

1 State of Arkansas
2 88th General Assembly
3 Regular Session, 2011
4

A Bill

SENATE BILL 953

5 By: Senator Files
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For An Act To Be Entitled

8 AN ACT TO AMEND ARKANSAS LAW CONCERNING QUALITY
9 REVIEWS REQUIRED BY THE ARKANSAS STATE BOARD OF
10 PUBLIC ACCOUNTANCY; AND FOR OTHER PURPOSES.
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Subtitle

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14 TO AMEND ARKANSAS LAW CONCERNING QUALITY
15 REVIEWS REQUIRED BY THE ARKANSAS STATE
16 BOARD OF PUBLIC ACCOUNTANCY.
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19 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
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21 SECTION 1. Arkansas Code § 17-12-401(b)(2)(A), concerning
22 qualifications for an accounting firm not having an office in this state to
23 perform services, is amended to read as follows:

24 (A) Meets the applicable qualifications of this section
25 ~~and § 17-12-507; and~~
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27 SECTION 2. Arkansas Code § 17-12-507 is repealed.

28 ~~17-12-507. Quality review of each practice unit.~~

29 ~~(a) The Arkansas State Board of Public Accountancy may by rule require~~
30 ~~as a condition for the renewal of a license a quality review of each practice~~
31 ~~unit maintained in this state.~~

32 ~~(b)(1) The board may charge the accountant or firm reviewed a fee for~~
33 ~~each.~~

34 ~~(A) Quality review of each practice unit; and~~

35 ~~(B) Follow-up action to a quality review that is not in~~
36 ~~conformity with applicable professional standards.~~



1 ~~(2) The amount of the fee shall be established by board rule.~~

2 ~~(c) The quality review shall consist of either a uniform or random~~
3 ~~annual submission by each practice unit of the following kinds of reports~~
4 ~~issued by that practice unit during the twelve month period immediately~~
5 ~~preceding the date of submission, if reports were issued during the period.~~

6 ~~(1) A compilation report;~~

7 ~~(2) A review report;~~

8 ~~(3) An audit report;~~

9 ~~(4) An audit report under a federal grant program or other~~
10 ~~government program; and~~

11 ~~(5) An examination of prospective financial information.~~

12 ~~(d) All persons acting on behalf of the board in a quality review~~
13 ~~program under this section shall be considered officers or employees of the~~
14 ~~State of Arkansas for purposes of:~~

15 ~~(1) Immunity from civil liability pursuant to § 19-10-301 et~~
16 ~~seq.; and~~

17 ~~(2) Payment of actual damages on behalf of state officers or~~
18 ~~employees pursuant to § 21-9-201 et seq.~~

19 ~~(e) All financial statements, working papers, or other documents~~
20 ~~obtained from applicants for quality review shall be confidential and shall~~
21 ~~not be subject to public inspection except pursuant to an order of a court of~~
22 ~~competent jurisdiction. However, the documents may be introduced as evidence~~
23 ~~in any relevant proceedings before the board.~~

24 ~~(f) For purposes of this section, a “practice unit” shall be deemed to~~
25 ~~be any firm registered with the board under § 17-12-401 et seq., and any~~
26 ~~licensee not employed by or associated with any firm registered with the~~
27 ~~board under § 17-12-401 et seq. but who has issued one (1) or more~~
28 ~~compilation reports.~~

29 ~~(g)(1) Notwithstanding any provision to the contrary in this chapter,~~
30 ~~a certified public accountant, public accountant, or firm of certified public~~
31 ~~accountants or public accountants currently licensed by another state or~~
32 ~~foreign country shall not be required to obtain a license under this chapter~~
33 ~~for the sole purpose of conducting peer review as defined by board rule of a~~
34 ~~licensee in this state and may use the applicable title “certified public~~
35 ~~accountant” or “public accountant” or abbreviation “CPA” or “PA” solely in~~
36 ~~conjunction with the peer review activities.~~

1 ~~(2) Any certified public accountant, public accountant, or firm~~
2 ~~of certified public accountants or public accountants, whether licensed in~~
3 ~~this state or in another jurisdiction, shall meet standards adopted by the~~
4 ~~board to accomplish the goals of this chapter in order to qualify to perform~~
5 ~~peer review of licensees under this chapter.~~

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