

By Senator Jones

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

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

41
42 Be It Enacted by the Legislature of the State of Florida:

43
44 Section 1. Section 473.3066, Florida Statutes, is created
45 to read:

46 473.3066 Peer review oversight committee.-

47 (1) The board may establish a peer review oversight
48 committee to oversee the peer review requirements of s.
49 473.3125.

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

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

56 (b) Each committee member must hold a valid license as a
57 Florida certified public accountant.

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

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59 undergone a peer review and received a review rating of "pass"
60 on the most recent peer review.

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

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

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

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

77 (a) Providing oversight for peer review programs and peer
78 review administering organizations.

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

82 (c) Performing other duties relating to oversight of peer
83 review programs.

84 Section 2. Section 473.311, Florida Statutes, is amended to
85 read:

86 473.311 Renewal of license.—

87 (1) The department shall renew a license issued under s.

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88 473.308 upon receipt of the renewal application and fee and upon
89 certification by the board that the Florida certified public
90 accountant has satisfactorily completed the continuing education
91 requirements of s. 473.312.

92 (2) Effective January 1, 2015, the department shall renew a
93 license issued under s. 473.3101 upon certification by the board
94 that the sole proprietor, partnership, corporation, limited
95 liability company, or other firm engaged in the practice of
96 public accounting as defined in s. 473.302 (8) (a) has
97 satisfactorily complied with the peer review requirements of s.
98 473.3125 or that the board has extended the time to comply with
99 the peer review requirements.

100 (3)~~(2)~~ The department shall adopt rules establishing a
101 procedure for the biennial renewal of licenses issued under ss.
102 473.308 and 473.3101.

103 Section 3. Section 473.3125, Florida Statutes, is created
104 to read:

105 473.3125 Peer review.—

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

107 (a) "Licensee" means a sole proprietor, partnership,
108 corporation, limited liability company, or any other firm
109 engaged in the practice of public accounting as defined in s.
110 473.302 (8) (a) which is required to be licensed under s.
111 473.3101.

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

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

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

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

124 (b) A licensee is not required to enroll in a peer review
125 program or undergo a peer review if the licensee does not engage
126 in the practice of public accounting as defined in s.
127 473.302(8)(a).

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

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

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

143 (b) The rules shall require a peer review administering
144 organization to submit to the board a written summary of the
145 organization's peer review program, including a description of

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146 its entire peer review process; the organization's standards for
147 administering, performing, and reporting peer reviews; oversight
148 procedures; training requirements; and support materials.

149 (c) The board may approve a peer review administering
150 organization, if:

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

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

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

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

164 (4) A certified public accountant or other person appointed
165 or authorized to perform administrative services for a peer
166 review administering organization is immune from civil liability
167 for furnishing information, data, reports, or records to the
168 peer review administering organization or for damages resulting
169 from any decision, opinion, action, or proceeding rendered,
170 entered, or acted upon by the peer review administering
171 organization which is undertaken or performed within the scope
172 or function of the duties of the peer review administering
173 organization.

174 (5) The proceedings, records, and workpapers of a peer

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

190 Section 4. Section 473.323, Florida Statutes, is amended to
191 read:

192 473.323 Disciplinary proceedings.—

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

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

198 (b) Attempts ~~Attempting~~ to procure a license to practice
199 public accounting by bribery or fraudulent misrepresentations.

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

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

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

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

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

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

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

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

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

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233 this state.

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

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

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

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

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

254 (a) Fails to enroll in a peer review program or undergo a
255 peer review as required under s. 473.3125.

256 (b) Engages in material noncooperation with a peer review
257 administering organization approved by the board under s.
258 473.3125.

259 (3) When the board finds any certified public accountant or
260 firm guilty of any of the grounds set forth in subsection (1),
261 or finds any licensed audit firm or public accounting firm

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262 licensed under s. 473.3101 engaged in the practice of public
263 accounting as defined in s. 473.302(8) (a) guilty of any of the
264 grounds set forth in subsection (2), the board ~~it~~ may enter an
265 order imposing one or more of the following penalties:

266 (a) Denial of an application for licensure.

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

270 (c) Imposition of an administrative fine not to exceed
271 \$5,000 for each count or separate offense.

272 (d) Issuance of a reprimand.

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

279 (f) Restriction of the authorized scope of practice by the
280 certified public accountant.

281 (4) The department shall, ~~reissue the license of a~~
282 ~~disciplined licensee~~ upon certification by the board that a
283 certified public accountant, licensed audit firm, or public
284 accounting firm whose license was subject to discipline ~~the~~
285 ~~disciplined licensee~~ has complied with all ~~of the~~ terms and
286 conditions set forth in the final order, reissue the license
287 under s. 473.311.

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