

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
5 performing audit services to undergo periodic
6 peer review as a condition of license renewal;
7 providing requirements for the rules governing
8 peer review; providing immunity from liability
9 for any action taken in good faith by a
10 certified public accountant as a member of a
11 review committee; providing immunity from
12 liability for a certified public accountant or
13 other individual who performs administrative
14 services for a review committee in good faith,
15 without malice, and on the basis of facts
16 reasonably known to exist; amending s. 473.323,
17 F.S.; authorizing the board to take
18 disciplinary action against a licensee
19 performing audit services who fails to provide
20 documentation of a satisfactory peer review;
21 providing an effective date.

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

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

27 473.3125 Peer review.--

28 (1) The board shall require, by rule, each licensee
29 performing audit services to undergo a peer review at least
30 once every 3 years as a condition of license renewal. The peer
31 review must be conducted in a manner prescribed by the board.

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

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

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

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

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

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

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

18 473.323 Disciplinary proceedings.--

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

21 (n) Failure of a licensee performing audit services to
22 provide to the board documentation of a satisfactory peer
23 review.

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