



ACCOUNTING RULES COMMITTEE of
ACCOUNTING EXAMINING BOARD
TELECONFERENCE
Room 121C, 1400 East Washington Avenue, Madison
Contact: Brittany Lewin (608) 261-2112
April 8, 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

B. Legislative and Administrative Rule Matters – Discussion and Consideration

- 1) **Review Scope Statement and Proposed Revisions to Chs ACCY 1-9 Relating to Rules, Comprehensive Update**
 - a) Review Assignments from Previous Meeting
 - b) Review Proposed Chapter Reorganization (Table of Contents) (3-6)
 - c) Review UAA Comparison (8-13)
 - d) Review Proposed Rule Draft on Standards (14-23)
 - e) Set Next Meeting Date and Assignments

C. Public Comments

ADJOURNMENT

**State of Wisconsin
Department of Safety & Professional Services
AGENDA REQUEST FORM**

1) Name and Title of Person Submitting the Request: Jean MacCubbin, Admin. Rules Coordinator		2) Date When Request Submitted: 4/02/2014 Items will be considered late if submitted after 4:30 p.m. and less than: <ul style="list-style-type: none"> ▪ 10 work days before the meeting for Medical Board ▪ 14 work days before the meeting for all others 	
3) Name of Board, Committee, Council, Sections: Dentistry Examining Board – Rules Subcommittee			
4) Meeting Date: 20140408	5) Attachments: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	6) How should the item be titled on the agenda page? LEG ADMIN MATTERS 1. Discuss and Consider Revisions to chs. ACCY 1 -9, comprehensive Update	
7) Place Item in: <input checked="" type="checkbox"/> Open Session <input type="checkbox"/> Closed Session <input type="checkbox"/> Both	8) Is an appearance before the Board being scheduled? <input type="checkbox"/> Yes (Fill out Board Appearance Request) <input type="checkbox"/> No	9) Name of Case Advisor(s), if required:	
10) Describe the issue and action that should be addressed: <u>Discuss and Consider:</u> <ol style="list-style-type: none"> 1) Review Assignments from Previous Meeting 2) Review Proposed Chapter Reorganization (Table of Contents) 3) Review UAA Comparison and Action Plan 4) Review Proposed Rule Draft on Standards 5) Set next meeting date and assignments <p>Additional Information: Attachments:</p>			
11) <i>Jean MacCubbin</i>		Authorization	<i>4/02/14</i>
Signature of person making this request		Date	

RED = new text, section, numbering, etc.

BLUE = impact by 440 Stats.

Proposed Numbering	Cross Reference to Current Numbering	Stats.
MARION	Ch. Accy 1 RULES OF CONDUCT FOR CPAs Numbering left as is; except where renumbered, repealed, created, etc.	
	Subchapter I — Authority, Applicability, and Definitions	
	Accy 1.001 Authority	
	Accy 1.002 Applicability of rules of conduct to certified public accountants.	
	Accy 1.003 Applicability of rules of conduct to certified public accountants who have a significant influence over a CPA-related business or who advertise as a CPA.	
	Accy 1.004 Definitions.	442.001, 442.02
	Subchapter II — Independence, Integrity, and Objectivity	
	Accy 1.101 Independence standards.	*SB 669
	Accy 1.102 Integrity and objectivity.	
	Subchapter III — Competence and Technical Standards	
	Accy 1.201 General standards.	*SB 669
	Accy 1.202 Auditing standards.	*SB 669
	Accy 1.203 Accounting principles.	*SB 669
	Accy 1.204 Other technical standards.	*SB 669
	Accy 1.205 Standards for auditing, accounting, and review services, and attestation engagements.	*SB 669
	Subchapter IV — Responsibilities to Clients	
	Accy 1.301 Confidential client information.	
	Accy 1.302 Contingent fees, commissions, and referral fees.	
	? Accountants working papers	442.13
	Subchapter V — Other Responsibilities and Practices	
	Accy 1.401 Acts discreditable. (disclosure)	442.10 (1)-(3)
	Accy 1.402 Advertising or other forms of solicitation.	
	Accy 1.404 Incompatible occupations.	
	Accy 1.405 Form of practice and name. (Firm?)	
	Accy 1.406 Practice while suspended. (revoked)	442.11 (7)(8)
	Accy 1.407 Communications.	
	Accy 1.408 Ownership requirements	
	Repeal and recreate Chs. ACCY 2, 3, 4, 5, 7, 8, 9 and 9A	

Proposed Numbering	Cross Reference to Current Numbering	Stats.
?ASSIGNED?	Ch. Accy 2 INDIVIDUAL LICENSURE--EXAMINATIONS	
	Subchapter I-- Authority and Licensure	
2.001	Accy 3.01 Authority.	
2.002	Licensure Required.	442.03 & 442.04 (5)(b)
2.003	Licensure Not Required.	442.025(1)- (7)
	Subchapter II-- Education	
	Ch. Accy 7 EDUCATION	
2.101	Accy 7.01 General. (qualifications)	442.04
2.102	Accy 7.02 Definitions. ("Institution")	442.04 (5)(a)
2.103	Accy 7.03 Reasonable equivalence of a resident major in accounting.	
2.104	Accy 7.035 Education required to take the examination.	
2.105	Accy 7.04 Transfer of credit applicant.	
2.106	Accy 7.05 Certificate by endorsement evaluation.	
2.107	Accy 7.06 Public information.	
2.108	Accy 7.07 Expiration of applications.	
	Subchapter III --Examination	
2.201	Accy 3.02 Examinations.	442.04 (2)
2.202	Accy 3.03 Certified public accountant examination.	442.04 (5) (d)
2.203	Accy 3.04 Education.	
2.204	Accy 3.05 Examination application.	
2.205	Accy 3.055 Verification of graduation after examination; release or invalidation of examination scores.	
2.206	Accy 3.06 Examination.	
2.207	Accy 3.07 Transition rules.	
2.208	Accy 3.08 Examination grades of other states.	
2.209	Accy 3.09 Cheating on examination.	
2.210	Accy 3.10 Professional ethics examination.	
2.211	Accy 3.11 Examination review.	
	Subchapter IV-- Experience and Endorsement	
	Ch. Accy 5 EXPERIENCE EVALUATIONS	
2.301	Accy 5.01 Review dates.	
2.302	Accy 5.02 Experience evaluation.	442.04

Proposed Numbering	Cross Reference to Current Numbering	Stats.
		(5)(d)
2.303	Accy 5.03 Public accounting experience.	
2.304	Accy 5.04 Experience; general.	
2.305	Accy 5.05 Bookkeeping and elementary individual tax return preparation.	
2.306	Accy 5.06 Self-employment.	
2.307	Accy 5.07 Judgment.	
	Ch. Accy 8 INDIVIDUAL LICENSURE ENDORSEMENT QUALIFICATIONS	
2.308	Accy 8.01 Authority and purpose. (denial)	442.05(2)
2.309	Accy 8.02 Substantial equivalence.	442.05
2.310	Accy 8.03 Citizenship and residency.	
2.311	Accy 8.04 Foreign candidates.	
2.312	Accy 8.05 International mutual recognition agreement.	
	Subchapter V --Ethics	442.11
2.401	Use of title	442.07 (1)
2.402	Penalties	442.11 (1)
	Subchapter VI --Licensure	
2.501		
	Subchapter VII --Renewal	442.083, 442.087 (2)
2.601	Accy 4.035 Requirements for late renewal of individual licenses; reinstatement.	
	Unrevoked	442.08
	Subchapter VIII --Fees	442.03 (2)(a)m, 442.09
2.701	Note: on the web	
	Subchapter IX --Enforcement	
2.801	Penalties and violations	442.11, 442.115
2.802	Enforcement Actions	442.115
2.803	Disciplinary Actions	442.12

Proposed Numbering	Cross Reference to Current Numbering	Stats.
JOHN J. & TODD	Ch. Accy 4 FIRM LICENSURE	
	Subchapter I --SOLE Proprietor	
4.001		
	Subchapter II --MOBILITY	
4.101		
	Subchapter III --OFFICE	
4.111	Accy 4.01 Firms with more than one office.	
4.112	Accy 4.04 Firms without office in this state.	
4.113	Accy 4.06 Out-of-state firms with a bona fide office in Wisconsin but no resident partner or stockholder.	
	Subchapter IV --MEMBER	
4.121		
	Subchapter V --RENEWAL	
4.131	Accy 9.02 Requirement for firm license renewal.	
JOHN S.	Subchapter VII --PEER REVIEW	
4.141	Accy 9.03 Reports from board-approved review programs.	
4.142	Accy 9.04 List of board-approved review programs.	
4.143	Accy 9.05 Board approval of reviewers.	
4.144	Accy 9.06 Conducting a peer review.	
Repeal	Appendix 9A	

Current TOC (no ch. 2 or 6) USE CONTROL and double click to open current rule text.

Accy 1 [Rules of conduct](#) (PDF: )

Accy 3 [Examinations](#) (PDF: )

Accy 4 [Firm licenses](#) (PDF: )

Accy 5 [Experience evaluations](#) (PDF: )

Accy 7 [Education](#) (PDF: )

Accy 8 [Endorsement qualifications](#) (PDF: )

Accy 9 [Peer review](#) (PDF: )

Comparison of UAA (7/29/2011 edition) with ACCY 1 to 9

Link to UAA 7/29/2011 edition: <http://nasba.org/files/2011/09/2011-0729-UAA-Model-Rules-Revised-Corrected.pdf>

Link to ch. 442 Stats.: <http://docs.legis.wisconsin.gov/statutes/statutes/442.pdf>

Link to chs. ACCY 1-9 (open in .pdf format): <http://docs.legis.wisconsin.gov/code/toc/accy>

Subject	UAA Section	Wisc. Stats.	ACCY 1-9	Issue	Recommend to Adopt (whole or part)
Accounting Standards	10-3(i)	442.01 (1)	1.203		A licensee shall not express an opinion on financial statements unless the licensee complies with the Statements of Financial Accounting Standards, together with those Accounting Research Bulletins and Accounting Principles Board Opinions which are not superseded by action of the FASB, including subsequent amendments and editions.
Other Technical Standards			1.204		Integrity is a character trait demonstrated by acting honestly, candidly, and not knowingly misrepresenting facts, accommodating deceit, or subordinating ethical principles. Acting with integrity is essential to maintaining credibility and public trust. It incorporates both the spirit and substance in the application of the ethical and technical standards that govern the profession, or in the absence thereof, what is just and right.
Independent Standards			1.101		
Auditing Standards	10-3	442.01 (1) (a) and (c)	1.202		Refer to the attached UAA Model Rules
General Standards	10-3		1.201		Refer to the attached UAA Model Rules
Rules of Conduct	10-4	442.01 (2)	1.001, 1.401		Refer to the attached UAA Model Rules
Work Papers	Section 19 UAA	442.01	1.401(2)(a)		LICENSEES' WORKING PAPERS; CLIENTS' RECORDS (a) Subject to the provisions of Section 18, all statements, records, schedules, working papers, and memoranda made by a licensee or a partner, shareholder, officer,

Comparison UAA (Uniform Accountancy Act NASBA) and Wisc. Stats./Admin. Rules ACCY 1 to 9

Subject	UAA Section	Wisc. Stats.	ACCY 1-9	Issue	Recommend to Adopt (whole or part)
					<p>director, member, manager or employee of a licensee, incident to, or in the course of, rendering services to a client while a licensee except the reports submitted by the licensee to the client and except for records that are part of the client's records, shall be and remain the property of the licensee in the absence of an express agreement between the licensee 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 one or more surviving partners, stockholders, members or new partners, new stockholders, or new members of the licensee, or any combined or merged firm or successor in interest to the licensee. Nothing in this Section should be construed as prohibiting any temporary transfer of workpapers or other material necessary in the course of carrying out peer reviews or as otherwise interfering with the disclosure of information pursuant to Section 18.</p> <p>(b) A licensee shall furnish to a client or former client, upon request and reasonable notice-(1) A copy of the licensee's working papers, to the extent that such working papers include records that would ordinarily constitute part of the client's records and are not otherwise available to the client; and (2) Any accounting or other records belonging to, or obtained from or on behalf of, the client that the licensee removed from the client's premises or received for the client's account; the licensee may make and retain copies of such documents of the client when they form the basis for work done by the licensee.</p> <p>(c) Nothing herein shall require a licensee to keep any workpaper beyond the period prescribed in any other applicable statute.</p>
Conflicts of Interest	10-4	442.10	1.404		Refer to the attached UAA Model Code of Conduct
Competence		442.04 442.07			Competence is derived from a combination of education and experience. It begins with a mastery of the common body of knowledge, skills, and abilities, and requires a commitment to lifelong learning and professional improvement. A licensee should possess a level of competence, sound professional judgment, and proficiency to ensure that the quality of his or her activities meets the high level of professionalism required by these Principles. A licensee is responsible for assessing his or

Comparison UAA (Uniform Accountancy Act NASBA) and Wisc. Stats./Admin. Rules ACCY 1 to 9

Subject	UAA Section	Wisc. Stats.	ACCY 1-9	Issue	Recommend to Adopt (whole or part)
					her own competence, which includes evaluating whether education, experience, and judgment are adequate for the responsibility assumed. A licensee should be competent in the performance of all professional activities, in whatever capacity performed, and comply with applicable professional standards.
Definitions	3-1 and 5-1 in the model rules and Section 3 of the UAA	442.001-.004 Attest, CPA and Peer Review are defined 442.001 (1) 442.02 (1m) 442.089 (1)	1.003 (1), etc.		The definition of “Attest” as presented in the Exposure Draft has been approved by both the NASBA & AICPA Boards. Link to that Exposure Draft: http://nasba.org/files/2013/07/Cover-and-Exp-Dft-UAA-Committee-Approved-Attest-Lang-7-12-13.pdf
Discipline	11-2; 13-2				-Reporting convictions, judgments, and administrative proceedings. -Action by the Board
Education/pre-licensure	5-1; 5-2; 5-3	442.07	3.055, 7.03-7.07		-Education Requirements – definitions -Education requirements -Applications for examination
Accredited Schools	5-1(c)		3.04, 7.02-7.035, 8.04		-Accreditation
Education/renewal	5-1; 5-2; 5-3		3.04		-Education Requirements – definitions -Education requirements -Applications for examination
Ethics	5-1(e) 5-2(d)(6)				“Ethics” Business course in ethics
Exams, acceptable examination providers	5-2(d)(2) 5-3 (a)(b)(c) 5-4; 5-5; 5-6; 6-7		3.02-3.03, 3.05-3.11		
Experience Requirements	6-2 6-3		442.025 (5) (b) 5.		-Experience required for initial certificate -Evidence of applicant’s experience

Comparison UAA (Uniform Accountancy Act NASBA) and Wisc. Stats./Admin. Rules ACCY 1 to 9

Subject	UAA Section	Wisc. Stats.	ACCY 1-9	Issue	Recommend to Adopt (whole or part)
Endorsement	6-9 Section 6 – UAA	442.05	8.03-8.05		-International reciprocity -Foreign Accountants seeking reciprocity
Exposure	Draft 7/13				
Citizenship/residency	Section 5 – UAA		5.03		It may be noted that this provision contemplates that there will be no certificate requirements with respect to citizenship, age, or residency. A citizenship requirement would not be Constitutional; in view of the education requirement, a separate age requirement seems without utility; and in light of the desirability, explained in the introductory comments, of achieving maximum uniformity and reciprocity among the various states, a residency requirement seems not merely useless but counterproductive.
Fees		442.09	1.032		
Foreign Candidates Endorsement	6-3-6-4 UAA 6-5 – Rule 9-9 - Rule	442.05			-Certificates granted to holder of foreign designations -Issuance of certificate to holder of designation granted in foreign country -International reciprocity
Firm Mobility	Draft 1/17/2014				http://nasba.org/files/2013/10/Firm_Mobility_Exposure_Draft_101713.pdf
Firm mobility and notification requirements	Exposure Draft				http://nasba.org/files/2013/10/Firm_Mobility_Exposure_Draft_101713.pdf
Firm License	Article 7	442.087 (2) 442.087 (3)	4.02-4.037		
Firm Names	-Article 14 -14(i) of the UAA	442.07 (3)	1.405, 4.07, 4.008, 4.01		
Firm Ownership	7(g) of the UAA	442.08 (2) (b) & (c) 442.08 (3)	4.07-4.037		Firms which fall out of compliance with the provisions of the section due to changes in firm ownership or personnel, after receiving or renewing a permit, shall take corrective action to bring the firm back into compliance

Comparison UAA (Uniform Accountancy Act NASBA) and Wisc. Stats./Admin. Rules ACCY 1 to 9

Subject	UAA Section	Wisc. Stats.	ACCY 1-9	Issue	Recommend to Adopt (whole or part)
					as quickly as possible. The State Board may grant a reasonable period of time for a firm to take such corrective action. Failure to bring the firm back into compliance within a reasonable period as defined by the Board will result in the suspension or revocation of the firm permit.
Firms, Out-of-State & In-state	Article 7 7(a) - Rule		4.04-4.06		
Mutual Agreements, international	6-9				International Reciprocity
Peer Review	6-10 7-3 7-5 10-1(e)(7) 11-2(a)(1)(2)	442.087 (1) 442.07 (4)	9.02-9.06		-Peer Review for certificate holders who do not practice in a licensed firm -Successful completion of an approved Compliance Assurance Program -Submission of compliance assurance report to the Board -Grounds for enforcement action against licensee -Reporting convictions, judgments and administrative proceedings WICPA does Peer Review
Advertising			1.402		
Attest (SSAE)	New 10/17/2013	442.087 (1)			The definition of "Attest" as presented in the Exposure Draft has been approved by both the NASBA & AICPA Boards. Link to that Exposure Draft: http://nasba.org/files/2013/07/Cover-and-Exp-Dft-UAA-Committee-Approved-Attest-Lang-7-12-13.pdf
Examinations					
Examining Board Duties		442.01			
CPE Programs (AICPA/NASBA)	-6-2 of the Rules -6-3 of the Rules -6-4 of the Rules -6-5 of the Rules -6-6 of the Rules -6-8(b)(4) of the Rules -6-9 (c)(4) of the				-Ethics Continuing Professional Education (CPE) -Continuing Professional Education (CPE) -CPE requirements for renewal for licensure -Programs qualifying for CPE Credit -CPE Records -International reciprocity -CPE requirements for practice privileges -AICPA/NASBA Statement on Standards for CPE Programs

Comparison UAA (Uniform Accountancy Act NASBA) and Wisc. Stats./Admin. Rules ACCY 1 to 9

Subject	UAA Section	Wisc. Stats.	ACCY 1-9	Issue	Recommend to Adopt (whole or part)
	Rules -23-4 of the Rules -Appendix B of the UAA				
Reinstatement Practices	13-1	442.12 (1) (e)			Reinstatement after suspension or revocation
Responsibility to Clients	-4-2 -7-2; 7-3; 7-5 -10-4 (VI. Principle: Confidentiality) 11-2 (c)		1.301		-Confidential Communication -Confidential Information
Suspensions		442.12 (1) (e), (f) and (g)	1.406		
5-11(b)(2)					Good moral Character

(incorporates AB669, enrolled)

PRELIMINARY DRAFT RULE REVISIONS

SECTION 1. Accy 1.003 are created to read:

Accy 1.003 Definitions. As used in chs. [Accy 1](#) to [9](#):

(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 the statements incorporated by reference in s. [Accy 1.205 \(1\)](#).

(b) A review 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 \(3\)](#).

(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).

(2) "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.

SECTION 2. Accy 1.001 is created to read:

Accy 1.001 Authority.

SECTION 3. Accy 1.04 (1) (f) is amended to read:

Accy 1.04 (1)(f) A certified public accountant shall ~~notify~~ provide a 48-hour written notification to the board in writing within 60 days after being convicted of a crime.

SECTION 4. Accy 1.101 and (Note) are 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 5. **Accy 1.204 is repealed and recreated to read:**

Accy 1.204 Other technical standards. A person licensed to practice as a certified public accountant shall comply with other technical standards promulgated by bodies designated by the American Institute of Certified Public Accountants Council to establish such standards, and departures must be justified by those who do not follow them.

SECTION 6. Accy 1.205 (intro.), (1), (2) and (3) are 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 7. ACCY 1.301

Accy 1.301 Confidential client information. (1) No person licensed to practice as a certified public accountant shall disclose any confidential information obtained in the course of a professional engagement except with the consent of the client or through the due process of law.

(2) This rule shall not be construed:

(a) To relieve such a person of the obligations under ss. [Accy 1.202](#) and [1.203](#).

(b) To affect in any way compliance with a validly issued subpoena or summons enforceable by order of a court,

(c) To prohibit review of such a person's professional practices as a part of voluntary quality review under authorization of the American Institute of Certified Public Accountants or the Wisconsin Society of Certified Public Accountants, or

(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.

(3) Members of the ethics division and trial board of the American Institute of Certified Public Accountants and professional practice reviewers under American Institute of Certified Public Accountants authorization, or their state society counterparts, shall not disclose any confidential client information which comes to their attention from such persons in disciplinary proceedings or otherwise in carrying out their official responsibilities. However, this prohibition shall not restrict the exchange of information with an aforementioned duly constituted investigative or disciplinary body.

(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 **section 561 of Statement on Auditing Standards No. 1**, 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 8.

SECTION 9. Accy 1.205 (3)

SECTION 10. Accy 1.301 (4)

SECTION 11. Accy 1.405 (3) Council of AICPA (resolutions)

SECTION 12. Accy 1.401 (2) (f) consistent with SPS 4.09 (2)

SECTION 13. Accy 2.31 (1) (d) is amended to read:

- SECTION 14. Accy 2.31 (1) (e) to (g) are created to read:
 SECTION 15. Accy 3.03 (1) and (2) exam & grading service
 SECTION 16. Accy 3.05 exam 60 days prior to degree
 SECTION 17. Accy 3.06 (1) uniform public accounting exam
 SECTION 18. Accy 5.01
 SECTION 19. Accy 5.03 earned a degree (reflect: exam no longer ‘written’)
 SECTION 20. Accy 7.01 is amended to read:

Accy 7.01 General. The purpose of this chapter is to clarify the application of s. 442.04 (4), Stats., as it relates to the education required to ~~write~~ take the certified public accountant examination, to transfer examination credits from other jurisdictions, or to qualify for endorsement qualification.

- SECTION 21. Accy 7.02 (1) to (3) are repealed and recreated to read:

Accy 7.02 Definitions. In this chapter:

(1) “Accredited” means a school or institution of higher learning listed by an accrediting agency recognized by the secretary of the federal department of education on or after July 6, 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: It is possible that a bachelor’s degree could be completed in less than or more than 4 years; it is the completion of the course requirements of the degree to which the degree is conferred. For course requirements to be eligible to take the examination, refer to s. Accy 7.035.

(3) “Resident major in accounting” means a course of study identified by a school or institution of higher learning listed by an accrediting agency recognized by the secretary of the federal department of education.

- SECTION 22. Accy 7.035 exam on-line
 SECTION 23. Accy 7.06 delete (release testing by schools)
 SECTION 24. Accy 8.04 (2) no residency requirements)
 SECTION 25. Accy 9.01 (2) is amended to read: See Ab 669
 SECTION 26. Accy 9.01 (4) break into (a) and (b)
 SECTION 27. Accy 9.01 (5) to (7), (8) (intro.) and (8) are amended to read: See AB 669.
 SECTION 28. Accy 9.01 (8) rewrite and some as Note.
 SECTION 29. Accy 9.02 Note needed
 SECTION 30. Accy 9.04 (on request?) list of bd.-approved programs?
 SECTION 31. Accy 9.05 “all of the following:”
 SECTION 32. Accy 9.06 and (Note)—deleting Appendix 9A?

ACCY 4 Firm mobility; wait on NASBA? Move to Ch. ACCY 9 Wis. Admin. Code § SPS 4.09(2).

Rewrite 150 hrs. now and can sit before having education requirement if to be earned in 60 days. (see AB 404 job readiness)

SECTION 33. Accy 7.02 (2) and (3) are amended to read:

Accy 7.02 (2))—Regional “Recognized accrediting agency” shall include ~~equivalents of the North Central Association of Colleges and Schools are, the New England Association of Schools and Colleges, Middle States Association of Colleges and Secondary Schools, Northwest Association of Schools and Colleges, Southern Association of Schools and Colleges, and Western Association of Schools and Colleges~~ accrediting agencies recognized by the U.S. DOE institution of higher education or any higher education programs accredited by the U.S. DOE.

Note: For more information on U.S. DOE accrediting agencies and recognized institutions of higher learning, see: <http://ope.ed.gov/accreditation/>.

(3) A “resident major in accounting” is a course of study identified by a school ~~accredited by the North Central Association of Colleges and Schools or its regional equivalent~~ listed by a recognized accrediting agency as a major in accounting. Where more than one course of accounting study is offered by a school, the course of study for public accounting shall be the defined “resident major in accounting.”

SECTION 34.

SECTION 35. Accy 7.03 (1) and (2) are amended to read:

Accy 7.03 (1) ~~The “reasonable equivalence of a resident major in accounting” for individuals having a bachelor’s or higher degree but with no resident major in accounting shall be as follows~~ considered ‘substantially equivalent’ when all of the following are met:

(a) Two college-level courses in math or math at the level necessary for admission to the first course in calculus.

(b) Four of the 5 courses that follow: statistics, marketing, business finance, management or organizational behavior, computer science or computers in business.

(c) Two courses in principles of economics.

(d) At least one course in each of the following: introductory or principles of accounting, intermediate accounting or accounting theory, advanced accounting, cost accounting, auditing, income taxation, and business law.

(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~~ the successful completion of the course work as specified in sub. (1). 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 or if it could be transferred to an accredited institution for credit toward the institution’s accounting major.

(3) Applicants shall be informed in writing by the board of educational equivalency or of program deficiencies. Applicants with educational deficiencies shall submit evidence of satisfactory completion of deficient course work prior to being granted a certificate.

Rewrite job readiness act—take exam up to 60 d. prior to attaning the 150 hrs. (or 120 hrs. see AB669)

SECTION 36.

SECTION 37. Accy 7.035 is amended to read:

Accy 7.035 Education required to take the examination. A person may not take the examination leading to the certificate to practice as a certified public accountant unless the person has, 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~~ the U.S. 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~~ the U.S. 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, 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 ~~the board~~ the U.S. Department of education including all of the following:

Minor changes in may be needed to recognize US DOE accrediting agencies, although their listing of schools was confined to US only.

(a) At least 24 semester hours in accounting at the undergraduate or graduate level, including courses covering the subjects of financial accounting, auditing, taxation, 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, 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), would normally be all courses taken beyond the introduction level.

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

Accy 7.04 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.

Accy 7.05 Certificate by endorsement evaluation. (1) An applicant may receive a certified public accountant certificate by endorsement if the applicant satisfies one of the following requirements:

(a) The applicant meets the Wisconsin requirements for the certified public accountant certificate existing at the time of the application.

(b) The applicant provides evidence satisfactory to the board that he or she meets all of the following requirements:

1. The applicant holds a current certificate as a certified public accountant issued by another state.

2. The applicant has passed the uniform certified public accountant examination.

3. The applicant has practiced in good standing for at least 5 years following initial licensure within the 10 years immediately preceding application under this section; or the applicant has practiced public accounting for at least 5 years following initial licensure and demonstrates that he or she has participated in a program of continuing professional education which is satisfactory to the board.

(c) The applicant has been approved under s. Accy 8.05.

(2) Educational evaluations shall be made by the board, and shall consider all evidence in satisfaction of equivalent education as submitted by the applicant in accordance with s. 442.05, Stats.

Accy 7.06 Public information. The board will release statistical studies of test results of each certified public accountant examination by subject and school. Reports will be designed to provide schools and the public with information on candidate success.

Accy 7.07 Expiration of applications. If an applicant for a certificate to practice as a certified public accountant does not comply with a request for information related to his or her application within one year from the date the first request for information was made, the application expires. The applicant may file a new application if his or her application expires under this section.

SECTION 38. Accy 7.03 (1) (Note) is created to read:

Accy 7.03 (1) Note: In order to be deemed substantially equivalent under section 23(a)(1) of the Uniform Accountancy Act (UAA), a state must adopt the **150-hour education requirement** established in Section 5(c)(2). In addition, section 23(a)(2) provides that an individual who has passed the Uniform CPA examination and holds an active license from a state that is not yet substantially equivalent may be individually exempt state if the individual was licensed prior to January 1, 2012.

SECTION 39. Accy 7.03 (2) is amended to read:

Accy 7.03 (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~~ the successful competition of the course work as specified in sub. (1). Course work for equivalency may be accepted only if completed at as school or an institution of higher learning accredited by the North Central Association of Colleges and Schools or its regional equivalent or if it could be transferred to an accredited institution for credit toward the institution's accounting major listed by an accrediting agency recognized by the secretary of the federal department of education.

SECTION 40. Accy 8

Accy 8.04 Foreign-trained candidates. (1) Candidates holding certifications from foreign countries shall establish their qualifications for a certificate by endorsement as set forth in ss. [Accy 8.02](#) and [8.03](#), or in s. [Accy 8.05](#).

(2) Except as provided in s. [Accy 8.05](#), 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**, 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** will be accepted as evidence of equivalence for a bachelor's or higher degree. The education acquired must constitute the reasonable equivalent.

SECTION 41. Accy 9.06 and (Note) are 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 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.~~

Note: Paragraphs 25–71 of these ~~These~~ standards are included as Appendix A to this chapter and are also available accessible from the Internet at <http://www.aicpa.org/members/div/practmon/stdstitled1.htm> <http://www.aicpa.org/research/standards/peerreview/downloadabledocuments/1000-peerreviewstandards.pdf>.

SECTION . 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/stdstitled1.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.

SECTION 42.