

**193A—16.3 (272C,542) Disciplinary sanctions.**

**16.3(1) *Type of sanctions.*** The board has authority to impose the following disciplinary sanctions:

*a.* Revoke a license issued by the board. In the event of a revocation, the licensee shall not be allowed to remain a member, partner or shareholder of a business entity if the law requires that all members, partners or shareholders of such an entity be actively involved.

*b.* Suspend a license issued by the board. A CPA or LPA who is under suspension shall refrain, during the period of the suspension, from all facets of the ordinary practice of public accounting.

*c.* Revoke or suspend the privilege to engage in one or more areas of the practice of public accounting.

*d.* Impose a period of probation. As a condition to a period of probation, the board may impose terms and conditions deemed appropriate by the board which may include, but are not limited to, the following:

(1) The board may require the licensee to undergo a quality review or desk review under the board's supervision. The licensee shall select, subject to approval by the board, a CPA, LPA, or a firm of CPAs or LPAs. The costs of the review shall be paid by the licensee. The board shall be furnished a copy of the report issued by the reviewing party and may require remedial actions or education as a result of the report findings.

(2) The board may require the licensee to enter into an agreement with a CPA, an LPA, or a firm of CPAs or LPAs to obtain a preissuance review of any audits, compilations, or reviews issued by the licensee or other public accounting services performed during the period of probation. The agreement shall be preapproved by the board. The board may require the licensee to report regularly concerning the preissuance reviews conducted pursuant to the agreement. Any cost incurred in obtaining preissuance review shall be paid by the licensee.

(3) A substance abuse evaluation and such care and treatment as are recommended in the evaluation or otherwise appropriate under the circumstances.

*e.* Impose requirements regarding continuing education. The board may specify that a designated amount of continuing education be taken in specific subjects and may specify the time period for completing these courses. The board may also specify whether that continuing education be in addition to the continuing education routinely required for license renewal. The board may also specify that additional continuing education be a condition for the termination of any suspension or reinstatement of a certificate, permit, license, or registration. The board may also specify that current reference materials be obtained and maintained.

*f.* Require reexamination, using one or more parts of the CPA or LPA examination given to candidates for the CPA certificate or the LPA license.

*g.* Impose civil penalties, the amount of which shall be at the discretion of the board, but which shall not exceed \$1,000 per violation, or after June 30, 2009, \$10,000 per violation for a firm. Civil penalties may be imposed for any of the disciplinary violations specified in rule 193A—14.2(17A,272C,542).

*h.* Issue a reprimand.

*i.* Order the licensee to alter a professional practice or refrain from engaging in a particular act or practice in the future, notify clients of unlicensed or unprofessional conduct, or take such other remedial measures that are appropriate under the public interest and circumstances of the infraction.

*j.* Order such alternative discipline as is allowed by law.

**16.3(2) *Imposing discipline.*** Discipline may be imposed against a licensee only by the affirmative vote of a majority of the members of the board who are not disqualified.

**16.3(3) *Voluntary surrender.*** The board may accept the voluntary surrender of a license to resolve a pending disciplinary contested case or pending disciplinary investigation. The board shall not accept a voluntary surrender of a license to resolve a pending disciplinary investigation unless a statement of charges will be filed along with the order accepting the voluntary surrender. Such a voluntary surrender

is considered disciplinary action and shall be published in the same manner as is applicable to any other form of disciplinary order.

**16.3(4) Notification requirements.** Whenever a license is revoked, suspended, restricted, or voluntarily surrendered under this chapter, the licensee shall:

*a.* Within 15 days of receipt of the board's final order, notify in writing all clients of the fact that the license has been revoked, suspended or voluntarily surrendered or that the practice of the licensee has been restricted; for example, the licensee may agree to discontinue governmental audits. Such notice shall advise the client to obtain alternative professional services, unless the restriction at issue would not impact the public accounting services provided for that client;

*b.* Within 30 days of receipt of the board's final order, the licensee shall file with the board copies of the notices sent pursuant to paragraph 16.3(4) "a." Compliance with this requirement shall be a condition for an application for reinstatement.

**16.3(5) Civil penalties.** Factors the board may consider when determining whether to assess and the amount of civil penalties include:

*a.* Whether other forms of discipline are being imposed for the same violation.

*b.* Whether the amount imposed will be a substantial deterrent to the violation.

*c.* The circumstances leading to the violation.

*d.* The severity of the violation and the risk of harm to the public.

*e.* The economic benefits gained by the licensee as a result of the violation.

*f.* The interest of the public.

*g.* Evidence of reform or remedial action.

*h.* Time lapsed since the violation occurred.

*i.* Whether the violation is a repeat offense following a prior cautionary letter, disciplinary order, or other notice of the nature of the infraction.

*j.* The clarity of the issues involved.

*k.* Whether the violation was willful and intentional.

*l.* Whether the licensee acted in bad faith.

*m.* The extent to which the licensee cooperated with the board.

*n.* Whether the licensee improperly used a title restricted by Iowa law or rules, performed attest services or issued a compilation report when not properly licensed to do so, or with a lapsed, inactive, suspended, restricted or revoked license engaged in practices which require licensure.