

ACCOUNTANCY EXAMINING BOARD[193A]

Notice of Intended Action

**Proposing rulemaking related to licensees' duty to report
and providing an opportunity for public comment**

The Accountancy Examining Board hereby proposes to rescind Chapter 18, "Licensees' Duty to Report," Iowa Administrative Code, and to adopt a new chapter with the same title.

Legal Authority for Rulemaking

This rulemaking is proposed under the authority provided in Iowa Code section 542.4.

State or Federal Law Implemented

This rulemaking implements, in whole or in part, Iowa Code chapter 542 and Executive Order 10.

Purpose and Summary

These proposed amendments implement changes recommended by Executive Order 10. Chapter 18 covers the licensees' duty to report.

Fiscal Impact

This rulemaking has no fiscal impact to the State of Iowa. No current fees are being changed, and no new fees are being imposed.

Jobs Impact

After analysis and review of this rulemaking, no impact on jobs has been found.

Waivers

Any person who believes that the application of the discretionary provisions of this rulemaking would result in hardship or injustice to that person may petition the Department of Inspections, Appeals, and Licensing for a waiver of the discretionary provisions, if any, pursuant to 481—Chapter 6.

Public Comment

Any interested person may submit written or oral comments concerning this proposed rulemaking. Written or oral comments in response to this rulemaking must be received by the Department no later than 4:30 p.m. on January 31, 2024. Comments should be directed to:

Robert E. Lampe
Iowa Department of Inspections, Appeals, and Licensing
6200 Park Avenue
Des Moines, Iowa 50321
Phone: 515.725.9024
Fax: 515.725.9032
Email: robert.lampe@dia.iowa.gov

Public Hearing

Public hearings at which persons may present their views orally or in writing will be held as follows:

January 30, 2024
12:30 to 12:50 p.m.

6200 Park Avenue
Des Moines, Iowa
Video call link: meet.google.com/yxd-hmkw-ppo
More phone numbers:
[tel.meet/yxd-hmkw-ppo?pin=1779851586643](tel:meet/yxd-hmkw-ppo?pin=1779851586643)

January 31, 2024
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The Department may address agenda items out of sequence to accommodate persons appearing before the Department or to aid in the efficiency or effectiveness of the meeting.

All meetings held by the Department are accessible to everyone. Any persons who need special accommodations to participate should call 515.281.0254 (TDD: 1.800.735.2942) as soon as possible in advance of the meeting to ensure sufficient time to make the appropriate accommodations.

Public attendees may make comments at the conclusion of each board director's report.

The boards reserve the right to limit the length of comments based on the number of individuals who wish to speak.

Persons who wish to make oral comments at a public hearing may be asked to state their names for the record and to confine their remarks to the subject of this proposed rulemaking.

Review by Administrative Rules Review Committee

The Administrative Rules Review Committee, a bipartisan legislative committee which oversees rulemaking by executive branch agencies, may, on its own motion or on written request by any individual or group, review this rulemaking at its [regular monthly meeting](#) or at a special meeting. The Committee's meetings are open to the public, and interested persons may be heard as provided in Iowa Code section 17A.8(6).

The following rulemaking action is proposed:

ITEM 1. Rescind 193A—Chapter 18 and adopt the following **new** chapter in lieu thereof:

CHAPTER 18
LICENSEES' DUTY TO REPORT

193A—18.1(272C,542) Reporting acts or omissions committed by licensees.

18.1(1) An individual or firm licensed by the board has a duty to report under Iowa Code section 272C.9(2). The failure to perform an engagement for a client in accordance with professional standards may demonstrate a lack of qualifications by a licensee or firm. These professional standards are set forth in 193A—Chapter 13.

18.1(2) When a licensee observes an act or omission referenced in subrule 18.1(1), the licensee is obligated to report the violation in writing to the board office, setting forth the name of the licensee alleged to have committed the violation and the rule(s) violated, together with a copy of all material that evidences the violation.

193A—18.2(272C,542) Reporting judgments and settlements alleging malpractice.

18.2(1) Licensees have a duty to report under Iowa Code section 272C.9(3). For the purposes of this rule, malpractice actions brought against a firm licensed by the board will be deemed to have been brought against both the firm and the firm's owners (e.g., partners, shareholders, or members) that performed the services that led to the malpractice action.

18.2(2) When a licensee is a party to an adverse judgment resulting from a professional malpractice action or is a party to a settlement of a claim resulting from an allegation of malpractice, the licensee has an obligation to file a report in writing forwarded to the board office, setting forth the name and

address of the client, the date the claim was originally made, a brief description of the circumstances precipitating the claim and a copy of the judgment or settlement agreement resulting from the claim.

193A—18.3(272C,542) Timely reporting. The reports under this chapter are to be forwarded to the board within 30 days from the initial receipt of the information giving rise to the reporting obligation.

193A—18.4(272C,542) Failure to make reports. The board may initiate a disciplinary proceeding against any licensee who fails to make a timely report under this chapter.

These rules are intended to implement Iowa Code chapters 272C and 542.