealed and recreated to read:

441.07 (title) **Disciplinary proceedings and actions.**

SECTION 7. 441.07 (1) of the statutes is renumbered 441.07 (1g), and 441.07 (1g) (intro.), as renumbered, is amended to read:

441.07 **(1g)** (intro.) ~~The board may, after disciplinary proceedings conducted in accordance with~~ Subject to the rules promulgated under s. 440.03 (1), the board may deny an initial license or revoke, limit, suspend, or deny the renewal of a license of a registered nurse, ~~a~~ nurse–midwife, or ~~a~~ licensed practical nurse~~, may~~; deny an initial certificate or revoke, limit, suspend, or deny the renewal of a certificate to prescribe drugs or devices granted under s. 441.16~~,~~; or ~~may~~ reprimand a registered nurse, nurse–midwife, or licensed practical nurse, if the board finds that the ~~person~~ applicant or licensee committed any of the following:

SECTION 8. 441.07 (1c) of the statutes is created to read:

441.07 **(1c)** Subject to the rules promulgated under s. 440.03 (1), the board may conduct investigations and hearings to determine whether a person has violated this chapter or a rule promulgated under this chapter.

SECTION 9. 441.10 (1) of the statutes is renumbered 441.10 (3) (a) 1. and amended to read:

441.10 **(3)** (a) 1. ~~'Prerequisites for examination as licensed practical nurses.' A person who~~ The applicant is 18 years of age or older~~, does~~.

2. The applicant does not have an arrest or conviction record, subject to ss. 111.321, 111.322 and 111.335~~, has~~.

3. The applicant has completed 2 years of high school or its equivalent as determined by the board ~~and holds~~.

4. The applicant holds a diploma of graduation from an accredited school for licensed practical nurses approved by ~~that~~ the board~~, may apply to the board for licensing as a licensed practical nurse, and, upon payment of the examination~~.

5. The applicant pays the fee specified in s. 440.05 (1)~~, shall be entitled to take an examination~~.

(ag) Any school for licensed practical nurses, in order to be accredited, must offer a course of not less than 9 months.

SECTION 10. 441.10 (3) (a) of the statutes is renumbered 441.10 (3) (a) (intro.) and amended to read:

441.10 **(3)** (a) (intro.) ~~On complying with this subchapter relating to applicants~~ Subject to s. 441.07 (1g), the board shall grant a license as a licensed practical nurse to an applicant for licensure ~~as licensed practical nurses, and passing an examination, the applicant shall receive a license as a licensed practical nurse.~~ who satisfies all of the following conditions:

(ar) The holder of ~~the~~ a license under this subsection is a "licensed practical nurse" and may append the letters "L.P.N." to his or her name. The board may reprimand or may limit, suspend, or revoke the license of a licensed practical nurse under s. 441.07.

SECTION 11. 441.10 (3) (a) 6. of the statutes is created to read:

441.10 **(3)** (a) 6. The applicant passes the examination under sub. (2) for licensure as a licensed practical nurse in this state. The applicant may not take the examination before receiving a diploma under subd. 4. unless the applicant obtains a certificate of approval to take the examination from the school of nursing the applicant attends and submits that certificate to the board prior to examination.

SECTION 12. 441.15 (3) (a) (intro.) of the statutes is amended to read:

441.15 **(3)** (a) (intro.) ~~The~~ Subject to s. 441.07 (1g), the board shall grant a license to engage in the practice of nurse–midwifery to any person licensed as a registered nurse under this subchapter or in a party state, as defined in s. 441.50 (2) (j), who does all of the following:

SECTION 13. 441.16 (2) of the statutes is amended to read:

441.16 **(2)** ~~The~~ Subject to s. 441.07 (1g), the board shall grant a certificate to issue prescription orders to an advanced practice nurse who meets the education, training, and examination requirements established by the board for a certificate to issue prescription orders, and who pays the fee specified under s. 440.05 (1). An advanced practice nurse certified under this section may provide expedited partner therapy in the manner described in s. 448.035.

SECTION 14. 442.04 (4) (a) of the statutes, as affected by 2013 Wisconsin Act 21, is renumbered 442.04 (5) (a).

SECTION 15. 442.04 (4) (bm) of the statutes is renumbered 442.04 (5) (b) 3. and amended to read:

442.04 **(5)** (b) 3. ~~A person may not take the examination leading to the certificate to practice as a certified public accountant unless the~~ The person has completed at least 150 semester hours of education with an accounting concentration at an institution, and has received a bachelor's or higher degree with an accounting concentration from an institution, except as provided in par. (c).

SECTION 16. 442.04 (4) (c) of the statutes is renumbered 442.04 (5) (c) and amended to read:

442.04 **(5)** (c) If an applicant has a bachelor's or higher degree from an institution, and satisfies the other conditions under par. (b), but does not have an accounting concentration required in par. ~~(bm)~~ (b) 3., the examining board may review such other educational experience from an institution as the applicant presents and, if the examining board determines that such other experience provides the reasonable equivalence of an accounting concentration required in par. ~~(bm)~~ (b) 3., the examining board shall ~~approve~~ grant a certificate as a certified public accountant to the applicant ~~for examination~~.

SECTION 17. 442.04 (5) of the statutes is renumbered 442.04 (5) (b) (intro.) and amended to read:

442.04 **(5)** (b) (intro.) The examining board may not grant a certificate as a certified public accountant to any person other than a person who ~~is~~ satisfies all of the following conditions:

1. The person is 18 years of age or older~~, does~~.

2. The person does not have an arrest or conviction record, subject to ss. 111.321, 111.322, and 111.335~~, and, except~~.

4. Except as provided in s. 442.05, the person has successfully passed an examination in such subjects affecting accountancy as the examining board considers necessary. ~~The examining board may not grant the certificate unless the applicant has~~

5. The person has at least one year of public accounting experience or its equivalent, the sufficiency of the experience or the equivalency to be judged by the examining board.

(d) The examining board shall ensure that evaluation procedures and examinations under this subsection are nondiscriminatory, relate directly to accountancy, and are designed to measure only the ability to perform competently as an accountant. The examining board may use the examination service provided by the American Institute of Certified Public Accountants.

SECTION 18. 445.045 (1) (g) of the statutes is amended to read:

445.045 **(1)** (g) The person must have successfully passed a comprehensive examination conducted by the examining board as required by s. 445.04. ~~The examination may be taken at any time after completion of the college and mortuary school instruction and regardless of the age of the applicant.~~

SECTION 19. 449.04 (title) of the statutes is amended to read:

449.04 (title) **Examination and licensure.**

SECTION 20. 449.04 (1) of the statutes is renumbered 449.04 (1) (intro.) and amended to read:

449.04 **(1)** (intro.) ~~Licenses~~ The examining board may grant a license to engage in the practice of optometry ~~shall be issued~~ only to ~~persons~~ a person who ~~pass~~ satisfies all of the following conditions:

(c) The person passes an examination approved or conducted by the examining board. ~~An applicant who qualifies under s. 449.05 may take any examination approved or administered by the examining board upon payment of~~

(d) The person pays the fee specified in s. 440.05 (1).

SECTION 21. 449.05 (intro.) of the statutes is repealed.

SECTION 22. 449.05 (1m) of the statutes is renumbered 449.04 (1) (a).

SECTION 23. 449.05 (2m) of the statutes is renumbered 449.04 (1) (b).

SECTION 24. 449.055 (5) of the statutes is amended to read:

449.055 **(5)** The person satisfies the requirements under s. ~~449.05~~ 449.04 (1) (a) and (b).

SECTION 25. 450.03 (2) of the statutes is renumbered 450.03 (2) (intro.) and amended to read:

450.03 **(2)** (intro.) ~~The~~ Except as provided in s. 450.10, the board shall issue a license as a pharmacist to any person who ~~files satisfactory proof of qualifications under s. 450.04 (3), passes~~ does all of the following:

(c) Passes the examination under s. 450.04 ~~and pays~~.

(d) Pays the fee specified in s. 440.05 (1)~~, except as provided under s. 450.10~~.

SECTION 26. 450.04 (3) (intro.) of the statutes is renumbered 450.04 (3) and amended to read:

450.04 **(3)** Every candidate for examination for licensure as a pharmacist shall submit an application on a form provided by the department and pay the fee specified in s. 440.05 (1) at least 30 days before the date of examination. ~~Every candidate shall also submit proof to the board that he or she:~~

SECTION 27. 450.04 (3) (a) of the statutes is renumbered 450.03 (2) (a) and amended to read:

450.03 **(2)** (a) Has received a professional degree from a pharmacy program approved by the board~~; and~~.

SECTION 28. 450.04 (3) (b) of the statutes is renumbered 450.03 (2) (b) and amended to read:

450.03 **(2)** (b) Has completed an internship in the practice of pharmacy or has practical experience acquired in another state ~~which~~ that is comparable to that included in an internship and ~~which~~ that is approved and verified by the board or by the agency ~~which~~ that is the equivalent of the board in the state in which the practical experience was acquired.

SECTION 29. 451.06 (1) of the statutes is renumbered 451.06.

SECTION 30. 451.06 (2) of the statutes is repealed.

SECTION 31. 452.09 (3) (e) of the statutes is repealed.

SECTION 32. 454.07 (3) of the statutes is repealed.

SECTION 33. 454.24 (3) of the statutes is repealed.

SECTION 34. 456.03 of the statutes is renumbered 456.03 (intro.) and amended to read:

456.03 Licenses. (intro.) An applicant for a license as a nursing home administrator who does all of the following and has successfully complied with ~~the~~ any other requirements for licensure under this chapter ~~and passed the examination~~ shall be granted a license by the examining board, certifying that the applicant has met the requirements of the laws and rules entitling the applicant to serve, act, practice, and otherwise hold himself or herself out as a duly licensed nursing home administrator~~.~~:

SECTION 35. 456.03 (5) of the statutes is created to read:

456.03 **(5)** Passes the examination under s. 456.05.

SECTION 36. 456.04 (intro.) of the statutes is repealed.

SECTION 37. 456.04 (1) of the statutes is renumbered 456.03 (1).

SECTION 38. 456.04 (2) of the statutes is renumbered 456.03 (2).

SECTION 39. 456.04 (3) of the statutes is renumbered 456.03 (3).

SECTION 40. 456.04 (4) of the statutes is renumbered 456.03 (4).

SECTION 41. 459.26 (3) of the statutes is amended to read:

459.26 **(3)** An individual is not eligible for examination unless he or she ~~has satisfied the requirements for licensure under s. 459.24 (2) (a) to (d) or (3) (a) to (d) and~~, at least 30 days before the date of examination, submits an application for examination to the department on a form provided by the department and pays the fee specified in s. 440.05 (1).

WISCONSIN LEGISLATIVE COUNCIL
ACT MEMO

2013 Wisconsin Act 210 [2013 Assembly Bill 669]	Modification and Repeal of Administrative Rules Relating to the Accounting Examining Board and Qualifications to sit for the Accountancy Examination

2013 Wisconsin Act 210 repeals and amends certain provisions of ch. Accy 9, Wis. Adm. Code, relating to regulation of professional conduct and standards of peer review in the practice of accountancy.

Under current law, among other qualifications, an individual must complete 150 semester hours of education with an accounting concentration; must receive a bachelor's degree or higher with an accounting concentration; and must then successfully pass an accounting examination as prescribed by the Accounting Examining Board. While the 150-hour and degree requirements remain current law, Act 210 amends Wisconsin Statutes to permit an individual to sit for the accountancy examination upon completion of 120 semester hours of education.

Additionally, the Act modifies chs. 13, 35, and 227, Stats., relating generally to the promulgation procedure for administrative rules, to formally recognize modification of administrative rules by legislative initiative. Under the Act, administrative rules repealed or modified by legislative initiative shall be published in the Administrative Code and Administrative Register and the repeal or modification shall take effect on the first day of the month commencing after publication in the Administrative Register.

Effective date: April 10, 2014. (Rules treated by the Act will be published in the April 30, 2014 Administrative Register and take effect on May 1, 2014.)

Prepared by: Scott Grosz, Senior Staff Attorney April 18, 2014

SG:jb;ty

This memo provides a brief description of the Act. For more detailed information, consult the text of the law and related legislative documents at the Legislature's Web site at: http://www.legis.wisconsin.gov.

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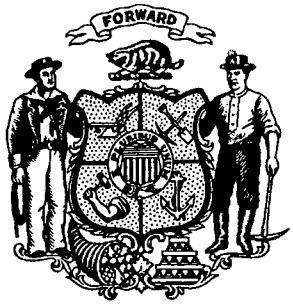
State of Wisconsin



Date of enactment: **April 8, 2014**
Date of publication*: **April 9, 2014**

2013 Assembly Bill 669

2013 WISCONSIN ACT 210

AN ACT *to amend* 13.92 (4) (c), 13.92 (4) (d), 13.92 (4) (e), 13.92 (4) (f), 35.93 (2) (b) 4., 35.93 (2) (c) 1., 35.93 (3), 35.93 (3) (e) (intro.), 35.93 (3) (e) 1., 227.01 (13) (intro.), 227.11 (2) (intro.), 227.27 (2), 442.01 (2) and 442.04 (5) (b) 4.; and *to create* 13.92 (4) (bm) and 227.265 of the statutes; **relating to:** rule–making procedures, practice standards for certified public accountants, and eligibility requirements to sit for the licensure examination for certified public accountants.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

SECTION 1. 13.92 (4) (bm) of the statutes is created to read:

13.92 **(4)** (bm) If 2 or more rules filed under s. 227.20 or modified under s. 227.265 affect the same unit of the Wisconsin administrative code without taking cognizance of the effect thereon of the other rules and if the legislative reference bureau finds that there is no mutual inconsistency in the changes made by each such rule, the legislative reference bureau shall incorporate the changes made by each rule into the text of the unit and document the incorporation in a note to the unit. For each such incorporation, the legislative reference bureau shall include in a correction bill a provision formally validating the incorporation. Section 227.27 (2) is not affected by printing decisions made by the legislative reference bureau under this paragraph.

SECTION 2. 13.92 (4) (c) of the statutes is amended to read:

13.92 **(4)** (c) The legislative reference bureau may insert in the Wisconsin administrative code a note explaining any change made under par. (b) <u>or (bm)</u>.

SECTION 3. 13.92 (4) (d) of the statutes is amended to read:

13.92 **(4)** (d) Sections 227.114, 227.116, 227.135, and 227.14 to 227.24 do not apply to any change made by the legislative reference bureau under par. (b) <u>or (bm)</u>.

SECTION 4. 13.92 (4) (e) of the statutes is amended to read:

13.92 **(4)** (e) The legislative reference bureau shall prepare and keep on file a record of each change made under par. (b) <u>or (bm)</u>.

SECTION 5. 13.92 (4) (f) of the statutes is amended to read:

13.92 **(4)** (f) The legislative reference bureau shall notify the agency involved of each change made under par. (b) <u>or (bm)</u>.

SECTION 6. 35.93 (2) (b) 4. of the statutes, as affected by 2013 Wisconsin Act 20, is amended to read:

35.93 **(2)** (b) 4. Copies of all rules filed with the legislative reference bureau under s. 227.20 (1) <u>or modified under s. 227.265</u> since the compilation of the preceding register, including emergency rules filed under s. 227.24 (3).

SECTION 7. 35.93 (2) (c) 1. of the statutes, as affected by 2013 Wisconsin Act 20, is amended to read:

* Section 991.11, WISCONSIN STATUTES: Effective date of acts. "Every act and every portion of an act enacted by the legislature over the governor's partial veto which does not expressly prescribe the time when it takes effect shall take effect on the day after its date of publication."

35.93 **(2)** (c) 1. Each chapter of the Wisconsin administrative code that has been affected by rules filed with legislative reference bureau under s. 227.20 (1) or modified under s. 227.265, in accordance with sub. (3) (e) 1.

SECTION 8. 35.93 (3) of the statutes is amended to read:

35.93 **(3)** The legislative reference bureau shall compile and deliver to the department for printing copy for a register which shall contain all the rules filed under s. 227.20 or modified under s. 227.265 since the compilation of rules for the preceding issue of the register was made and those executive orders which are to be in effect for more than 90 days or an informative summary thereof. The complete register shall be compiled and published before the first day of each month and a notice section of the register shall be compiled and published before the 15th day of each month. Each issue of the register shall contain a title page with the name "Wisconsin administrative register", the number and date of the register, and a table of contents. Each page of the register shall also contain the date and number of the register of which it is a part in addition to the other necessary code titles and page numbers. The legislative reference bureau may include in the register such instructions or information as in the bureau's judgment will help the user to correctly make insertions and deletions in the code and to keep the code current.

SECTION 9. 35.93 (3) (e) (intro.) of the statutes, as affected by 2013 Wisconsin Act 20, is amended to read:

35.93 **(3)** (e) (intro.) The legislative reference bureau shall incorporate into the appropriate chapters of the Wisconsin administrative code each permanent rule filed with the legislative reference bureau under s. 227.20 (1) or modified under s. 227.265 and, for each chapter of the administrative code affected by a rule, do all of the following:

SECTION 10. 35.93 (3) (e) 1. of the statutes, as affected by 2013 Wisconsin Act 20, is amended to read:

35.93 **(3)** (e) 1. Publish the chapter in the appropriate end–of–month register in accordance with the filing deadline for publication established in the rules procedures manual published under s. 227.15 (7) ~~or~~, in an end–of–month register agreed to by the submitting agency and the legislative reference bureau, or, in the case of a rule modified under s. 227.265, in the end–of–month register for the month in which the bill modifying the rule is enacted.

SECTION 11. 227.01 (13) (intro.) of the statutes is amended to read:

227.01 **(13)** (intro.) "Rule" means a regulation, standard, statement of policy, or general order of general application which has the effect of law and which is issued by an agency to implement, interpret, or make specific legislation enforced or administered by the agency or to govern the organization or procedure of the agency. "Rule" includes a modification of a rule under s. 227.265. "Rule" does not include, and s. 227.10 does not apply to, any action or inaction of an agency, whether it would otherwise meet the definition under this subsection, which:

SECTION 12. 227.11 (2) (intro.) of the statutes is amended to read:

227.11 **(2)** (intro.) Rule–making authority is expressly conferred on an agency as follows:

SECTION 13. 227.265 of the statutes is created to read:

227.265 Repeal or modification of rules. If a bill to repeal or modify a rule is enacted, the procedures under ss. 227.114 to 227.21 and 227.26 do not apply. Instead, the legislative reference bureau shall publish the repeal or modification in the Wisconsin administrative code and register as required under s. 35.93, and the repeal or modification shall take effect as provided in s. 227.22.

SECTION 14. 227.27 (2) of the statutes is amended to read:

227.27 **(2)** The code shall be prima facie evidence in all courts and proceedings as provided by s. 889.01, but this does not preclude reference to or, in case of a discrepancy, control over a rule filed with the legislative reference bureau ~~or the secretary of state~~ under s. 227.20 or modified under s. 227.265, and the certified copy of a rule shall also and in the same degree be prima facie evidence in all courts and proceedings.

SECTION 15. 442.01 (2) of the statutes is amended to read:

442.01 **(2)** ~~No~~ The examining board may not adopt a standard or rule relating to professional conduct or unethical practice ~~may be adopted~~ until the examining board has held a public hearing with reference thereto, subject to the rules promulgated under s. 440.03 (1). ~~No~~ Except for a rule modified under s. 227.265, no rule or standard shall become effective until 60 days after its adoption by the examining board. Any person who has appeared at the public hearing and filed written protest against ~~any~~ a proposed standard or rule may, upon the adoption of such standard or rule by the examining board, obtain a review thereof under ch. 227. Thereafter every person practicing as a certified public accountant in the state shall be governed and controlled by the rules and standards prescribed by the examining board, including any modifications under s. 227.265.

SECTION 15m. 442.04 (5) (b) 4. of the statutes, as affected by 2013 Wisconsin Act 114, is amended to read:

442.04 **(5)** (b) 4. Except as provided in s. 442.05, the person has successfully passed an examination in such subjects affecting accountancy as the examining board considers necessary. A person is not eligible to take the examination under this subdivision unless the person has completed at least 120 semester hours under subd. 3.

SECTION 16. Accy 1.003 (1) of the administrative code is amended to read:

Accy 1.003 **(1)** "Attest service" means any of the following, if performed or intended to be performed in

accordance with the statements incorporated under s. Accy 1.205:

(a) An audit or any other engagement ~~that is performed or intended to be performed in accordance with the statements incorporated by reference in s. Accy 1.205 (1)~~.

(b) A review or compilation of a financial statement ~~that is performed or intended to be performed in accordance with the statements incorporated by reference in s. Accy 1.205 (2)~~.

(c) An examination of prospective financial information ~~that is performed or intended to be performed in accordance with the statements incorporated by reference in s. Accy 1.205 (3)~~.

SECTION 17. Accy 1.101 of the administrative code is amended to read:

Accy 1.101 Independence standards. The following independence standards of the accounting profession are adopted by reference and shall be used by certified public accountants in Wisconsin:

The Code of Professional Conduct ET Section 101, including Sections ET 101.01 through ET ~~101.16~~ 101.19, available on the Internet at ~~http://www.aicpa.org/about/code/et101.htm#101=1~~ http://www.aicpa.org/Research/Standards/CodeofConduct/Pages/sec100.aspx, as of January 31, 2013, and published by the American Institute of Certified Public Accountants in print form as AICPA Professional Standards Volume ~~2~~ 3, as of ~~June 1, 2002~~ January 31, 2013. The printed volume is available at:

American Institute of Certified Public Accountants
~~1455 Pennsylvania Ave., NW~~ 1211 Avenue of the Americas
~~Washington, DC 20004-1081~~ New York, NY 10036-8775

Note: Definitions of terms used in the independence standards, ET Section 101, are included in ET Section 92 of the Code of Professional Conduct published by the American Institute of Certified Public Accountants and available ~~at~~ on the Internet ~~site http://www.aicpa.org/about/code/def92.htm~~ at http://www.aicpa.org/Research/Standards/CodeofConduct/Pages/et_92.aspx and in the same printed volume as ET Section 101. ~~Copies of the Standards described above are on file in the offices of the Accounting Examining Board and the Legislative Reference Bureau.~~

SECTION 18. Accy 1.205 (intro.), (1), (2) and (3) of the administrative code are consolidated, renumbered Accy 1.205 and amended to read:

Accy 1.205 Standards for auditing, accounting and review services, and attestation engagements. The ~~following~~ standards of the accounting and auditing profession ~~shall be used by~~ that certified public accountants in Wisconsin~~: (1) The~~ shall use are (1) the Statements on Auditing Standards ~~issued as of June 1, 2003 by the Auditing Standards Board of the American Institute of Certified Public Accountants and published as AICPA Professional Standards, volume 1 by the American Institute of Certified Public Accountants, Inc., New York, New York are incorporated by reference into this section. (2) The~~, the Statements on Standards for Accounting and Review Services ~~issued as of June 1, 2003 by the Accounting and Review Services Committee of the American Institute of Certified Public Accountants and published as AICPA Professional Standards, volume 2 by the American Institute of Certified Public Accountants, Inc., New York, New York are incorporated by reference into this section. (3) The~~, and the Statements on Standards for Attestation Engagements ~~issued as of June 1, 2003, by the Auditing Standards Board, the Accounting and Review Services Committee, and the Consulting Services Executive Committee of the American Institute of Certified Public Accountants and~~, published as AICPA Professional Standards~~, volume 2~~ by the American Institute of Certified Public Accountants, Inc.~~, New York, New York is~~; and (2) the auditing standards of the Public Company Accounting Oversight Board. All of those Statements and Standards are incorporated by reference into this section.

Note: Copies of the Statements described above may be purchased from the American Institute of Certified Public Accountants, 1211 Avenue of the Americas, New York, NY 10036-8775.

~~**Note:** Copies of the Statements described above are on file in the offices of the Accounting Examining Board and the Legislative Reference Bureau.~~

SECTION 18m. Accy 9.01 (2) of the administrative code is amended to read:

Accy 9.01 **(2)** "Engagement review" means to ~~review~~ read the financial statements and other information submitted by the reviewed firm or required under applicable professional standards, and the accountant's report on those statements and that information, of a firm that performs at its highest level of service only services under SSARS or services under the SSAE not included in a system review. ~~An engagement review is usually performed at a location other than the reviewed firm's office. In~~ The objective of an engagement review~~, the reviewers are required to review the financial statements and accompanying accountant's report for compliance with professional standards, and~~ is to determine whether the ~~firm's working paper documentation conforms~~ engagements submitted for review conform to ~~the requirements of the SSARS and SSAES that are applicable to these engagements~~ applicable professional standards in all material respects.

SECTION 19. Accy 9.01 (4) of the administrative code is repealed.

SECTION 19c. Accy 9.01 (5) of the administrative code is amended to read:

Accy 9.01 **(5)** "SAS" means ~~statements~~ the Statements on ~~auditing standards~~ Auditing Standards issued by the auditing standards board of the American Institute of Certified Public Accountants.

SECTION 19g. Accy 9.01 (6) of the administrative code is amended to read:

Accy 9.01 **(6)** "SSAE" means the ~~statements~~ Statements on ~~standards~~ Standards for ~~attestation engagements~~ Attestation Engagements issued by the auditing standards board, the accounting and review services committee, and the consulting services executive committee of the American Institute of Certified Public Accountants.

SECTION 19n. Accy 9.01 (7) of the administrative code is amended to read:

Accy 9.01 **(7)** "SSARS" means the ~~statements~~ Statements on ~~standards~~ Standards for ~~accounting~~ Accounting and ~~review services~~ Review Services issued by the accounting and review services committee of the American Institute of Certified Public Accountants.

SECTION 19r. Accy 9.01 (8) (intro.) of the administrative code is renumbered Accy 9.01 (8) and amended to read:

Accy 9.01 **(8)** "System review" means to review a firm that, at the firm's highest level of service, performs engagements under the SAS or the Government Auditing Standards (Yellow Book), examinations of prospective financial statements under the SSAE. ~~System reviews are usually performed at the reviewed firm's office,~~ or audits of non–SEC issuers pursuant to the standards of the Public Company Accounting Oversight Board. A system review ~~is intended to provide the reviewer with a reasonable basis for expressing both of the following opinions during the period under review:~~ includes determining whether the firm's system of quality control for its accounting and auditing practice is designed and enforced to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards, including the Statements on Quality Control Standards, No. 8, of the American Institute of Certified Public Accountants, in all material respects.

SECTION 19w. Accy 9.01 (8) (a) and (b) of the administrative code are repealed.

SECTION 20. Accy 9.06 of the administrative code is amended to read:

Accy 9.06 Conducting a peer review. In conducting a peer review, a board–approved peer review program shall comply with requirements for performing system reviews, engagement reviews, and ~~report~~ any other reviews established under the "Standards for Performing and Reporting on Peer Reviews" issued by the American Institute of Certified Public Accountants, ~~effective January 1, 2001, specifically identified in paragraphs 25 – 71, and reproduced in Appendix A to this chapter~~ available on the Internet at http://www.aicpa.org/Research/Standards/PeerReview/DownloadableDocuments/PeerReviewStandards.pdf.

~~**Note:** Paragraphs 25–71 of these standards are included as Appendix A to this chapter and are also available from the Internet at http://www.aicpa.org/members/div/practmon/stdstitledl.htm~~

SECTION 21. Accy 9 Appendix A of the administrative code is repealed.

SECTION 22. Effective dates. This act takes effect on the day after publication, except as follows:

(1) The treatment of section 35.93 (2) (b) 4. and (c) 1. and (3) (e) (intro.) and 1. of the statutes takes effect on January 1, 2015.

WISCONSIN LEGISLATIVE COUNCIL
AMENDMENT MEMO

2013 Assembly Bill 669	Assembly Amendments 1 and 2
Memo published: **February 10, 2014**	*Contact*: **Scott Grosz, Senior Staff Attorney (266-1307)**

2013 Assembly Bill 669 would amend ch. Accy 9, Wis. Adm. Code, to modify certain cross-references relating to regulation of professional conduct and peer review in the practice of accountancy.

Assembly Amendment 1 would permit an individual who has completed 120 semester hours to sit for the accountancy examination.

Assembly Amendment 2 would modify additional provisions of ch. Accy 9, relating to standards for peer review.

Bill History

Assembly Amendment 1 was offered by Representative Kooyenga. Assembly Amendment 2 was offered by Representative Marklein. On February 6, 2014, the Assembly Committee on Ways and Means recommended adoption of Assembly Amendments 1 and 2, and recommended passage of Assembly Bill 669, as amended, on successive votes of Ayes, 10; Noes, 0.

SG:jal

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CHAPTER 442

ACCOUNTING EXAMINING BOARD

442.001 Definitions.
442.01 Examining board; duties.
442.02 Certified public accountant, definition.
442.025 Applicability.
442.03 Licenses required.
442.04 Certified public accountants; qualifications.
442.05 Certification by endorsement.
442.07 Requirements for practice as certified public accountant.
442.08 Licensure.
442.083 Renewal.
442.087 Peer review.
442.09 Fees.
442.10 Disclosure of interest in entity reported on.
442.11 Penalties.
442.115 Enforcement actions for violations of this chapter.
442.12 Disciplinary action.
442.13 Ownership of accountant's working papers.

Cross–reference: See definitions in s. 440.01.

442.001 Definitions. In this chapter:

(1) "Attest service" means any of the following:

(a) An audit or any other engagement that is performed or intended to be performed in accordance with rules promulgated under s. 442.01 (1) (a).

(b) A review of a financial statement that is performed or intended to be performed in accordance with rules promulgated under s. 442.01 (1) (b).

(c) An examination of prospective financial information that is performed or intended to be performed in accordance with rules promulgated under s. 442.01 (1) (c).

(3) "Examining board" means the accounting examining board.

(4) "Firm" means a proprietorship, partnership, limited liability partnership, corporation, service corporation, or limited liability company.

(5) "Member of a firm" means a director, manager, employee, officer, owner, shareholder, principal, or partner of a firm.

History: 1999 a. 85 s. 86; 2001 a. 16.

442.01 Examining board; duties. (1) The examining board shall promulgate rules that adopt by reference all of the following:

(a) The statements on auditing standards issued by the Auditing Standards Board of the American Institute of Certified Public Accountants.

(b) The statements on standards for accounting and review services issued by the Accounting and Review Services Committee of the American Institute of Certified Public Accountants.

(c) The statements on standards for attestation engagements issued by the Auditing Standards Board, the Accounting and Review Services Committee, and the Consulting Services Executive Committee of the American Institute of Certified Public Accountants.

(2) The examining board may not adopt a standard or rule relating to professional conduct or unethical practice until the examining board has held a public hearing with reference thereto, subject to the rules promulgated under s. 440.03 (1). Except for a rule modified under s. 227.265, no rule or standard shall become effective until 60 days after its adoption by the examining board. Any person who has appeared at the public hearing and filed written protest against a proposed standard or rule may, upon the adoption of such standard or rule by the examining board, obtain a review thereof under ch. 227. Thereafter every person practicing as a certified public accountant in the state shall be governed and controlled by the rules and standards prescribed by the examining board, including any modifications under s. 227.265.

(3) The examining board shall record its proceedings.

History: 1977 c. 418; 1981 c. 356; 1983 a. 27; 1991 a. 39; 1999 a. 85; 2001 a. 16; 2013 a. 210.

Cross–reference: See also Accy, Wis. adm. code.

442.02 Certified public accountant, definition. (1m) A person shall be considered to be in practice as a certified public accountant, within the meaning and intent of this chapter, if any of the following conditions is met:

(a) The person holds himself or herself out to the public in any manner as one skilled in the knowledge, science, and practice of accounting, and as qualified and ready to render professional service therein as a certified public accountant for compensation.

(b) The person maintains an office for the transaction of business as a certified public accountant or, except as an employee of a certified public accountant, practices accounting, as distinguished from bookkeeping, for more than one employer.

(c) The person offers to prospective clients to perform for compensation, or performs on behalf of clients for compensation, professional services that involve or require an audit of financial transactions and accounting records.

(d) The person prepares for clients reports of audits, balance sheets, and other financial, accounting and related schedules, exhibits, statements or reports that are to be used for publication or for credit purposes, or are to be filed with a court of law or with any other governmental agency, or for any other purpose.

(dm) The person provides or offers to provide an attest service.

(e) The person, in general or as an incident to such work, renders professional assistance to clients for compensation in any or all matters relating to accounting procedure and the recording and presentation of financial facts.

(f) The person signs or affixes his or her name or any trade or assumed name used by the person in his or her business or profession to an opinion or certificate attesting to the reliability of any representation or estimate in regard to any person or organization embracing financial information, financial transactions or accounting records.

(5m) Subsection (1m) (f) does not prohibit any officer, employee, partner, or principal of any organization from affixing his or her signature to any statement or report in reference to the affairs of that organization with any wording designating the position, title, or office that he or she holds in that organization.

(6) Every member of a firm who, as a member of the firm, does any of the things enumerated in sub. (1m) (a) to (f), shall be considered to be in practice as a certified public accountant.

History: 1979 c. 162 ss. 7, 38 (7), (9); 1999 a. 85; 2001 a. 16.

442.025 Applicability. This chapter does not require a certificate or license under this chapter for any of the following:

(1) Persons employed by a certified public accountant or firm licensed under this chapter to serve as accountants in various capacities, as needed, if all of the following conditions are met:

(a) The employees serving as accountants work under the control and supervision of certified public accountants.

(b) The employees serving as accountants do not issue any statements or reports over their own names except office reports to their employer that are customary.

(c) The employees serving as accountants are not in any manner held out to the public as certified public accountants.

(2) A practicing attorney, who, in connection with his or her professional work renders any accounting service.

(3) A person employed by more than one person for the purpose of keeping books, making trial balances, or statements, and preparing reports, if all of the following requirements are met:

(a) The reports described in this subsection are not used or issued by the employers as having been prepared by a certified public accountant.

(b) The persons employed as described in this subsection do not do any of the things enumerated in s. 442.02 (1m) (f) except as authorized under s. 442.02 (5m).

(4) (a) A person who meets all of the following conditions:

1. The person's principal place of business or residence is not in this state.

2. The person holds a valid certified public accountant certificate or license from another state that the National Association of State Boards of Accountancy National Qualification Appraisal Service has verified to be in substantial equivalence with the certified public accountant licensure requirements of the American Institute of Certified Public Accountants/ National Association of State Boards of Accountancy Uniform Accountancy Act, or the person obtains verification from the National Association of State Boards of Accountancy National Qualification Appraisal Service that his or her individual qualifications are substantially equivalent to the certified public accountant licensure requirements of the American Institute of Certified Public Accountants/ National Association of State Boards of Accountancy Uniform Accountancy Act.

(b) Any person who enters this state to practice as a certified public accountant under this subsection agrees to all of the following:

1. That he or she is under the personal and subject matter jurisdiction of the examining board and he or she may be disciplined under s. 442.12.

2. That he or she will comply with this chapter and rules promulgated by the examining board.

3. That the examining board of the state that issued his or her license may act as his or her agent for the purpose of receiving process in any legal action or proceeding by the examining board.

(5) A public official or public employee in performing his or her duties.

(6) A person who performs services involving the use of accounting skills, including management advisory services, the preparation of tax returns, and the preparation of financial statements without issuing reports on the statements.

(7) A person who prepares financial statements and issues information thereon that does not purport to be in compliance with the statement on standards for accounting and review services issued by the American Institute of Certified Public Accountants.

History: 2001 a. 16 ss. 3606rd to 3606rL; 2005 a. 214.

442.03 Licenses required. No person may lawfully practice in this state as a certified public accountant either in the person's own name, or under an assumed name, or as a member of a firm, unless the person has been granted by the examining board a certificate as a certified public accountant, and unless the person and firm have complied with all of the provisions of this chapter, including licensure.

History: 1977 c. 29; 1981 c. 356; 1991 a. 39; 2001 a. 16.

442.04 Certified public accountants; qualifications. (1) The examining board shall grant a certificate as a certified public accountant to all persons who become entitled thereto under this section and s. 442.05. A certificate is permanent unless revoked and not subject to periodic renewal.

(2) The examining board shall hold an examination at least once each year at a time and place determined by the examining board.

(5) (a) In this subsection, "institution" means a bachelor's degree–granting institution of higher education accredited by an accrediting agency that is recognized by the secretary of the federal department of education.

(b) The examining board may not grant a certificate as a certified public accountant to any person other than a person who satisfies all of the following conditions:

1. The person is 18 years of age or older.

2. The person does not have an arrest or conviction record, subject to ss. 111.321, 111.322, and 111.335.

3. The person has completed at least 150 semester hours of education with an accounting concentration at an institution, and has received a bachelor's or higher degree with an accounting concentration from an institution, except as provided in par. (c).

4. Except as provided in s. 442.05, the person has successfully passed an examination in such subjects affecting accountancy as the examining board considers necessary. A person is not eligible to take the examination under this subdivision unless the person has completed at least 120 semester hours under subd. 3. 2013 Act 210

5. The person has at least one year of public accounting experience or its equivalent, the sufficiency of the experience or the equivalency to be judged by the examining board.

(c) If an applicant has a bachelor's or higher degree from an institution, and satisfies the other conditions under par. (b), but does not have an accounting concentration required in par. (b) 3., the examining board may review such other educational experience from an institution as the applicant presents and, if the examining board determines that such other experience provides the reasonable equivalence of an accounting concentration required in par. (b) 3., the examining board shall grant a certificate as a certified public accountant to the applicant.

(d) The examining board shall ensure that evaluation procedures and examinations under this subsection are nondiscriminatory, relate directly to accountancy, and are designed to measure only the ability to perform competently as an accountant. The examining board may use the examination service provided by the American Institute of Certified Public Accountants.

History: 1975 c. 224; 1977 c. 219, 418; 1979 c. 337; 1981 c. 356, 380, 391; 1995 a. 333; 2001 a. 16; 2013 a. 21, 114, 210.

Cross–reference: See also ss. Accy 7.01 and 8.01, Wis. adm. code.

442.05 Certification by endorsement. The examining board may grant a certificate to any applicant who is the holder of a certificate or license to practice as a certified public accountant issued under the laws of any other state or foreign country. The applicant must also establish his or her substantial equivalence of the qualifications required under s. 442.04. The sufficiency of the substantial equivalence shall be judged by the examining board. Upon denial of a certificate under this subsection the examining board shall notify the applicant in writing of the decision, stating the reason for denial and that the applicant has the right to a hearing if a written request is filed with the examining board within 30 days after the notice of denial. Service of the notice of denial may be made by mail addressed to the applicant at the latest address filed by the applicant in writing with the examining board. Service by mail is complete on the date of mailing.

History: 1975 c. 318; 1981 c. 356.

Cross–reference: See also s. Accy 8.01, Wis. adm. code.

442.07 Requirements for practice as certified public accountant. (1) Any person who has been issued a certificate of the person's qualifications to practice as a certified public accountant, shall be styled and known as a "certified public accountant" and no other person shall assume to use such title or the abbreviation "C.P.A." or any other word, words, letters, or figures to indicate that the person using the same is a certified public

accountant. The terms "chartered accountant" and "certified accountant" and the abbreviation "C.A." are specifically prohibited to such other persons as being prima facie misleading to the public.

(3) Any firm that is entitled to practice as certified public accountants in this state or any other state and every resident member of the firm who is a certified public accountant of this state, after registering the firm name with the examining board, may use the designation "certified public accountants" in connection with the firm name.

History: 1977 c. 29; 1981 c. 356; 1991 a. 316; 2001 a. 16.

442.08 Licensure. (1) The department shall issue a license to an individual who holds an unrevoked certificate as a certified public accountant, submits an application for the license on a form provided by the department, and pays the initial credential fee determined by the department under s. 440.03 (9) (a).

(2) The department shall issue a license to a firm that submits an application for the license on a form provided by the department, pays the initial credential fee determined by the department under s. 440.03 (9) (a), and does each of the following:

(a) Identifies each office of the firm that is located in this state.

(b) If any person who holds an ownership interest in the firm is not licensed under sub. (1), designates an individual licensed under sub. (1) as the individual responsible for the firm's compliance with this chapter.

(c) Demonstrates, to the satisfaction of the department, each of the following:

1. That all attest services provided by the firm in this state are under the charge of an individual licensed under sub. (1).

2. That more than 50% of the ownership interest of the firm is held by individuals who hold certificates or licenses to practice as a certified public accountant issued under the laws of any state or foreign country.

3. That each person who holds an ownership interest in the firm, and who does not hold a certificate or license to practice as a certified public accountant, is an individual who actively participates in the firm or an affiliated entity.

(3) The examining board shall promulgate rules that define "ownership interest" for purposes of sub. (2) and for determining the percentage of a person's ownership interest in a firm. In promulgating the rules, the examining board shall consider the financial interests and voting rights of all members of a firm.

History: 1977 c. 29; 1981 c. 356; 1991 a. 39; 2001 a. 16; 2007 a. 20.

442.083 Renewal. The renewal dates for licenses issued under this chapter are specified under s. 440.08 (2) (a), and the renewal fees for such licenses are determined by the department under s. 440.03 (9) (a). The department may not renew a license issued to a firm unless, at the time of renewal, the firm satisfies the requirements under s. 442.08 (2) and demonstrates, to the satisfaction of the department, that the firm has complied with the requirements under s. 442.087.

History: 2001 a. 16; 2007 a. 20.

442.087 Peer review. (1) DEFINITION. In this section, "peer review" means a process for a person licensed under this chapter to evaluate the professional competency of the members of a firm who are responsible for attest services provided by the firm or who sign or authorize another individual to sign accounting reports or financial statements on behalf of the firm.

(2) RENEWAL OF FIRM LICENSES. After January 1, 2005, the department may not renew the license of a firm unless, at least once every 3 years, the firm undergoes the peer review that is specified in the rules promulgated under sub. (3) and that is conducted by a person, approved by the examining board under the rules, who is not affiliated with the firm or members of the firm undergoing review.

(3) RULES. The examining board shall promulgate rules that describe the peer review required to renew a firm's license under sub. (2). The rules shall include requirements for the examining board to approve one or more persons to conduct the peer reviews. The rules shall also require each person approved by the examining board to conduct peer reviews to periodically report to the examining board on the effectiveness of the peer reviews conducted by the person and to provide the examining board with a listing of all firms that have undergone peer review conducted by the person.

(4) CONFIDENTIALITY. A person approved by the examining board to conduct peer reviews may not disclose to any person, including the examining board or the department, any information obtained or document produced during the course of or as a result of a review unless the firm undergoing the review consents to the disclosure.

History: 2001 a. 16, 104.

Cross-reference: See also ch. Accy 9, Wis. adm. code.

442.09 Fees. The fees for examination and licenses granted under this chapter are specified in s. 440.05. The fee for renewal of such licenses is determined by the department under s. 440.03 (9) (a).

History: 1971 c. 125; 1977 c. 29; 1991 a. 39; 2007 a. 20.

442.10 Disclosure of interest in entity reported on. (1) Whenever any person, as a certified public accountant, signs or certifies any report, schedule, or statement relative to the affairs of any corporation, association, or partnership in which the person is financially interested or by which the person is regularly engaged as an officer or employee, the signature or certification shall be accompanied by a specific statement setting forth the fact that the person is financially interested in or is an officer or regular employee of the corporation, association, or partnership. If the person is both financially interested and an officer or regular employee, the statement shall cover both financial interest and employment. In the case of a firm signing or certifying as described in this subsection, the interest of any of its members shall be disclosed.

(2) Notwithstanding sub. (1), no person licensed under this chapter, and no firm of which the person is a member, may express an opinion as an independent certified public accountant on financial statements of any enterprise unless the person and the firm are independent of the enterprise. The requirement for independence under this subsection also extends to the spouse of such a person and to other relatives having a financial or business relationship with the enterprise which, in the opinion of the examining board, may impair independence.

(3) The examining board may make and enforce all necessary rules relative to this section and may determine the particular phraseology necessary to carry sub. (1) into effect.

History: 1977 c. 264; 1993 a. 490; 2001 a. 16.

442.11 Penalties. Whoever does any of the following may, for each offense, be fined not more than $500, or imprisoned in the county jail for not more than one year, or both:

(1) Uses any term other than certified public accountant or the abbreviation C. P. A. to indicate that he or she is a certified public accountant with a specially granted title.

(2) While practicing under an assumed name, or as a member of a firm, other than a firm with a name that is registered under s. 442.07 (3), announces, either in writing or by printing, that the assumed name or firm is practicing as a certified public accountant.

(5) Holds himself or herself out to the public as a certified public accountant or assumes to practice as a certified public accountant unless he or she has been granted a certificate as a certified public accountant from the examining board.

(7) Practices as a certified public accountant after his or her certificate has been revoked.

(8) As an individual or member of a firm, practices or permits the firm to practice as a certified public accountant unless a license has been secured for the current licensure period.

(9) Sells, buys, gives, or obtains an alleged certificate as a certified public accountant or a license in any manner other than that provided for by this chapter.

(10) Attempts to practice as a certified public accountant under the guise of a certificate not granted by the examining board or under cover of a certificate obtained illegally or fraudulently.

(11) Certifies to any false or fraudulent report, certificate, exhibit, schedule or statement.

(12) Attempts by any subterfuge to evade the provisions of this chapter while practicing as a certified public accountant.

(13) As an individual or member of a firm, permits to be announced by printed or written statement that any report, certificate, exhibit, schedule, or statement has been prepared by or under supervision of a certified public accountant when the person who prepared the report, certificate, exhibit, schedule, or statement was not a certified public accountant.

History: 1977 c. 29, 418; 1979 c. 162 s. 38 (4), (7), (9); 1981 c. 356; 1999 a. 85; 2001 a. 16.

442.115 Enforcement actions for violations of this chapter. (1) If it appears upon complaint to the examining board by any person, or it is known to the examining board, that any person has violated this chapter, the examining board may investigate, subject to the rules promulgated under s. 440.03 (1). The district attorney of the county in which violations of this chapter are known or alleged to have occurred shall promptly investigate complaints, from any source, of violations of this chapter and prosecute if the facts warrant. Upon request from the examining board, and when the facts warrant, the appropriate district attorney shall promptly seek an injunction against any person who is violating this chapter.

(2) If the district attorney fails or refuses to act within a time that the examining board considers reasonable, the examining board may request the attorney general to institute a prosecution or to seek an injunction for violation of this chapter.

(3) If a person has engaged, or is about to engage, in an act or practice that constitutes, or will constitute, a violation of this chapter, the examining board in its own right or on behalf of an individual complainant may apply to the appropriate court for an order enjoining the act or practice. Upon a showing by the examining board or the complainant that the person has engaged, or is about to engage, in any act or practice in violation of this chapter, the court may grant an injunction, restraining order or other appropriate order without bond.

History: 1999 a. 85 ss. 95, 96.

442.12 Disciplinary action. (1) Subject to the rules promulgated under s. 440.03 (1), the examining board may do any of the following:

(a) Make investigations and conduct hearings.

(b) Revoke, limit, or suspend for a definite period any certificate, license, or practice privilege, or officially reprimand the holder, if it finds that the holder has violated this chapter or any duly promulgated standard or rule of practice or for any other sufficient cause.

(c) In the case of a firm, revoke, limit, or suspend the license of the firm, or reprimand it, if it is found that any member of the firm has been guilty of such act or omission as would be cause for revoking, limiting, or suspending a certificate or license to the person as an individual or for reprimanding the person.

(d) Impose a period of probation under specified conditions, whether or not in conjunction with other sanctions.

(e) Require additional professional education or training, or reexamination, or any combination, as a condition precedent to the reinstatement of a license or of any privilege, or as a condition precedent to the termination of any suspension.

(f) Suspend a license until further order of the examining board or for a specified period for failure to comply with an order of the examining board imposing disciplinary sanctions.

(g) Upon application in writing and after hearing pursuant to notice, issue a new license to a licensee whose license has been revoked, reinstate a revoked certificate or modify the suspension of any license or certificate which has been suspended. This subsection does not apply to a license or certificate that is suspended under s. 440.13 (2) (c) or that is revoked under s. 440.12.

(2m) A person who is licensed or certified under this chapter who practices as a certified public accountant in another state is subject to disciplinary action by the examining board under this section for an act committed in the other state that would subject the person to disciplinary action in the other state.

(3m) The examining board shall investigate and may take disciplinary action under sub. (1) against a person licensed or certified in this state upon receipt of a complaint by the examining board of accountancy of another state against that person.

History: 1977 c. 187, 418; 1981 c. 356; 1997 a. 191, 237; 2001 a. 16; 2005 a. 214.

442.13 Ownership of accountant's working papers. All statements, records, schedules, working papers, and memoranda made by a certified public accountant incident to or in the course of professional service to clients by a certified public accountant, except reports submitted by a certified public accountant to a client, shall be and remain the property of the certified public accountant, in the absence of an express agreement between the certified public accountant and the client to the contrary. No such statement, record, schedule, working paper, or memorandum shall be sold, transferred, or bequeathed, without the consent of the client or the client's personal representative or assignee, to anyone other than any member of the firm of the certified public accountant.

History: 1991 a. 316; 2001 a. 16.

State of Wisconsin
Department of Safety & Professional Services

AGENDA REQUEST FORM

1) Name and Title of Person Submitting the Request:	2) Date When Request Submitted:
Shawn Leatherwood, Admin. Rules Coordinator	November 3, 2014 Items will be considered late if submitted after 12:00 p.m. and less than: ▪ 8 work days before the meeting

3) Name of Board, Committee, Council, Sections:
Accounting Examining Board

4) Meeting Date:	5) Attachments:	6) How should the item be titled on the agenda page?
November 13, 2014	☒ Yes ☐ No	Legislative and Administrative Rule Matters 1. Discuss and Consider A proposed draft of ACCY 1-9

7) Place Item in:	8) Is an appearance before the Board being scheduled? If yes, who is appearing?	9) Name of Case Advisor(s), if required:
☒ Open Session ☐ Closed Session ☐ Both	☐ Yes by (name) ☒ No	N/A

10) Describe the issue and action that should be addressed:

The committee will discuss and consider the proposed draft of Accy1-9.

11) Authorization

Signature of person making this request — Date

Shawn Leatherwood — November 3, 2014

Supervisor (if required) — Date

Bureau Director signature (indicates approval to add post agenda deadline item to agenda) — Date

Directions for including supporting documents:
1. This form should be attached to any documents submitted to the agenda.
2. Post Agenda Deadline items must be authorized by a Supervisor and the Board Services Bureau Director.
3. If necessary, Provide original documents needing Board Chairperson signature to the Bureau Assistant prior to the start of a meeting.

STATE OF WISCONSIN
ACCOUNTING EXAMINING BOARD

IN THE MATTER OF RULEMAKING PROCEEDINGS BEFORE THE ACCOUNTING EXAMINING BOARD	:	PROPOSED ORDER OF THE ACCOUNTING EXAMINING BOARD ADOPTING RULES (CLEARINGHOUSE RULE)

PROPOSED ORDER

An order of the Accounting Examining Board to

Analysis prepared by the Department of Safety and Professional Services.

ANALYSIS

Statutes interpreted:

ss. 442.04, 442.05, 442.08, Stats.

Statutory authority:

ss. 15.08 (5) (b), 227.11 (2), 442.087 (3), Stats. 2013 Wisconsin Act 21, 2013 Wisconsin Act 210

Explanation of agency authority:

Pursuant to ss. 15.08 (5) (b), and 227.11 (2) (a), Stats., the Accounting Examining Board (Board) is empowered by the legislature to promulgate rules that will provide guidance within the accounting profession and that interpret the statutes it enforces or administers. An express grant of rule writing authority with regard to peer review is found in Section 442.087 (3), Stats. The Board seeks to promulgate rules that will provide guidance within the profession with regards to the qualifications for certification and licensure, qualifications for examination, and requirements for peer review.

Related statute or rule:

None.

Plain language analysis:

The Accounting Examining Board undertook a comprehensive review of the rules governing accounting practice in Wisconsin. During the time the Board was conducting its review legislation passed that greatly impacted becoming a certified public accountant in Wisconsin. 2013 Wisconsin Act 21 affected the accreditation standard within the rules. Before Act 21, applicants for a certified public accountant certificate were to have

received a bachelor's degree from an institution accredited by the Commission on Institution of Higher Education of the North Central Association of Colleges and Schools or its regional equivalence. 2013 Wisconsin Act 21 changed the accreditation standard to include institutions of higher education that are accredited by an accrediting agency recognized by the secretary of the federal department of education. The proposed rule would eliminate all references to the former accreditation body and update pertinent provisions with the new accreditation standard.

2013 Wisconsin Act 210 modified the qualifications for sitting for the accountancy exam. Before Act 210, individuals had to complete 150 semester hours of education and possess a baccalaureate degree or higher before taking the exam. Act 210 reduced the number of required semester hours of education from 150 to 120 semester hours and eliminated the baccalaureate or higher degree as a requirement to take the exam. The proposed rule will amend the affected provisions to implement this statutory change.

Lastly, the Board decided to adopt the American Institute of Certified Public Account's (AICPA) Code of Professional Conduct, and update the peer review chapter with new terms.

Summary of, and comparison with, existing or proposed federal regulation:

Comparison with rules in adjacent states:

Illinois: Illinois requires 150 college or university semester hours with an accounting concentration to be admitted to take the certified public accountant examination. The 150 hours must include a baccalaureate or higher degree conferred by an academic institution acceptable to the board. 225 ILL COMP. STAT. 450/3. The board recognizes institutions of higher education accredited by a regional accrediting association recognized by the Council for Higher Education Accreditation or the U.S. Department of Education. The Board also recognizes business schools accredited by the Association of Advance Collegiate Schools of Business or the Association of Collegiate Business Schools and Programs. 23 Ill. Adm. Code 1400.90 (c) (2) (H)

Iowa: Qualifications for a certificate as a certified public accountant in Iowa includes completion of at least 150 semester hours of college level education and receiving a baccalaureate or higher degree by a college or university recognized by the Board. Iowa Code §542.5 (7). The Board recognizes institutions accredited by the American Assembly of Collegiate Schools of Business.193A IAC 3.2. Other qualifications include one year of verified experience and successful completion of the uniform certified accountant's examination. 193A IAC 3.1.

Michigan: Certification requirements in Michigan include the completion of a least 150 semester hours of college education including a baccalaureate degree or higher with a concentration in accounting. Mich. Admin. Code r. 338.5116 (1). For purposes of

accreditation the board recognizes the North Central Association of Colleges and Schools Commission on Institutions of Higher Education. Mich. Admin. Code r. 338.5115. Qualifying experience for certification includes 2,000 hours of experience within a period of not less than one calendar year and not more than 5 calendar years. Mich. Admin. Code r. 338.5117 (1).

Minnesota: The requirements for certification include the completion of one year of experience and 150 semester hours or 225 quarter hours at a college or university accredited by a recognized accrediting agency listed with the United States Department of Education, or an equivalent accrediting association. Minn. Stat. §3261.03 Subd.6 . Before taking the examination an applicant is required to have a "baccalaureate or higher degree, with a major in accounting or a major in business with accounting emphasis, or an equivalent education, from a college or university that is fully accredited by a recognized accrediting agency listed with the United States Department of Education or an equivalent accrediting association." Minn. Stat. §3261.03 Subd. 3.

Summary of factual data and analytical methodologies:

Analysis and supporting documents used to determine effect on small business or in preparation of economic impact analysis:

Fiscal Estimate and Economic Impact Analysis:

The department is currently soliciting information and advice from businesses, local government units and individuals in order to prepare the Economic Impact Analysis.

Effect on small business:

Agency contact person:

Shawn Leatherwood, Administrative Rules Coordinator, Department of Safety and Professional Services, Division of Policy Development, 1400 East Washington Avenue, Room 151, P.O. Box 8935, Madison, Wisconsin 53708; telephone 608-261-4438; email at Shancethea.Leatherwood@wisconsin.gov.

Place where comments are to be submitted and deadline for submission:

Comments may be submitted to Shawn Leatherwood, Administrative Rules Coordinator Department of Safety and Professional Services, Division of Policy Development, 1400 East Washington Avenue, Room 151, P.O. Box 8366, Madison, WI 53708-8935, or by email to Shancethea.Leatherwood@wisconsin.gov. **Comments must be received on or before * to be included in the record of rule-making proceedings.**

TEXT OF RULE

SECTION 1. Accy 1.001 (1) is amended to read:

Accy 1.001 Applicability of rules of conduct to certified public accountants. Chapters Accy 1 to ~~9~~ 6 apply to a person who practices as a certified public accountant in this state.

SECTION 2. Accy 1.001 (3) is amended to read:

Accy 1.001 (3) A certified public accountant shall not permit others to carry out acts on ~~his or her~~ their behalf, either with or without compensation, which, if carried out by the certified public accountant, would violate chs. Accy 1 to ~~9~~ 6.

SECTION 3. Accy 1.003 (intro.) is amended to read:

Accy 1.003 Definitions. As used in chs. Accy 1 to ~~9~~ 6.

SECTION 4. Accy 1.003 (2m), (6m), and (9m) are created to read:

Accy 1.003 (2m) "Board" means the accounting examining board.

Accy 1.003 (6m) "Certified public accountant" has the meaning given in s. 442.02 (1m), Stats.

Accy 1.003 (9m) "Financial statements" means statements and footnotes related thereto that undertake to present an actual or anticipated financial position as of a point in time, or results of operations, cash flow, or changes in financial position for a period of time, in conformity with generally accepted accounting principles or another comprehensive basis of accounting. The term does not include incidental financial data included in management advisory service reports to support recommendations to a client; nor does it include tax returns and supporting schedules.

SECTION 5. Subchapter II (title) in chapter Accy 1 is amended to read:

SUBCHAPTER II (title)
~~INDEPENDENCE~~ PROFESSIONAL CONDUCT, INTEGRITY AND OBJECTIVITY

SECTION 6. Accy 1.101 is repealed and recreated to read:

Accy 1.101 Professional conduct. (1) The board adopts by reference the "Code of Professional Conduct" published by the American Institute of Certified Public Accountants, effective as of December 15, 2014, with the following exception:

(a) References to "member" are amended to refer to a person licensed to practice as a certified public accountant.

(2) All definitions included in the American Institute of Certified Public Accountants' Code of Professional Conduct shall apply only to the document adopted by reference.

(3) The AICPA Code of Professional Conduct is available electronically at http://pub.aicpa.org/codeofconduct/Ethics.aspx or may be obtained from:

American Institute of Certified Public Accountants
1211 Avenue of the Americas
New York, NY 10036-8775

SECTION 7. Accy 1.102 is amended to read:

Accy 1.102 Integrity and objectivity. No person licensed to practice as a certified public accountant as defined in the statutes, shall knowingly misrepresent facts, and when engaged in the practice of public accounting, including the rendering of tax and management advisory services, shall not subordinate his or her judgment to others. ~~In tax practice, a member may resolve doubt in favor of the client as long as there is reasonable support for that position~~.

SECTION 8. Accy 1.202 is amended to read:

Accy 1.202 Auditing standards. (1) A person licensed to practice as a certified public accountant shall not permit the certified public accountant's name to be associated with financial statements in such a manner as to imply that the certified public accountant is acting as an independent public accountant unless the certified public accountant has complied with the applicable generally accepted auditing standards promulgated by the American Institute of Certified Public Accountants. Statements on auditing standards used by the American Institute of Certified Public Accountants ~~auditing standards executive committee~~ auditing standards board are, for purposes of this rule, considered to be interpretations of the generally accepted auditing standards, and departures from such statements must be justified by those who do not follow them.

SECTION 9. Accy 1.301 (2) (d), and (4) are amended to read:

Accy 1.301 (2) (d) To preclude a certified public accountant from responding to an inquiry made by the Professional Ethics Division of the American Institute of Certified Public Accountants, by the duly constituted investigative or disciplinary body of a state society of certified public accountants, or under any state statutes or under the standards of the Securities and Exchange Commission or the Public Company Accounting Oversight Board.

Accy 1.301 (4) The prohibition in sub. (1) against disclosure of confidential information obtained in the course of a professional engagement does not apply to disclosure of such information when required to properly discharge the certified public accountant's responsibility according to the profession's standards. The prohibition would not apply, for example, to disclosure, as required by AU-C section ~~561~~ 560 of Statement on Auditing Standards ~~No. 1~~, regarding the ~~of~~ subsequent discovery of facts existing at the date of the auditor's report which would have affected the auditor's report had the auditor been aware of such facts.

SECTION 10. Accy 1.302 (1) and (3) are amended to read:

Accy 1.302 (1) Contingent fees, commissions and referral fees. (1) CONTINGENT FEES. Except as provided in sub. ~~(3)~~ (2), a certified public accountant may charge a contingent fee provided the accountant and the client make a contingent fee agreement in writing, signed by the client, which states the method by which the fee is to be determined and describes all costs and expenses to be charged to the client. Upon conclusion of the contingent fee matter, the accountant shall provide the client with a written statement showing the fee and all the costs and expenses charged to the client.

Accy 1.302 (3) COMMISSIONS. Except as provided in sub. ~~(5)~~ (4) a certified public accountant may receive a commission provided that at the time the referral or recommendation is made, the accountant informs the client in writing of the amount and reason for the commission.

SECTION 11. Accy 1.401(2) (a), (2) (c) and (2) (e) 2. are amended to read:

Accy 1.401 (2) (a) *Client's records and accountant's workpapers.* ~~Retention of client records after a demand is made for them is an act discreditable to the profession in violation of this section. It would be a violation of the code to retain a client's records to enforce payment.~~ A certified public accountant's working papers ~~are his or her~~ are the property of the certified public accountant ~~property~~ and need not be surrendered to the client. However, in some instances working papers will contain data which should properly be reflected in the client's books and records but which for convenience have not been duplicated therein, with the result that the client's records are incomplete. In such instances, the portion of the working papers containing such data constitutes part of the client's records, and copies should be made available to the client upon request. If a certified public accountant is engaged to perform certain work for a client and the engagement is terminated prior to the completion of such work, the certified public accountant is required to return or furnish copies of only those records originally given to the certified public accountant by the client. Examples of working papers that are considered to be the client's records would include:

Comment [SNL1]: Replaced is with are.

Accy 1.401 (2) (c) *Duty discharged.* Once the certified public accountant has returned the client's records or furnished the copies of such records ~~and/or~~ and necessary supporting data, the obligation has been discharged in this regard and it is not necessary to comply with any subsequent requests to again furnish such records.

Accy 1.401 (2) (e) 2. On conviction for willful failure to file an income tax return or other document which, the certified public accountant as an individual is required by law to file, for filing a false or fraudulent income tax return or other document on ~~his or her~~ their or a client's behalf, or for willful aiding in the preparation ~~and/or~~ and presentation of a false or fraudulent income tax return of a client, or the willful making of a false representation in connection with the determination, collection or refund of any tax, whether it be in his or her own behalf or in behalf of a client, the board will initiate charges in every instance.

SECTION 12. Accy. 1.401 (2) (f) is repealed and recreated to read:

Accy 1.401 (2) (f) A certified public accountant shall provide a 48-hour written notification to the board after being convicted of a crime.

SECTION 13. Accy 1.405 is repealed and recreated to read:

Accy 1.405 Firm Names. (1) Individuals or firms may practice as a certified public accountant in any form of business organization ~~form~~ permitted by state law. No person licensed to practice as a certified public accountant may practice under a firm name which is misleading as to the type of organization. A misleading CPA Firm name is one of the following:

(a) Contains any representation that would be likely to cause a reasonable person to misunderstand or be confused about the legal form of the firm, or about who are the owners or members of the firm, such as a reference to a type of organization or an abbreviation thereof which does not accurately reflect the form under which the firm is organized, for example:

1. Implies the existence of a corporation when the firm is not a corporation such as through the use of the words "corporation", "incorporated", "Ltd.", "professional corporation", or an abbreviation thereof as part of the firm name if the firm is not incorporated or is not a professional corporation.

2. Implies the existence of a partnership when there is not a partnership such as by use of the term "partnership" or "limited liability partnership" or the abbreviation "LLP" if the firm is not such an entity.

3. Includes the name of an individual who is not a CPA if the title "CPAs" is included in the firm name.

4. Includes information about or indicates an association with persons who are not members of the firm except as provided in sub. (3) and (4).

5. Includes the terms "& Company", "& Associate", or "Group", but the firm does not include, in addition to the named partner, shareholder, owner, or

member, at least one other unnamed partner, shareholder, owner, member, or staff employee.

(b) Contains any representation that would be likely to cause a reasonable person to have a false or unjustified expectation of favorable results or capabilities, through the use of a false or unjustified statement of fact as to any material matter.

(c) Claims or implies the ability to influence a regulatory body or official;

(d) Includes the name of an owner whose license has been revoked for disciplinary reasons by the board, whereby the licensee has been prohibited from practicing public accountancy or prohibited from using the title CPA or holding oneself out as a certified public accountant.

(2) As long as they do not violate this subchapter, all of the following are permissible types of CPA firm names:

(a) A firm name that includes the names of one or more former or present owners;

(b) A firm name that excludes the names of one or more former or present owners;

(c) A firm name that uses the "CPA" title as part of the firm name when all named individuals are owners of the firm who hold such title or are former owners who held such title at the time they ceased to be owners of the firm;

(d) A firm name that includes the name of a non-CPA owner if the "CPA" title is not a part of the firm name;

(3) A network firm may use a common brand name, or share common initials as part of the firm name.

(4) A network firm may use the network name as the firm's name provided it also shares one or more of the following characteristics with other firms in the network:

(a) Common control, as defined by generally accepted accounting principles in the United States, among the firms through ownership, management, or other means.

(b) Profits or costs, excluding costs of operating the association, costs developing audit methodologies, manuals and training courses, and other costs that are immaterial to the firm.

(c) Common business strategy that involves ongoing collaboration amongst the firms whereby the firms are responsible for implementing the association's strategy and are held accountable for performance pursuant to that

strategy.

(d) Significant part of professional resources.

(e) Common quality control policies and procedures that participating firms are required to implement and that are monitored by the association.

SECTION 14. Chapter Accy 2 (title) is created to read:

CHAPTER ACCY 2 (title)
INDIVIDUAL LICENSURE

SECTION 15. Subchapter I (title) in chapter Accy 2 is created to read:

SUBCHAPTER I (title)
AUTHORITY AND DEFINITIONS

SECTION 16. Accy 2.001 in subch. 1 of chapter Accy 2 is created to read:

Accy 2.001 Authority. The rules in this chapter are adopted under the authority in ss. 15.08 (5) (b), 227.11 (2), and 442.04, Stats.

SECTION 17. Accy 2.002 in subch.1 of chapter Accy 2 is created to read:

Accy 2.002 Definitions. In this chapter:

(1) "Accredited" means a school or institution of higher learning listed by and accrediting agency recognized by the secretary of the federal department of education on or after July 5, 2013.

Note: For a listing of accrediting agencies recognized by the secretary of the federal department of education, see http:/www2.ed.gov/admins/finaid/accred/accreditation_pg6.html.

(2) "Bachelor's degree" means a baccalaureate degree normally conferred by universities and colleges at the completion of at least a 4-year, full-time, academic-year program of study.

Note: Some students complete the 4-yer bachelor's degree in less than 4 years by attending summer school or maximum course loads over a number of academic semesters.

SECTION 18. Subchapter II (title) in chapter Accy 2 is created to read:

SUBCHAPTER II (title)
APPLICATION FOR CERTIFICATION OF INDIVIDUALS

SECTION 19. Accy 3.01 is repealed.

SECTION 20. Subchapter III (title) in chapter Accy 2 is created to read:

SUBCHAPTER III (title)
EDUCATION

SECTION 21. Subchapter IV (title) in chapter Accy 2 is created to read:

SUBCHAPTER IV (title)
EXAMINATION

SECTION 22. Accy 3.02 is renumbered Accy 2.301 in subchapter IV of chapter Accy 2 and amended to read:

Accy 2.301 Examination. A candidate for certified public accountant certificate shall successfully pass the certified public accountant examination set forth in ~~s. Accy 3.03~~ s. Accy 2.302 and the professional ethics examination set forth in ~~s. Accy 3.10~~ s. Accy 2.307.

SECTION 23. Accy 3.03 is renumbered Accy 2.302 in subchapter IV and amended to read:

Accy 2.302 Certified public accountant examination. (1) The subjects covering the discipline of accounting in the certified public accountant examination shall be as provided ~~in the 4 sections of the~~ by the board of examiners of the American institute of certified public accountants uniform certified public accountant examination. The passing grade on each section is 75 or higher.

SECTION 24. Accy 3.03 (1) Note is repealed.

SECTION 25. Accy 3.04 is renumbered Accy 2.303 in subchapter IV of chapter Accy 2 and amended to read:

Accy 2.303 Education required for examination. A candidate for the certified public accountant examination must ~~possess a bachelor's or higher degree with a resident major in accounting, as defined in s. Accy 7.02 (3), or the reasonable equivalence of a resident major in accounting, as defined in s. Accy 7.03 (1), or reasonably expect to receive a degree with a resident major in accounting or its reasonable equivalence within 45 days following the date of examination~~ complete 120 semester hours of education which shall count towards the 150 semester hours of education required under ch. Accy 2.202

Comment [SNL2]: Added this language regarding the 120 hours.

SECTION 26. Accy 3.05 is renumbered Accy 2.101 in subchapter II of chapter Accy 2 and amended to read:

Accy 2.101 ~~Examination~~ Application. (1) A candidate ~~for the certified public accountant examination~~ applying for a certificate as a certified public accountant shall apply on an application form provided by the board ~~and file the application in the board office no later than 60 days prior to the examination date~~. The application shall be supported by all of the following:

(a) The appropriate fee authorized in s. 440.05, Stats.

(b) Proof of fulfilling the educational requirements specified in Accy 2.202 and s. 442.04 (5) by submitting ~~either:~~

1. Certified copies of transcripts for all academic work completed at an institution as defined in ~~s. 442.04 (4) (a), Stats.~~ s.442.04 (5) (a), Stats., ~~at least one of~~ which must reflect the award of a bachelor's or higher degree, with 150 semester hours in an accounting concentration or the reasonable equivalence of an accounting concentration as determined by the board ~~if the candidate has graduated prior to filing the application~~.

~~2. Verification from an institution, as defined in s. 442.04 (4) (a), Stats., that the candidate is expected to graduate with a resident major in accounting within 60 days following the examination date~~.

~~3. Certified copies of transcripts for all academic work completed at an institution, as defined in s. 442.04 (4) (a), Stats., a list of all courses in which the candidate is currently enrolled, and verification from the institution that the candidate is expected to graduate within 60 days following the examination date, if the candidate expects to receive the reasonable equivalence of a resident major in accounting~~.

(c) ~~Request for accommodation of disability, if applicable~~. Evidence of at least one year of public accounting experience or its equivalence as required by Accy 2.403 and s. 442.04 (5) (b) 5., Stats.

Comment [SNL3]: Added equivalence

(d) Evidence that the applicant has successfully passed each section of the uniform certified public accountant examination.

(e) Successful completion of the open book professional ethics examination on statutes and rules governing the practice of public accounting in Wisconsin as set forth in Accy 2.307.

~~(2) The board shall notify a candidate of the examination site when the completed application has been accepted by the board~~.

~~(3) Applicants who have the educational requirements by the application deadline may apply to take the next scheduled examination, but no certified public accountant certificate may be issued until all other requirements are met.~~

SECTION 27. Accy 2.101 (1) Note is created to read:

Note: Application forms are available upon request to the board's office at 1400 East Washington Avenue, P.O. Box 8935, Madison, WI 53708-8935. An applicant with a disability will be provided with reasonable accommodations.

SECTION 28. Accy 3.055 and 3.07 are repealed.

SECTION 29. Accy 3.06 is renumbered Accy 2.304 in subchapter IV of chapter Accy 2 and amended to read:

Accy 2.304 ~~Examination~~ Candidates for examination (1) A candidate shall be allowed to sit for each section of the uniform certified public accountant examination individually ~~and in any order~~.

(2) A candidate shall retain credit for any section passed for 18 months. A candidate may not retake a failed section within the same calendar quarter.

(3) A candidate must pass all ~~(4)~~ sections of the uniform certified public accountant examination within a rolling 18-month period which begins on the date that the first section is passed.

(4) If ~~all 4 sections~~ any section of the uniform certified public accountant examination ~~are~~ is not passed within the rolling 18-month period, credit for any section passed outside the 18-month period shall expire and that section shall be retaken.

SECTION 30. Accy 3.08 is repealed.

SECTION 31. Accy 3.09 is renumbered Accy 2.306 in subchapter IV of chapter Accy 2 and amended to read:

Accy 2.306 **Cheating on examination.** (1) Cheating on the certified public accountant examination is a serious breach of integrity and indicates a lack of good professional character. Cheating on an examination includes~~, but is not limited to~~ the following:

(a) Communications concerning an examination being ~~written~~ taken between candidates inside or outside of the examination room, or copying another's answers.

(b) Communications concerning an examination being ~~written~~ taken with accomplices outside of the examination room.

(c) Substitution by a candidate of another person to sit in the examination room for the candidate and ~~write~~ take one or more of the examination questions or papers for the candidate.

(d) Reference to "crib notes," test books, ~~or~~ other materials, or electronic media other than that provided to the candidate as part of the examination, inside or outside of the examination room during periods examinations are being ~~written~~ taken.

(e) Divulging the nature or content of any examination question or answer to any individual or entity subsequent to the conclusion of the examination.

(f) Removing any examination materials, notes or other similar materials from the examination room.

(g) Falsifying or misrepresenting educational credentials or other information required for admission to the examination.

(2) Penalties imposed by the board for cheating on the examination shall be related to the seriousness of the offense. Cheating which was planned in advance is the most serious offense. Penalties may include the entering of a failing grade on all sections ~~written~~ taken for the examinations in which cheating occurred and suspension of the right to ~~write~~ take the next scheduled examination after the examination in which cheating occurred or to the entering of a failing grade on all sections ~~written~~ taken for the examinations in which cheating occurred and suspension of the right to ~~write~~ take the exam ~~for as many as the next 6 scheduled examinations after the examination in which cheating occurred~~. Time within which conditional credit previously earned for passing part of the examination may be extended by board action in situations where penalties are levied, and by as long as the period of suspension.

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(3) If more than one candidate is involved in a connected offense of cheating on an examination, each candidate knowingly involved in the cheating is subject to penalties.

(4) Other jurisdictions to which a candidate may apply to ~~write~~ take the certified public accountant examination during a period of suspension of the right to ~~write~~ take the exam shall be notified of the penalty levied in Wisconsin.

SECTION 32. Accy 3.10 is renumbered Accy 2.307 in subchapter IV of chapter Accy 2.

SECTION 33. Accy 3.11 is renumbered Accy 2.308 in subchapter IV of chapter Accy 2 and Accy 2.308 (1) as renumbered is amended to read:

Accy 2.308 Examination review. (1) Applicants for certified public accountant examination may request a review of their ~~examination papers from the American Institute of certified public accountants advisory grading service~~ exam from the National Association of State Boards of Accountancy.

SECTOIN 34. Accy 7.03 (title) is renumbered Accy 2.201 in subchapter III of chapter Accy 2 and as renumbered is amended to read:

Accy 2.201 Reasonable equivalence of a resident major in accounting (1) The "reasonable equivalence of a resident major in accounting" for individuals having a bachelor's or higher degree but no resident-major in accounting shall be as follows:

Accy 2.201 (2) An applicant for a certificate as a certified public accountant shall submit to the board an official transcript or transcripts of all academic work completed evidencing the awarding of a bachelor's or higher degree and a written request for an equivalency evaluation. Course work for equivalency may be accepted only if completed at ~~an institution accredited by the North Central Association of Colleges and Schools or its regional equivalent~~ a school or institution listed by an accrediting agency recognized by the secretary of the federal department of education or if it could be transferred to an accredited institution for credit toward the institution's accounting major.

SECTION 35. Accy 7.035 is renumbered Accy 2.202 in subchapter III of chapter Accy 2 and amended to read:

Accy 2.202 Education required ~~to take the examination~~ for certification. A ~~person may not take the examination leading to the~~ candidate applying for a certificate to practice as a certified public accountant ~~unless the person has~~ must complete, as part of the 150 semester hours education, ~~met~~ one of the following conditions:

(1) Earned a graduate degree with a concentration in accounting from an accounting program or department that is accredited by ~~an accrediting agency recognized by the board~~ an accrediting agency recognized by the secretary of the federal department of education.

(2) Earned a graduate degree from a business school or college of business that is accredited by an accrediting agency recognized by the ~~board~~ secretary of the federal department of education and completed at least 24 semester hours in accounting at the undergraduate level or 15 semester hours at the graduate level, or an equivalent combination, including courses covering the subjects of financial accounting, auditing, U.S. taxation, and management accounting.

(3) Earned a baccalaureate degree with a major in accounting from a business school or college of business that is accredited by an accrediting agency recognized by the ~~board~~ secretary of the federal department of education including all of the following:

(a) At least 24 semester hours in accounting at the undergraduate or graduate level, including courses covering the subjects of financial accounting, auditing, U.S. taxation, business law, and management accounting.

(b) At least 24 semester hours in business courses, other than accounting courses, at the undergraduate or graduate level.

(4) Having obtained the reasonable equivalent of an accounting concentration by having earned a baccalaureate or higher degree from an accredited educational institution including all of the following:

(a) At least 24 semester hours of accounting, including courses covering the subjects of financial accounting, auditing, U.S. taxation, and management accounting.

(b) At least 24 semester hours in business courses, other than accounting courses, at the undergraduate or graduate level.

Note: In accounting, the courses covering the subjects of financial accounting, auditing, taxation, and management accounting under s~~. Accy 7.035 (3) (a) and (4) (a)~~ s. Accy 2.202 (3) (a) and (4) (a),would normally be all courses taken beyond the introduction level.

(5)~~ Whether or not the person has 150 semester hours education, has~~ Has graduated with a bachelor's or higher degree with a resident major in accounting, ~~or its reasonable equivalence, prior to January 1, 2001~~ as specified in Accy 2.201.

SECTION 36. Accy 7.04 is renumbered Accy 2.203 in subchapter III of chapter Accy 2 and amended to read:

Accy 2.203 Transfer of credit applicant. (1) Applicants who have passed all or part of the uniform certified public accountant examination in another jurisdiction but who have not yet received their certified public accountant certificate shall be able to transfer grades in subjects passed to Wisconsin provided that:

(a) Grades transferred must be certified to the board by the other jurisdiction and must be passed in accordance with rules applicable to Wisconsin candidates.

(b) Transfer of grades must be accepted by board action and the applicant notified in a manner similar to the action on grades for Wisconsin applicants.

~~(2) Applicants who do not meet the educational requirements to write in Wisconsin must do so prior to writing any additional parts of the examination or advancing further toward the receipt of a Wisconsin certified public accountant certificate.~~

SECTION 37. Accy 7.06 is repealed.

SECTION 38. Accy 7.07 is renumbered Accy 2.204 in subchapter III of chapter Accy 2.

SECTION 39. Accy 2.205 is created to read:

Accy 2.205 **Requirements for late renewal of individual licenses; reinstatement.** Each licensee shall renew or reinstate their license with the department. For purposes of this subsection reinstatement means the process by which a licensee whose license has been surrendered or revoked or has a license with unmet discipline which has not been renewed within 5 years of the renewal date may apply to have their license reinstated, with or without conditions. A credential holder may not reapply for their credential by the initial credentialing process.

(1) An individual certified public accountant who files an application for renewal of a license within 5 years after the renewal date may renew their license by filing with the board:

(a) An application for renewal on a form prescribed by the department.

(b) The fee specified in s. 440.08 (2), Stats., plus the applicable late renewal fee as specified in s. 440.08 (3), Stats.

(2) An individual certified public accountant who files an application for renewal 5 years or more after the renewal date may be reinstated by filing with the board all of the items listed in sub. (3) (a) to (c).

(3) An individual certified public accountant whose license has been surrendered, revoked, or has a license with unmet disciplinary requirements which has not been renewed within 5 years or more after the renewal date may be reinstated by filing with the board all of the following:

(a) An application for renewal on a form prescribed by the department.

(b) The fee specified in s. 440.08 (2), Stats., plus the applicable late renewal fee specified in s. 440.08 (3), Stats.

(c) Verification of successful completion of examinations specified in ch. Accy 2.301, or education specified in ch. Accy 2.202 or both as may be prescribed by the board.

(d) Verification of successful completion of any disciplinary conditions required by the board.

(4) A licensee may not practice as a certified public accountant prior to being granted reinstatement of their license.

SECTION 40. Chapter Accy 5 (title) is created to read:

CHAPTER ACCY 5 (title)
FIRM LICENSURE

SECTION 41. Subchapter I (title) in chapter Accy 5 is created to read:

SUBCHAPTER I (title)
APPLICATION FOR FIRM LICENUSRE

SECTION 42. Subchapter II (title) in chapter Accy 5 is created to read:

SUBCHAPTER II (title)
SOLE PROPRIETOR

SECTION 43. Subchapter III (title) in chapter Accy 5 is created to read:

SUBCHAPTER III (title)
OFFICE

SECTION 44. Accy 4.01 is renumbered Accy 5.301 in subchapter III of chapter Accy 5.

SECTION 45. Accy 4.02 is renumbered Accy 5.101 in subchapter I of chapter Accy 5 and is amended to read:

Accy 5.101 Firm license. A firm shall meet the ownership requirements of s. 442.08 (2) (c) 2., Stats., and be licensed as a certified public accountant if any member of the firm practices as a certified public accountant in Wisconsin ~~other than on a temporary basis as described in s. 442.025 (4), Stats.~~ An individual licensed as a CPA may only provide attest services as defined in s. 442.001 (1), Stats., in a CPA firm that has a firm license.

SECTION 46. Accy 4.03 is renumbered Accy 5.201 in subchapter II of chapter Accy 5.

SECTION 47. Accy 4.035 is repealed.

SECTION 48. Accy 4.037 is renumbered Accy 5.102 in subchapter I of chapter Accy 5.

SECTION 49. Accy 4.04 is renumbered Accy 5.302 in subchapter III of chapter Accy 5.

SECTION 50. Subchapter IV (title) in chapter Accy 5 is created to read:

SUBCHAPTER IV
MEMBER

SECTION 51. Accy 4.05 is renumbered Accy 5.402 in subchapter IV of chapter Accy 5.

SECTION 52. Accy 4.06 is renumbered Accy 5.303 in subchapter III of chapter Accy 5.

SECTION 53. Accy 4.07 is renumbered Accy 5.401in subchapter IV of chapter Accy 5 and amended to read:

Accy. 5.401 Change in member of a firm. (1) The board is to be notified in writing of changes in the member of the firm or firm name or any of the following no later than 30 days after the change.

(a) Formation of a new firm

(b) Termination of the firm.

(c) Change in the management of any branch office in this state.

(d) Establishment of a new branch office or the closing or change of address of a branch office in this state.

(2) The board is to be notified in writing of any addition of a partner, member, manager or shareholder or the retirement, withdrawal or death of a partner, member, manager or shareholder as of January 1 of each year.

~~(2)~~ (3) Reorganizations, mergers, or comparable changes in which a new firm is created shall make application and the new firm licensed before practice can begin.

Deleted: ¶

Deleted: (b) Addition of a partner, member, manager or shareholder.¶ ¶ . (c) Retirement, withdrawal or death of a partner, member, manager or shareholder.¶

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SECTION 54. Accy 5.403 is created to read:

Accy 5.403 Internet practice. A CPA firm offering or rendering professional services via a web site shall provide in the web site's homepage, a name, an address, and a principal state of licensure as a means for regulators and the public to contact a responsible licensee in charge at the firm regarding complaints, questions, or regulatory compliance.

SECTION 55. Subchapter V (title) in chapter Accy 2 is created to read:

SUBCHAPTER V (title)
EXPERIENCE

SECTION 56. Accy 5.01 is renumbered Accy 2.401 (1) in subchapter V of chapter Accy 2 and Accy 2.401 (1) (title) is amended to read:

Accy 2.401 Review ~~dates~~ of candidate's experience. Following the successful passing of ~~the written~~ each section of the uniform CPA examination and upon written request by a candidate, a candidate's experience shall be reviewed by the board. The written request shall include employer verification statements and information on experience to update the experience data already in the candidate's file. Such evaluation will determine whether the candidate qualifies at that time under the requirement of having at least one year of public accounting experience or its equivalent, the sufficiency of the experience or the equivalency to be judged by the examining board. The board shall inform the

candidate if additional experience is needed. Upon gaining the required additional experience, the candidate shall notify the board and provide verification.

SECTION 57. Accy 2.401 (2) is created to read:

Accy 2.401 (2) Experience may consist of providing any type of services or advice using accounting, attest, compilation, management advisory, financial advisory, tax or related consulting skills.

SECTION 58. Accy 5.02 (1) and (2) are renumbered Accy 2.402 (1) and (2) in subchapter V of chapter Accy 2.

SECTION 59. Accy 5.03 is renumbered Accy 2.403 in subchapter V of chapter Accy 2, and amended to read:

Accy 2.403 Public accounting experience. An individual must have at least one year of public accounting experience or its equivalent as determined by the board. Experience shall be acquired after the applicant has earned ~~a degree described in s. 442.04 Stats., that qualifies the applicant to take the CPA examination~~ 120 semester hours or 160 quarter hours from an accredited college or university with a concentration in accounting.

SECTION 60. Accy 5.04 and 5.05 are renumbered Accy 2.404 and 2.405 in subchapter V of chapter Accy 2.

SECTION 61. Accy 5.06 is repealed.

SECTION 62. Accy 5.07 is renumbered Accy 2.406 in subchapter V of Accy 2.

SECTION 63. Accy 7.01 and 7.02 are repealed.

SECTION 64. Chapter Accy 3 (title) is created to read:

CHAPTER ACCY 3 (title)
ENDORSEMENT

SECTION 65. Subchapter I (title) in chapter Accy 3 is created to read:

SUBCHAPTER I (title)
AUTHORITY AND DEFINITIONS

SECTION 66. Subchapter II (title) in chapter Accy 3 is created to read:

SUBCHAPTER II (title)
CERTIFICATION BY ENDORSEMENT

SECTION 67. Accy 7.05 is renumbered Accy 3.101 in subchapter II of chapter Accy 3.

SECTION 68. Accy 8.01 is renumbered Accy 3.001 in subchapter I of chapter Accy 3.

SECTION 69. Accy 8.02 is renumbered Accy 3.002 in subchapter I of chapter Accy 3.

SECTION 70. Accy 8.03 (1) to (6) are renumbered Accy 3.102 (1) to (5) in subchapter II of chapter Accy 3.

SECTION 71. Subchapter III (title) in chapter Accy 3 is created to read:

SUBCHAPTER III (title)
FOREIGN ENDORSEMENT CANDIDATES

SECTION 72. Accy 8.04 is renumbered Accy 3.201 in subchapter III of chapter Accy 3 and as renumbered Accy 3.201 (2) is amended to read:

Accy 3.201 (2) Except as provided in s. Accy 3.202, education qualifications in foreign countries are not comparable to those in Wisconsin. As no foreign school is accredited by ~~the North Central Association of Colleges and Schools or its regional equivalent~~ an accrediting agency that is recognized by the secretary of the federal department of education, evidence of acceptance without deficiency into a graduate program in a school accredited by ~~the North Central Association of Colleges and Schools or its regional equivalent~~ an agency that is recognized by the secretary of the federal department of education will be accepted as evidence of equivalence for a bachelor's or higher degree. The education acquired must constitute the reasonable equivalence of a resident major in accounting as set forth in ~~s. Accy 7.03~~ s. Accy 2.201.

SECTION 73. Accy 8.05 is renumbered Accy 3.202 in subchapter III of chapter Accy 3.

SECTION 74. Chapter Accy 6 (title) is created to read:

CHAPTER ACCY 6 (title)
PEER REVIEW

SECTION 75. Subchapter I (title) in chapter Accy 6 is created to read:

SUBCHAPTER I (title)
AUTHORITY AND DEFINITIONS

SECTION 76. Accy 6.001 in subchapter I in chapter Accy 6 is created to read:

Accy 6.001 Authority. The rules in this chapter are adopted pursuant to the authority in ss. 15.08 (5) (b), 227.11 (2) and 442.087 (3), Stats.

SECTION 77. Accy 9.01 is repealed and recreated to read:

Accy 6.002 Definitions. (1) "Board-approved review program" means the peer reviewer's entire peer review process, including the standards for administering performing and reporting on peer reviews, oversight procedures, training and related guidance materials.

(2) "Engagement review" means to read the financial statements and other information submitted by the reviewed firm or required under applicable professional standards, and the accountant's report on those statements and that information, of a firm that performs at its highest level of service only services under SSARS or services under the SSAE not included in a system review. The objective of an engagement review is to determine whether the engagements submitted for review conform to applicable professional standards in all material respects.

(3) "PCAOB" means the Public Company Accounting Oversight Board that conducts firm inspection of certified public accounting firms' Securities and Exchange Commission issuer practices and other engagements subject to its inspection process.

(4) "Peer Review" means a board-approved study, appraisal, or review of one or more aspects of the attest or compilation work of a licensee of a registered firm in the practice of public accounting, by a person or persons who hold licenses in this jurisdiction and who are not affiliated with the person or firm being reviewed

(5) "Peer Review Program" includes the entire peer review process, including the standards for administering, performing and reporting on peer reviews, oversight procedures, training, and related guidance and materials.

(6) "Peer Review Reports" are reports issued by the peer reviewer or peer reviewing firm in accordance with board-approved peer review standards.

(7) "Peer Review Standards" are board-approved professional standards for administering, performing and reporting on peer reviews.

(8) "Peer Reviewer" is a certified public accountant or accounting firm responsible for conducting the peer review holding a valid and active license to practice public accounting in good standing by this state who meets the peer reviewer requirements established in the board-approved peer review standards.

(9) "SAS" means the Statements on Auditing Standards issued by the auditing standards board of the American Institute of Certified Public Accountants.

(10) "SSAE" means the Statements on Standards for Attestation Engagements issued by the auditing standards board, the accounting and review services committee, and the consulting services executive committee of the American Institute of Certified Public Accountants.

(11) "SSARS" means the Statements on Standards for Accounting and Review Services issued by the accounting and review services committee of the American Institute of Certified Public Accountants.

(12) "System review" means to review a firm that, at the firm's highest level of service, performs engagements under the SAS or the Government Auditing Standards (Yellow Book), examinations of prospective financial statements under the SSAE, or audits of non-SEC issuers pursuant to the standards of the Public Company Accounting Oversight Board. A system review includes determining whether the firm's system of quality control for its accounting and auditing practice is designed and enforced to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards, including the Statements on Quality Control Standards, No. 8 of the American Institute of Certified Public Accountants in all material respects.

SECTION 78. Subchapter II (title) in chapter Accy 6 is created to read:

SUBCHAPTER II (title)
FIRM RENEWAL

SECTION 79. Accy 9.02 is renumbered Accy 6.101 in subchapter II of chapter Accy 6

SECTION 80. Accy 9.02 Note is renumbered Accy 6.101 Note and is amended to read:

Note: The following questions are intended to assist firms in determining whether a peer review is required for renewal. An affirmative response to any part of any question means that a peer review is required. Caution: This list is not exclusive. Refer to the standards if in doubt.

Does your firm audit SEC clients, including employer-sponsored plans required to file a form 11-K with the SEC?

Does your firm currently perform the following types of engagements?
Statements on Auditing Standards (SASs) - Audits?

Agreed-upon procedures?

Statements on Standards for Accounting and Review Services (SSARS)?

Reviews of financial statements?

Compilations of financial statements with disclosures?

Compilations of financial statements where "Selected Information-Substantially All Disclosures Required Are Not Included?"

Compilations of financial statements that omit substantially all disclosures?

Statements on Standards for Attestation Engagements (SSAE)?

International Auditing Standards (IFRS)?

Deleted: . . .

Deleted: or Accounting

Examinations of prospective financial statements under SAARS?

Compilations of prospective financial statements under SAARS?

Agreed-upon procedures of prospective financial statements?

Examinations of written assertions?

Reviews of written assertions?

Agreed-upon procedures of written assertions?

Engagements under Government Auditing Standards (Yellow Book)?

PCAOB Auditing Standards?

Deleted: for non-issuers

PCAOB Attestation Standards?

Deleted: for non-issuers

SECTION 81. Subchapter III (title) in chapter Accy 6 is created to read:

SUBCHAPTER III (title)
REPORTS

SECTION 82. Accy 9.03 and 9.04 are renumbered Accy 6.201 and 6.202 in subchapter III of chapter Accy 6.

SECTION 83. Subchapter IV (title) in chapter Accy 6 is created to read:

SUBCHAPTER IV (title)
CONDUCTING PEER REVIEWS

SECTION 84. Accy 9.05 and 9.06 are renumbered Accy 6.301 and 6.302 in subchapter IV of chapter Accy 6.

SECTION 85. Accy 6.303 and Accy 6.304 in subchapter IV of chapter Accy 6 are created to read:

Accy 6.303 Extensions. (1)The board may accept extensions for completing peer reviews as long as the board is notified by the firm within 14 days from the date of the letter from the sponsoring organization granting the extension. Extensions will be granted for the following reasons:

(a) Health

(b) Military services

(c) Other good cause clearly outside of the control of the public accounting firm.

Accy 6.304 Firm structure changes. In the event a firm is merged, otherwise combined, dissolved, or separated, the peer reviewer shall determine which firm is considered to be the succeeding firm. The succeeding firm shall retain its peer review status and the review due date.

SECTION 86. Chapter Accy 4 is created to read:

CHAPTER ACCY 4
ENFORCEMENT

Subch. I AUTHORITY

Accy 4.001 Authority. The rules in this chapter are adopted pursuant to the authority in ss. 15.08 (5) (b), 227.11 (2) and 442.12, Stats.

Subch. II DISCIPLINE

Accy 4.101 Grounds for discipline. (1) Dishonesty, fraud, or deceit in obtaining a certificate or a license, including the submission to the board of any knowingly false or forged evidence in, or support of, an application for a certificate or license including cheating on an examination.

(2) Knowingly making misleading, deceptive, or untrue representations in the performance of services.

(3) Using the CPA title or providing attest or compilation services in this state without a certificate or license or without properly qualifying to practice across state lines.

(4) Using or attempting to use a certificate or license which has been suspended or revoked.

(5) Making any false, misleading, or deceptive statement, in support of an application for a license filed by another.

(6) Failure to comply with professional standards as to the attest or compilation competency requirements for those who supervise attest or compilation engagements and sign reports on financial statements or other compilation communications with respect to financial statements.

(7) Failure to comply with the applicable peer review requirements set out in Accy 6.

(8) Conduct reflecting adversely upon the licensee's fitness to perform services including all of the following:

(a) Adjudication as mentally incompetent

(b)Incompetence, including all of the following

1. Gross negligence, recklessness, or repeated acts of negligence in the licensee's record of professional practice.

2. Any condition, whether physical or mental, that endangers the public by impairing skill and care in providing professional services.

(9) Presenting as one's own a license issued to another.

(10) Concealment of information regarding violations by other licensees when questioned or requested by the board.

(11) Willfully failing to file a report or record required by state or federal law; willfully impeding or obstructing the filing of such a report or record, or inducing another person to impede or obstruct such filing by another; and the making or filing of such a report or record which one knows to be false. A finding, adjudication, consent order or conviction by a federal or state court, agency or regulatory authority or the Public Company Accounting Oversight Board that a licensee has willfully failed to file a required report or record shall be prima facie evidence of a violation of this section.

(12) Active or stayed revocation or suspension of any occupational license or other privilege to practice any licensed occupation by or before any state, federal, foreign or other licensing or regulatory authority, provided the grounds for the revocation or suspension include wrongful conduct such as fraud, dishonesty, or deceit or any other conduct which evidences an unfitness of the applicant to practice public accountancy.

SECTION 87. EFFECTIVE DATE. The rules adopted in this order shall take effect on the first day of the third month following publication in the Wisconsin Administrative Register, pursuant to s. 227.22 (2) (intro.), Stats.

(END OF TEXT OF RULE)

Dated _____ Agency _____

Board Chairperson
Accounting Examining Board