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1                   A bill to be entitled  
2     An act relating to public accountancy; creating s.  
3     473.3066, F.S.; authorizing the Board of Accountancy to  
4     establish a peer review oversight committee; providing for  
5     membership and duties of the oversight committee;  
6     requiring the board to adopt rules under certain  
7     circumstances; amending s. 473.311, F.S.; revising  
8     licensure renewal requirements for firms engaged in  
9     certain aspects of the practice of public accounting;  
10    requiring such firms to comply with certain peer review  
11    requirements; providing an exception; creating s.  
12    473.3125, F.S.; defining terms for purposes of peer review  
13    requirements; requiring firms engaged in certain aspects  
14    of the practice of public accounting to enroll in peer  
15    review programs and undergo peer reviews; providing for  
16    the frequency of peer reviews; providing exceptions;  
17    requiring firms that fail a specified number of peer  
18    reviews to submit certain documentation to the board;  
19    requiring the board to establish minimum standards for  
20    peer review programs; providing for the approval of peer  
21    review administering organizations; requiring peer review  
22    administering organizations to submit certain information  
23    to the board; authorizing the board to withdraw approval  
24    of peer review administering organizations under certain  
25    circumstances; requiring the board to adopt rules;  
26    limiting the liability of certain persons relating to the  
27    performance of certain services and duties of peer review  
28    administering organizations; providing that the

29 | proceedings, records, and workpapers of peer review  
 30 | administering organizations are confidential and  
 31 | privileged; providing exceptions; prohibiting persons  
 32 | involved in peer reviews from testifying; amending s.  
 33 | 473.323, F.S.; providing additional grounds for the  
 34 | discipline of firms engaged in certain aspects of the  
 35 | practice of public accounting, to which penalties apply;  
 36 | revising requirements for reissuance of licenses after  
 37 | compliance with disciplinary final orders; conforming  
 38 | provisions; providing an effective date.

39 |

40 | Be It Enacted by the Legislature of the State of Florida:

41 |

42 | Section 1. Section 473.3066, Florida Statutes, is created  
 43 | to read:

44 | 473.3066 Peer review oversight committee.-

45 | (1) The board may establish a peer review oversight  
 46 | committee to oversee the peer review requirements of s.  
 47 | 473.3125.

48 | (2) If the board establishes the peer review oversight  
 49 | committee, the board shall adopt rules providing for the  
 50 | qualifications, appointment, and terms of committee members as  
 51 | follows:

52 | (a) The peer review oversight committee shall be composed  
 53 | of five or fewer members appointed by the board.

54 | (b) Each committee member must hold a valid license as a  
 55 | Florida certified public accountant.

56 | (c) Each committee member or his or her firm must have

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57 undergone a peer review and received a review rating of "pass"  
58 on the most recent peer review.

59 (d) A committee member may not be a member of any state  
60 accountancy board, be a member of another state accountancy  
61 board committee, or perform any enforcement-related work for a  
62 state accountancy board.

63 (e) Committee members shall serve for terms not to exceed  
64 3 years, except that the board, to establish staggered terms,  
65 may appoint members to initial terms that are shorter than the  
66 terms adopted by rule. The board shall fill the vacancy of a  
67 committee member for the unexpired portion of the member's term  
68 in the same manner as the original appointment.

69 (f) Committee members shall serve without compensation and  
70 are not entitled to reimbursement of per diem or travel  
71 expenses.

72 (3) The rules, if adopted, shall also provide for the  
73 duties of the peer review oversight committee, which may  
74 include, but are not limited to:

75 (a) Providing oversight for peer review programs and peer  
76 review administering organizations.

77 (b) Periodically reporting to the board on the  
78 effectiveness of peer review programs and providing a list of  
79 licensees that participate in the programs.

80 (c) Performing other duties relating to oversight of peer  
81 review programs.

82 Section 2. Section 473.311, Florida Statutes, is amended  
83 to read:

84 473.311 Renewal of license.—

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85 (1) The department shall renew a license issued under s.  
 86 473.308 upon receipt of the renewal application and fee and upon  
 87 certification by the board that the Florida certified public  
 88 accountant has satisfactorily completed the continuing education  
 89 requirements of s. 473.312.

90 (2) Effective January 1, 2015, the department shall renew  
 91 a license issued under s. 473.3101 upon certification by the  
 92 board that the sole proprietor, partnership, corporation,  
 93 limited liability company, or other firm engaged in the practice  
 94 of public accounting as defined in s. 473.302(8)(a) has  
 95 satisfactorily complied with the peer review requirements of s.  
 96 473.3125 or that the board has extended the time to comply with  
 97 the peer review requirements.

98 (3) ~~(2)~~ The department shall adopt rules establishing a  
 99 procedure for the biennial renewal of licenses issued under ss.  
 100 473.308 and 473.3101.

101 Section 3. Section 473.3125, Florida Statutes, is created  
 102 to read:

103 473.3125 Peer review.-

104 (1) As used in this section, the term:

105 (a) "Licensee" means a sole proprietor, partnership,  
 106 corporation, limited liability company, or any other firm  
 107 engaged in the practice of public accounting as defined in s.  
 108 473.302(8)(a) which is required to be licensed under s.  
 109 473.3101.

110 (b) "Peer review" means the study, appraisal, or review by  
 111 one or more independent certified public accountants of one or  
 112 more aspects of the professional work of a licensee.

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113 (2) (a) Except as otherwise provided in paragraph (b) or  
114 paragraph (c), a licensee must:

115 1. Enroll in the peer review program of a peer review  
116 administering organization approved by the board; and

117 2. Undergo a complete peer review at least once every 3  
118 years, which is performed in the manner prescribed by this  
119 section and rules adopted by the board under this section and  
120 for which a peer review report is submitted to and accepted by  
121 the peer review administering organization.

122 (b) A licensee is not required to enroll in a peer review  
123 program or undergo a peer review if the licensee does not engage  
124 in the practice of public accounting as defined in s.  
125 473.302 (8) (a) .

126 (c) A licensee that is licensed for less than 18 months  
127 must enroll in a peer review program but is not required to  
128 undergo a peer review.

129 (d) A licensee that receives a review rating of "fail" on  
130 two consecutive peer reviews must submit to the board any  
131 documentation requested by the board relating to the peer  
132 reviews for which the licensee received a review rating of  
133 "fail."

134 (3) (a) The board shall adopt rules establishing minimum  
135 standards for peer review programs, including, but not limited  
136 to, standards for administering, performing, and reporting peer  
137 reviews. The board shall also adopt rules establishing minimum  
138 criteria for the board's approval of one or more peer review  
139 administering organizations to facilitate and administer peer  
140 review programs.

141 (b) The rules shall require a peer review administering  
 142 organization to submit to the board a written summary of the  
 143 organization's peer review program, including a description of  
 144 its entire peer review process; the organization's standards for  
 145 administering, performing, and reporting peer reviews; oversight  
 146 procedures; training requirements; and support materials.

147 (c) The board may approve a peer review administering  
 148 organization, if:

149 1. The organization meets or exceeds the board's minimum  
 150 criteria for the approval of peer review administering  
 151 organizations.

152 2. The organization's peer review program meets or exceeds  
 153 the board's minimum standards for peer review programs.

154 3. The organization demonstrates the ability to administer  
 155 its peer review program in the manner described in its written  
 156 summary and to comply with the board's minimum standards for  
 157 peer review programs.

158 (d) The board may withdraw its approval of a peer review  
 159 administering organization if the organization fails to comply  
 160 with this section or rules adopted by the board under this  
 161 section.

162 (4) A certified public accountant or other person  
 163 appointed or authorized to perform administrative services for a  
 164 peer review administering organization is immune from civil  
 165 liability for furnishing information, data, reports, or records  
 166 to the peer review administering organization or for damages  
 167 resulting from any decision, opinion, action, or proceeding  
 168 rendered, entered, or acted upon by the peer review

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169 administering organization which is undertaken or performed  
170 within the scope or function of the duties of the peer review  
171 administering organization.

172 (5) The proceedings, records, and workpapers of a peer  
173 review administering organization are privileged, confidential,  
174 and not subject to discovery, subpoena, or other means of legal  
175 process or to introduction into evidence in a civil action or  
176 arbitration proceeding. A person who is involved in a peer  
177 review may not testify in a civil action or arbitration  
178 proceeding as to any matter produced, presented, disclosed, or  
179 discussed during or in connection with the peer review or as to  
180 any finding, recommendation, evaluation, opinion, or other  
181 action of the peer review administering organization. Public  
182 records and materials prepared for a particular engagement are  
183 not privileged merely because they were presented or considered  
184 as part of a peer review. This privilege does not apply to any  
185 dispute between a peer review administering organization and the  
186 licensee subject to a review arising from the performance of the  
187 peer review.

188 Section 4. Section 473.323, Florida Statutes, is amended  
189 to read:

190 473.323 Disciplinary proceedings.—

191 ~~(1) The following acts constitute grounds for which~~ The  
192 disciplinary actions in subsection (3) may be taken against any  
193 certified public accountant or firm that:

194 (a) Violates ~~Violation of~~ any provision of s. 455.227(1)  
195 or any other provision of this chapter.

196 (b) Attempts ~~Attempting~~ to procure a license to practice

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197 public accounting by bribery or fraudulent misrepresentations.

198 (c) Has ~~Having~~ a license to practice public accounting  
 199 revoked, suspended, or otherwise acted against, including ~~the~~  
 200 denial of licensure, by the licensing authority of another  
 201 state, territory, or country.

202 (d) Is ~~Being~~ convicted or found guilty of, or enters  
 203 ~~entering~~ a plea of nolo contendere to, regardless of  
 204 adjudication, a crime in any jurisdiction which directly relates  
 205 to the practice of public accounting or the ability to practice  
 206 public accounting.

207 (e) Makes ~~Making~~ or files ~~filing~~ a report or record that  
 208 the certified public accountant or firm knows to be false,  
 209 willfully fails ~~failing~~ to file a report or record required by  
 210 state or federal law, willfully impedes ~~impeding~~ or obstructs  
 211 ~~obstructing~~ such filing, or induces ~~inducing~~ another person to  
 212 impede or obstruct such filing. Such reports or records include  
 213 only those that are signed in the capacity of a certified public  
 214 accountant.

215 (f) Advertises ~~Advertising~~ goods or services in a manner  
 216 that is fraudulent, false, deceptive, or misleading in form or  
 217 content.

218 (g) Commits ~~Committing~~ an act of fraud or deceit, or of  
 219 negligence, incompetency, or misconduct, in the practice of  
 220 public accounting.

221 (h) Violates ~~Violation of~~ any rule adopted under pursuant  
 222 ~~to~~ this chapter or chapter 455.

223 (i) Practices public accounting with ~~Practicing on~~ a  
 224 revoked, suspended, inactive, or delinquent license.



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225 (j) Has ~~Suspension or revocation~~ of the right to practice  
 226 public accounting suspended or revoked by ~~before~~ any state or  
 227 federal agency.

228 (k) Performs ~~Performance~~ of any fraudulent act in any  
 229 jurisdiction while holding a license to practice public  
 230 accounting in this state or while using practice privileges in  
 231 this state.

232 (l) Fails ~~Failing~~ to maintain a good moral character as  
 233 provided in s. 473.308 while applying for licensure, ~~or~~ while  
 234 licensed in this state, or while using practice privileges under  
 235 pursuant to s. 473.3141.

236 (m) Fails ~~Failing~~ to provide any written disclosure to a  
 237 client or the public which is required by this chapter or rule  
 238 adopted by ~~of~~ the board.

239 (n) Has ~~Having~~ the same or equivalent practice privileges  
 240 of a Florida certified public accountant or firm revoked,  
 241 suspended, or otherwise acted against by the licensing authority  
 242 of another state, territory, or country as a result of activity  
 243 in that jurisdiction which would have subjected the Florida  
 244 certified public accountant or firm to discipline in this state.

245  
 246 ~~(2)~~ The board shall specify, by rule, what acts or omissions  
 247 constitute a violation of this subsection ~~(1)~~.

248 (2) The disciplinary actions in subsection (3) may be  
 249 taken against any licensed audit firm or public accounting firm  
 250 licensed under s. 473.3101 engaged in the practice of public  
 251 accounting as defined in s. 473.302(8) (a) that:

252 (a) Fails to enroll in a peer review program or undergo a

253 peer review as required under s. 473.3125.

254 (b) Engages in material noncooperation with a peer review  
 255 administering organization approved by the board under s.  
 256 473.3125.

257 (3) When the board finds any certified public accountant  
 258 or firm guilty of any of the grounds set forth in subsection  
 259 (1), or finds any licensed audit firm or public accounting firm  
 260 licensed under s. 473.3101 engaged in the practice of public  
 261 accounting as defined in s. 473.302(8) (a) guilty of any of the  
 262 grounds set forth in subsection (2), the board ~~it~~ may enter an  
 263 order imposing one or more of the following penalties:

264 (a) Denial of an application for licensure.

265 (b) Revocation or suspension of the certified public  
 266 accountant or licensed audit firm's or public accounting firm's  
 267 license or practice privileges in this state.

268 (c) Imposition of an administrative fine not to exceed  
 269 \$5,000 for each count or separate offense.

270 (d) Issuance of a reprimand.

271 (e) Placement of the certified public accountant on  
 272 probation for a period of time and subject to such conditions as  
 273 the board may specify, including requiring the certified public  
 274 accountant to attend continuing education courses or to work  
 275 under the supervision of another certified public accountant  
 276 licensee.

277 (f) Restriction of the authorized scope of practice by the  
 278 certified public accountant.

279 (4) The department shall, reissue the license of a  
 280 disciplined licensee upon certification by the board that a

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281 certified public accountant, licensed audit firm, or public  
282 accounting firm whose license was subject to discipline ~~the~~  
283 ~~disciplined licensee~~ has complied with all ~~of the~~ terms and  
284 conditions set forth in the final order, reissue the license  
285 under s. 473.311.

286 Section 5. This act shall take effect July 1, 2011.