

By the Committee on Regulated Industries; and Senator Carlton

315-2045-02

1 A bill to be entitled
2 An act relating to public accountancy; creating
3 s. 473.3125, F.S.; requiring the Board of
4 Accountancy to require, by rule, licensees to
5 undergo periodic peer review as a condition of
6 license renewal; providing requirements for the
7 rules governing peer review; providing immunity
8 from liability for any action taken in good
9 faith by a certified public accountant as a
10 member of a review committee; providing
11 immunity from liability for a certified public
12 accountant or other individual who performs
13 administrative services for a review committee
14 in good faith, without malice, and on the basis
15 of facts reasonably known to exist; amending s.
16 473.323, F.S.; authorizing the board to take
17 disciplinary action against a licensee who
18 fails to provide documentation of a
19 satisfactory peer review; providing an
20 effective date.

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22 Be It Enacted by the Legislature of the State of Florida:

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24 Section 1. Section 473.3125, Florida Statutes, is
25 created to read:

26 473.3125 Peer review.--

27 (1) The board shall require, by rule, each licensee to
28 undergo a peer review at least once every 3 years as a
29 condition of license renewal. The peer review must be
30 conducted in a manner prescribed by the board. A satisfactory
31 result for a peer review means that the firm has undergone the

1 entire peer-review process and the report on the peer review
2 indicates that the firm maintains acceptable standards of
3 competence, as prescribed by the board. The review must
4 include a verification that individuals in the firm who are
5 responsible for supervising the attest and compilation
6 services and who sign, or authorize another to sign, an
7 accountant's report of a financial statement on behalf of the
8 firm meet the competency requirements set forth in the
9 professional standards for such services. Rules governing
10 professional standards must:

11 (a) Include reasonable provision for compliance by a
12 firm showing that the firm has, within the preceding 3 years,
13 undergone a peer review that is a satisfactory equivalent to
14 the peer review required under this section and provide
15 documentation that a satisfactory result was received.

16 (b) Require that the peer review be subject to
17 oversight by an oversight body that is established or
18 sanctioned by board rule, which body shall periodically report
19 to the board on the effectiveness of the review program under
20 its charge and provide to the board a listing of firms that
21 have participated in a peer-review program that is
22 satisfactory to the board.

23 (c) Require that the peer-review process be operated
24 and documents maintained in a manner designed to preserve
25 confidentiality and ensure that the board or a third party,
26 other than the oversight body, does not have access to
27 documents furnished or generated during the course of the peer
28 review.

29 (2)(a) A certified public accountant who serves on a
30 review committee is immune from liability with respect to any
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1 action taken by the accountant in good faith as a member of
2 the review committee.

3 (b) A certified public accountant or any other
4 individual appointed or authorized to perform administrative
5 services for a review committee is immune from liability for
6 furnishing information, data, reports, or records to any
7 review committee or for damages resulting from any decision,
8 opinion, action, or proceeding rendered, entered, or acted
9 upon by the review committee which is undertaken or performed
10 within the scope or function of the duties of the review
11 committee, if made or taken in good faith, without malice, and
12 on the basis of facts reasonably known or reasonably believed
13 to exist.

14 Section 2. Paragraph (n) is added to subsection (1) of
15 section 473.323, Florida Statutes, to read:

16 473.323 Disciplinary proceedings.--

17 (1) The following acts constitute grounds for which
18 the disciplinary actions in subsection (3) may be taken:

19 (n) Failing to provide to the board documentation of a
20 satisfactory peer review.

21 Section 3. This act shall take effect July 1, 2002.

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23 STATEMENT OF SUBSTANTIAL CHANGES CONTAINED IN
24 COMMITTEE SUBSTITUTE FOR
25 SB 1706

26 Removes a portion of the bill providing that proceedings,
27 records, and work papers of a review committee are privileged
28 and confidential with respect to civil action or arbitration,
29 and that persons involved in the peer-review process may not
30 be permitted or required to testify regarding such matters.
31 These provisions are already contained in s. 473.316, F.S.