

CHAPTER 8  
LICENSED PUBLIC ACCOUNTING FIRMS  
[Prior to 7/13/88, see Accountancy, Board of[10]]

**193A—8.1(542) Initial registration.**

**8.1(1)** A new firm, as defined in rule 193A—1.1(542), about to engage in the practice of public accounting in this state under the requirements and provisions of Iowa Code section 542.8 shall make application for registration and a permit to practice upon a form that may be obtained from the board office. A firm must hold a permit issued under Iowa Code section 542.8 and these rules in order to use the title “LPAs” or “LPA firm.” A nonrefundable application fee shall be charged.

**8.1(2)** The application shall list the names of all owners, a simple majority of whom shall hold licenses issued under Iowa Code section 542.8 or in some other state.

**8.1(3)** The application shall list the name and license number of any licensee who is responsible for supervising compilation services and who signs or authorizes someone to sign the accountant’s report on financial statements on behalf of the firm. The application shall affirm that any licensee listed meets the competency requirements set forth in SSARS.

**8.1(4)** The application shall list the number and location of offices within this state and the name of the licensee in charge of such offices.

**8.1(5)** The application shall affirm that all compilation services rendered in this state are under the charge of an individual who holds a valid license issued under Iowa Code section 542.8 and who meets the competency requirements outlined in SSARS.

**8.1(6)** The application shall designate an individual who holds a valid license issued under Iowa Code section 542.6, 542.8 or 542.19 as the person responsible for ensuring that the firm has complied with all of the requirements for a permit to practice.

**8.1(7)** The application shall affirm that all nonlicensee owners are active participants in the firm or an affiliated entity.

**8.1(8)** The application shall affirm that all nonlicensees who are by statute required to comply with continuing education imposed by a regulatory authority meet those requirements.

**8.1(9)** The application for initial issuance of a permit shall list all states in which the applicant has applied for or holds a permit as a licensed public accounting firm and list any past denial, revocation, or suspension of a permit by another state.

**8.1(10)** The application shall list the names of all nonlicensee owners and provide information regarding any owner who has been convicted of a crime or has had a professional license of any kind revoked in this or any other jurisdiction. For purposes of this subrule, “conviction” means a conviction for an indictable offense and includes a guilty plea, deferred judgment from the time of entry of the deferred judgment until the time the defendant is discharged by the court without entry of judgment, or other finding of guilt by a court of competent jurisdiction. The board may deny the application if a nonlicensee has been convicted of a crime or has had a professional license of any kind revoked in this or any other jurisdiction.

**193A—8.2(542) Annual renewal of permit.** A permit issued under the provisions of Iowa Code section 542.8 shall be renewed annually by June 30 upon forms provided by the board. Applications to renew a permit to practice may be obtained from the board office or on the board’s Web site. While the board generally mails renewal applications in the May preceding permit expiration, neither the board’s failure to mail an application nor a permit holder’s failure to receive an application shall excuse the requirement to timely renew and pay the renewal fee.

**193A—8.3(542) Renewal procedures.**

**8.3(1)** The permit holder shall file a timely and sufficient renewal application with the board by the June 30 deadline each year. Applications shall be deemed filed on the date received by the board or, if mailed, the date postmarked, but not the date metered.

**8.3(2)** The permit holder shall list on the renewal application all states in which the applicant has applied for or holds a permit as a licensed public accounting firm and list any past denial, revocation, suspension, refusal to renew or voluntary surrender to avoid disciplinary action of a permit. Permit holders shall notify the board in writing within 30 days after the occurrence of any issuance, denial, revocation, suspension or refusal to renew or voluntary surrender to avoid disciplinary action of a permit to practice as a licensed public accounting firm by another state.

**8.3(3)** Within the meaning of Iowa Code chapters 17A, 272C, and 542, a timely and sufficient renewal application shall be:

- a. Received by the board in person or postmarked with a nonmetered United States Postal Service postmark on or before the date the permit is set to expire or lapse;
- b. Signed by the licensee in charge of the firm's practice if submitted in person or mailed;
- c. Fully completed and accompanied with the proper fee. The fee shall be deemed improper if, for instance, the amount is incorrect, the fee was not included with the application, the credit card number provided by the applicant is incorrect, the date of expiration of a credit card is omitted or incorrect, the attempted credit card transaction is rejected, or the applicant's check is returned for insufficient funds or a closed account.

**193A—8.4(542) Failure to renew permit.**

**8.4(1)** A firm that fails to renew the permit by the expiration date, but does so within 30 days following the expiration date, shall be assessed a penalty of 25 percent of the annual renewal fee.

**8.4(2)** If the firm fails to renew the permit within the 30-day grace period outlined in subrule 8.4(1), the permit will lapse and the firm shall be required to reinstate in accordance with subrule 8.4(3). The firm is not authorized to practice during the period of time that the permit is lapsed.

**8.4(3)** The board may reinstate the permit upon the payment of the proper renewal fee and a penalty of \$100. The board shall also require a written statement outlining the firm's professional activities during the period of lapsed registration.

**8.4(4)** The board may find probable cause to file charges for unlicensed practice if the firm continues to offer services defined as the practice of accounting while using the title "LPA" during the period of lapsed registration.

**193A—8.5(542) Notices required.** A holder of or applicant for a permit shall notify the board in writing within 30 days after an occurrence of any of the following:

1. A change in the identity of an owner, partner, officer, shareholder, member, or manager who performs professional services in this state or for clients in this state.
2. A change in the number or location of offices within this state.
3. A change in the identity of a person in charge of such offices.
4. The issuance, denial, revocation, or suspension of a permit by another state.

**193A—8.6(542) Firms not in compliance with requirements.** A firm which, after receiving or renewing a permit, is not in compliance with Iowa Code section 542.8 as a result of a change in firm ownership or personnel shall take corrective action to bring the firm back into compliance as quickly as possible or apply to modify or amend the permit. The board may grant a reasonable period of time, usually 90 days, for a firm to take such corrective action. Failure to comply within a reasonable period as deemed by the board shall result in the suspension or revocation of the firm permit.

**193A—8.7(542) Peer review required.** As a condition for renewal of a permit to practice as a licensed public accounting firm, the firm shall undergo, at least once every three years, a peer review conducted under the provisions outlined in 193A—Chapter 11.

These rules are intended to implement Iowa Code chapters 17A, 272C and 542.

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