

**Senate Study Bill 3017 - Introduced**

SENATE/HOUSE FILE \_\_\_\_\_  
BY (PROPOSED DEPARTMENT OF  
COMMERCE/PROFESSIONAL  
LICENSING AND REGULATION  
DIVISION BILL)

**A BILL FOR**

1 An Act relating to the practice of accounting and to the  
2 organization and operation of the licensing boards included  
3 within the professional licensure and regulation bureau of  
4 the banking division in the department of commerce.

5 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. Section 542.8, Code Supplement 2009, is amended  
2 by adding the following new subsection:

3 NEW SUBSECTION. 22. The board, by rule, shall require as a  
4 condition for renewal of a license under this section by any  
5 license holder who performs compilation services for the public  
6 other than through a licensed public accounting firm or a  
7 certified public accounting firm, that such individual undergo,  
8 no more frequently than once every three years, a peer review  
9 conducted in such manner as the board shall by rule specify,  
10 and such review shall include verification that such individual  
11 has met the competency requirements set out in professional  
12 standards for such services.

13 Sec. 2. Section 542.13, subsections 6 and 13, Code  
14 Supplement 2009, are amended to read as follows:

15 6. A firm not holding a permit issued under section 542.8  
16 shall not ~~provide compilation services or~~ assume or use the  
17 title "licensed public accountants", the abbreviation "LPAs",  
18 or any other title, designation, words, letters, abbreviation,  
19 sign, card, or device tending to indicate that such firm is  
20 composed of licensed public accountants.

21 13. An individual licensee shall not issue a report in  
22 standard form upon a compilation of financial information  
23 through any form of business that does not hold a permit issued  
24 under section 542.7 or 542.8 unless the report discloses  
25 the name of the business through which the individual is  
26 issuing the report and the individual licensee does all of the  
27 following:

28 a. Signs the compilation report identifying the individual  
29 as a certified public accountant or licensed public accountant.

30 b. Meets competency requirements provided in applicable  
31 standards.

32 c. Undergoes, no less frequently than once every three  
33 years, a peer review conducted in a manner as specified by  
34 the board. The review shall include verification that such  
35 individual has met the competency requirements set out in

1 professional standards for such services.

2 Sec. 3. Section 546.10, Code 2009, is amended by adding the  
3 following new subsections:

4 NEW SUBSECTION. 10. Notwithstanding section 17A.6,  
5 subsection 4, the licensing boards included within the bureau  
6 pursuant to subsection 1 may adopt standards by reference to  
7 another publication without providing a copy of the publication  
8 to the administrative rules coordinator if the publication  
9 containing the standards is readily accessible on the internet  
10 at no cost and the internet site at which the publication may  
11 be found is included in the administrative rules that adopt the  
12 standard.

13 NEW SUBSECTION. 11. Renewal periods for all licenses  
14 and certificates of the licensing boards included within the  
15 bureau pursuant to subsection 1 may be annual or multiyear, as  
16 provided by rule.

17 NEW SUBSECTION. 12. A quorum of a licensing board included  
18 within the bureau pursuant to subsection 1 shall be a majority  
19 of the members of the board and action may be taken upon a  
20 majority vote of board members present at a meeting who are not  
21 disqualified.

22 EXPLANATION

23 This bill generally relates to the practice of public  
24 accounting.

25 The amendment to Code section 542.8 adds a provision  
26 requiring peer review for individual licensed public  
27 accountants similar to the requirement for peer review for  
28 individual certified public accountants.

29 The amendments to Code section 542.13 treat certified public  
30 accounting (CPA) firms and licensed public accounting (LPA)  
31 firms in the same manner with respect to the authorization  
32 to provide compilation services. The amendments also add a  
33 reference to LPA firms in a provision outlining the disclosures  
34 required when a certified public accountant or licensed public  
35 accountant issues a compilation report other than through a CPA

1 firm.

2 The subsections added to Code section 546.10 relate  
3 to the professional licensing boards. A new subsection  
4 allows the boards to adopt standards by reference to another  
5 publication without providing a copy of the publication to the  
6 administrative rules coordinator if the publication containing  
7 the standards is readily accessible on the internet at no cost  
8 and the internet site at which the publication may be found is  
9 included in the administrative rules that adopt the standard.

10 Another new subsection sets quorum requirements for all the  
11 boards as a majority of the members of the board and allows  
12 action to be taken upon a majority vote of board members  
13 present at a meeting who are not disqualified.