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Scott Walker, Governor
Laura Gutiérrez, Secretary

TELECONFERENCE/VIRTUAL MEETING

ACCOUNTING EXAMINING BOARD
Room 121C, 1400 East Washington Avenue, Madison
Contact: Erin Karow (608) 266-2112
July 17, 2017

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

2:00 P.M.

OPEN SESSION – CALL TO ORDER – ROLL CALL

A. Adoption of Agenda

B. Approval of Minutes of May 11, 2017

C. Administrative Matters
1. Staff Updates

D. Legislative and Administrative Rule Matters – Discussion and Consideration
1. Proposed Rules for Accy 2 Relating to Education Required for Examination and Certification
2. Update on Pending and Possible Legislative and Rulemaking Projects

E. Deliberation on Items Added After Preparation of Agenda:
1. Appointment of Liaison(s) and Delegation of Authority
2. Education and Examination Matters
3. Credentialing Matters
4. Practice Matters
5. Legislative and Administrative Rule Matters
6. Liaison Reports
7. Informational Items
8. Speaking Engagement(s), Travel, or Public Relation Request(s)

F. Public Comments

ADJOURNMENT

NEXT MEETING DATE: August 10, 2017

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MEETINGS AND HEARINGS ARE OPEN TO THE PUBLIC, AND MAY BE CANCELLED WITHOUT NOTICE.

Times listed for meeting items are approximate and depend on the length of discussion and voting. All meetings are held at 1400 East Washington Avenue, Madison, Wisconsin, unless otherwise noted. In order to confirm a meeting or to request a complete copy of the board's agenda, please call the listed contact person. The board may also consider materials or items filed after the transmission of this notice. Times listed for the commencement of disciplinary hearings may be changed by the examiner for the convenience of the parties. Interpreters for the hearing impaired provided upon request by contacting the Affirmative Action Officer, 608-266-2112.

ACCOUNTING EXAMINING BOARD
MEETING MINUTES
MAY 11, 2017

PRESENT: Joseph Braunger, Todd Craft, Gerald Denor, Kathleen LaBrake, Glenn Michaelsen, John Scheid *(via GoToMeeting)*

EXCUSED: Christine Anderson

STAFF: Brittany Lewin, Executive Director; Laura Smith, Bureau Assistant; and other DSPS Staff

CALL TO ORDER

Todd Craft, Vice Chair, called the meeting to order at 9:04 a.m. A quorum of six (6) members was confirmed.

ADOPTION OF AGENDA

MOTION: Joseph Braunger moved, seconded by Kathleen LaBrake, to adopt the agenda as published Motion carried unanimously.

APPROVAL OF MINUTES OF FEBRUARY 9, 2017

MOTION: Glenn Michaelson moved, seconded by Gerald Denor, to approve the minutes of February 9, 2017 as published. Motion carried unanimously.

LEGISLATIVE AND ADMINISTRATIVE RULE MATTERS

Scope Statement for Accy 2 Relating to Education Required for Examination and Certification

MOTION: Joseph Braunger moved, seconded by Glenn Michaelson, to request DSPS staff draft a Scope Statement for emergency rules revising ch. Accy 2 relating to education required for examination and certification and authorize the Chair to approve the Scope Statement for submission to the Governor's Office and publication and for implementation no less than 10 days after publication. Motion carried unanimously.

MOTION: Gerald Denor moved, seconded by Kathleen LaBrake, to authorize the Chair to approve final draft emergency rules revising ch. Accy 2 relating to education required for examination and certification for submission to the Governor's Office and publication. Motion carried unanimously.

SPEAKING ENGAGEMENTS, TRAVEL, OR PUBLIC RELATION REQUESTS

National State Boards of Accountancy (NASBA) Eastern Regional Meeting

MOTION: Glenn Michaelson moved, seconded by John Scheid, to designate Gerald Denor as the Board's delegate, and to authorize travel to attend the NASBA Eastern Regional Meeting, June 27-29, 2017 in Newport, Rhode Island. Motion carried unanimously.

CLOSED SESSION

MOTION: Kathleen LaBrake 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.). The Vice Chair read the language of the motion. The vote of each member was ascertained by voice vote. Roll Call Vote: Joseph Braunger-yes; Todd Craft-yes; Gerald Denor-yes, Kathleen LaBrake-yes; Glenn Michaelsen-yes and John Scheid-yes. Motion carried unanimously.

The meeting convened to Closed Session at 10:15 a.m.

RECONVENE TO OPEN SESSION

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

The meeting reconvened into Open Session at 10:35 a.m.

VOTE ON ITEMS CONSIDERED OR DELIBERATED UPON IN CLOSED SESSION

MOTION: Joseph Braunger moved, seconded by Gerald Denor, to affirm all votes made in closed session. Motion carried unanimously.

(Be advised that any recusals or abstentions reflected in the closed session motions stand for the purposes of the affirmation vote.)

DRAFT

DELIBERATION ON DIVISION OF LEGAL SERVICES AND COMPLIANCE (DLSC) MATTERS

Proposed Stipulation, Final Decision and Order

16 ACC 015 – P.A.K.

MOTION: John Scheid moved, seconded by Glenn Michaelson, to adopt the Findings of Fact, Conclusions of Law and Order in the matter of disciplinary proceedings against Patrick A. Kvitek, DLSC Case No. 16 ACC 015 – P.A.K. Motion carried unanimously.

MONITORING MATTERS

MOTION: John Scheid moved, seconded by Todd Craft, to grant the request of David Chapman for Reinstatement of his C.P.A. Certificate. Motion carried unanimously.

BOARD TRAINING REVIEW – PUBLIC RECORDS AND ETHICS AND LOBBYING

The Board reviewed training information related to Public Records and Ethics and Lobbying in this meeting.

ADJOURNMENT

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

The meeting adjourned at 10:37 a.m.

DRAFT

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:
Dale Kleven **Administrative Rules Coordinator**	**7/11/17** Items will be considered late if submitted after 12:00 p.m. on the deadline date: ▪ 8 business 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?
7/17/17	☒ Yes ☐ No	**Legislation and Rule Matters – Discussion and Consideration** **1. Proposed Rules for Accy 2 Relating to Education Required for Examination and Certification** **2. Update on Pending Legislation and Pending and Possible Rulemaking Projects**

7) Place Item in:	8) Is an appearance before the Board being scheduled?	9) Name of Case Advisor(s), if required:
☒ Open Session ☐ Closed Session ☐ Both	☐ Yes (Fill out Board Appearance Request) ☒ No	

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

11) Authorization

Dale Kleven — *July 11, 2017*

Signature of person making this request — Date

Supervisor (if required) — Date

Executive 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 Policy Development Executive 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 amend Accy 2.002 (intro.) and 2.403 and repeal and recreate Accy 2.101 (2), 2.202, and 2.303, relating to education required for examination and certification.

Analysis prepared by the Department of Safety and Professional Services.

ANALYSIS

Statutes interpreted:

Section 442.04 (5) (b) 3. and 4., Stats.

Statutory authority:

Sections 15.08 (5) (b) and 442.04 (5) (b) 3. and 4., Stats.

Explanation of agency authority:

Section 15.08 (5) (b), Stats., provides examining boards “shall promulgate rules for its own guidance and for the guidance of the trade or profession to which it pertains. . .”

Section 442.04 (5) (b) 3., Stats., provides the Board may not grant a certificate as a certified public accountant to any person other than a person who “has completed at least 150 semester hours of education at an institution that include course work in accounting and business subjects, as determined by the examining board, and has received a bachelor's or higher degree.”

Section 442.04 (5) (b) 4., Stats., provides a person is not eligible to take the CPA examination “unless the person has completed at least 120 semester hours of education at an institution that include course work in accounting and business subjects, as determined by the examining board.”

Related statute or rule:

None.

Plain language analysis:

These proposed rules modify the semester hours and course subjects required in order to be granted a CPA certificate or to take the CPA examination, as follows:

1. Specifies methods for satisfying the 150 hours requirement for obtaining a CPA certificate. The methods differ depending on the degree received by the applicant and how the educational program, department, or educational institution from which the applicant earned the degree is accredited.

2. Provides that a person may satisfy the 120 hours requirement for taking the CPA examination if the person already satisfies the 150 hours requirement for obtaining a CPA certificate described above, the person otherwise satisfies the course content and semester hours required for a CPA certificate, or the person has completed course work that the board determines is reasonably equivalent to those requirements.

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

None.

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 Illinois Board of Examiners (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) (G)).

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 Iowa Accountancy Examining 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). For purposes of accreditation the Michigan Board of Accountancy 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).

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. §326A.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. §326A.03 Subd. 3.).

Summary of factual data and analytical methodologies:

The proposed rules were developed by obtaining input and feedback from the Accounting Examining Board.

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

The proposed rules will be posted for a period of 14 days to solicit public comment on economic impact, including how the proposed rules may affect businesses, local government units, and individuals.

Effect on small business:

These rules do not have an economic impact on small businesses, as defined in s. 227.114 (1), Stats. The Department's Regulatory Review Coordinator may be contacted by email at Kirsten.Reader@wisconsin.gov, or by calling (608) 267-2435.

Agency contact person:

Dale Kleven, Administrative Rules Coordinator, Department of Safety and Professional Services, Division of Policy Development, 1400 East Washington Avenue, P.O. Box 8366, Madison, Wisconsin 53708; telephone 608-261-4472; email at DSPSAdminRules@wisconsin.gov.

TEXT OF RULE

SECTION 1. Accy 2.002 (intro.) is amended to read:

Accy 2.002 Definitions. (intro.) In this chapter, except where a different meaning is indicated:

SECTION 2. Accy 2.101 (2) is repealed and recreated to read:

Accy 2.101 (2) Proof of fulfilling the educational requirements specified in s. Accy 2.202 and s. 442.04 (5) (b) 3., Stats., by submitting one of the following:

(a) For a candidate who qualifies under s. Accy 2.202 (1), proof that the candidate earned a master's degree specified under s. Accy 2.202 (1).

(b) For a candidate who qualifies under s. Accy 2.202 (2), (3), or (4), certified copies of transcripts for all academic work completed at an accredited educational institution that reflect that the candidate has satisfied the requirement under s. Accy 2.202 (2), (3), or (4), whichever is applicable.

(c) For a candidate who qualifies under s. Accy 2.202 (5), certified copies of transcripts for all academic work leading to a bachelor's or higher degree in accounting meeting the coursework requirement described in s. Accy 2.202 (5).

SECTION 3. Accy 2.202 is repealed and recreated to read:

Accy 2.202 Education required for certification. A candidate applying for a certificate to practice as a certified public accountant must have earned a bachelor's or higher degree from an accredited educational institution and have satisfied one of the following for purposes of meeting the 150-hour coursework requirement under s. 442.04 (5) (b) 3., Stats.:

(1) Earned a master's degree in accounting from an accounting program or department accredited by the Association to Advance Collegiate Schools of Business.

(2) Earned a bachelor's or higher degree from a business program or college of business accredited by the Association to Advance Collegiate Schools of Business, the International Assembly for Collegiate Business Education, or the Accreditation Council for Business Schools and Programs, and completed at least 24 semester hours in accounting from an accredited educational institution at the undergraduate level or 15 semester hours at the graduate level, or an equivalent combination, that cover each of the following subject areas:

(a) Financial accounting.

(b) Cost or managerial accounting.

(c) Taxation.

(d) Auditing.

(e) Accounting information systems.

(3) Earned a bachelor's or higher degree from an accredited educational institution and completed all of the following:

(a) At least 24 semester hours in accounting from an accredited educational institution at the undergraduate level or 15 semester hours at the graduate level, or an equivalent combination, that cover each of the following subject areas:

1. Financial accounting.

2. Cost or managerial accounting.

3. Taxation.

4. Auditing.

5. Accounting information systems.

(b) At least 24 semester hours in business and economics courses other than accounting courses from an accredited educational institution at the undergraduate level

or 15 semester hours at the graduate level, or an equivalent combination, that cover each of the following subject areas:

1. Economics.

2. Finance.

3. Statistics or data analytics.

4. Business law.

5. Information technology.

Note: The courses covering the subjects of financial accounting, cost or managerial accounting, taxation, and auditing under s. Accy 2.202 (2) or (3), would generally be courses taken beyond the introduction accounting course required of every business major.

(4) Completed coursework that the board determines is reasonably equivalent to the course content and semester hours requirements specified in sub. (3) (a) and (b).

(5) In the course of completing at least 150 semester hours of education, earned a bachelor's or graduate degree in accounting prior to June 1, 2017, from an accounting program or department that is listed by an accrediting agency recognized by the board. This subsection applies only to a candidate who submitted an application for a certified public accountant certificate prior to October 1, 2018.

SECTION 4. Accy 2.303 is repealed and recreated to read:

Accy 2.303 Education required for examination. A candidate for the certified public accountant examination must have satisfied one of the following for purposes of meeting the 120-hour coursework requirement under s. 442.04 (5) (b) 4., Stats.:

(1) Satisfied s. Accy 2.202 (1), (2), or (3).

(2) Satisfied the course content and semester hours requirements specified in s. Accy 2.202 (3) (a) and (b), or completed coursework that the board determines is reasonably equivalent to those requirements.

(3) Completed at least 120 semester hours of education leading to a bachelor's or graduate degree in accounting that meets the requirements specified in s. Accy 2.202 (5). This subsection applies only to a candidate who submitted an application to take the certified public accountant examination under s. Accy 2.302 prior to October 1, 2017.

SECTION 5. Accy 2.403 is 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 120 semester hours of education from an accredited college or university, including courses covering each of the subjects and the semester hours specified in s. Accy 2.202 (1) and (2)~~ satisfied one of the requirements under s. Accy 2.303. This experience must have been acquired within 5 years prior to applying for the certification as a certified public accountant.

SECTION 6. EFFECTIVE DATE. The rules adopted in this order shall take effect on the first day of the month following publication in the Wisconsin Administrative Register, pursuant to s. 227.22 (2) (intro.), Stats.

(END OF TEXT OF RULE)