

**ACCOUNTANCY EXAMINING BOARD[193A]**

**Notice of Intended Action**

**Proposing rulemaking related to peer review  
and providing an opportunity for public comment**

The Accountancy Examining Board hereby proposes to rescind Chapter 11, “Peer Review,” 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 11 covers peer review, a function to occasionally review the work of licensees for quality assurance. This quality assurance helps provide the best possible services for Iowans.

*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](mailto: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](https://meet.google.com/yxd-hmkw-ppo)  
Phone numbers:  
[tel.meet/yxd-hmkw-ppo?pin=1779851586643](tel:meet/yxd-hmkw-ppo?pin=1779851586643)

January 31, 2024  
12:30 to 12:50 p.m.

6200 Park Avenue  
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Phone numbers:  
[tel.meet/yxd-hmkw-ppo?pin=1779851586643](tel:meet/yxd-hmkw-ppo?pin=1779851586643)

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 11 and adopt the following **new** chapter in lieu thereof:

CHAPTER 11  
PEER REVIEW

**193A—11.1(542) Peer review obligations.** As a condition of renewal for a CPA or LPA who issues compilation reports other than through a CPA or LPA firm that holds a permit to practice, and as a condition of permit renewal for LPA firms that issue compilation reports or CPA firms that provide attest services or issue compilation reports, the applicant shall submit certification of completion of a peer review issued pursuant to this chapter. Such review needs to be completed at the highest level of service provided by the firm or licensee. The performance of preparation services under SSARS 21 does not alone subject a firm or individual to peer review, although if a firm or individual is otherwise subject to peer review, the reviewer may include preparation services in the scope of practices reviewed.

**193A—11.2(542) Three-year cycle.** During the three-year period ending December 31 preceding the application for renewal of a certificate, license, or permit to practice, the individual licensee or firm shall have completed a peer review in accordance with this chapter. A peer review shall be completed no less often than once every three years.

**193A—11.3(542) System of internal quality control.** If the firm has not performed any attest or compilation services prior to the application for renewal, the firm will have in place a system of internal quality control prior to the commencement of an engagement including attest or compilation services

and come into compliance with the peer review obligations within 18 months of completion of an engagement including attest or compilation services.

**193A—11.4(542) Peer review programs that qualify.** A firm's completion of a peer review program endorsed or supported by the AICPA, the National Society of Accountants or other substantially similar review programs in Iowa or other states approved by the board satisfies this chapter.

**193A—11.5(542) Waiver of peer review.** At the time of renewal, a licensee or firm may request a waiver from this chapter, as provided in Iowa Code sections 542.7(9) and 542.8(18).

**193A—11.6(542) Submission of peer review reports.** Unless the subject of a peer review timely objects in writing to the administering entity of the peer review program, the administering entity will make available to the board within 30 days of the issuance of the peer review acceptance letter the final peer review report or such peer review records as are designated by the peer review program in which the administering entity participates. The subject of a peer review may voluntarily submit the final peer review report directly to the board.

These rules are intended to implement Iowa Code chapter 542.