



# DEPARTMENT OF BUSINESS & PROFESSIONAL REGULATION

Jeb Bush, Governor

Cynthia Henderson, Secretary

June 14, 2000

Mr. T. Kipp Gordon  
Gordon, Niles & Company, PA  
Suite 2  
30-41 Monument Road  
Jacksonville FL 32225

Dear Mr. Gordon:

At a meeting on October 28, 1999, the Board of Accountancy considered your request for an opinion relating to 61H1-21.001 – Independence.

The situation outlined in your letter states that a Florida CPA firm leases its employees from an employee leasing company. The leasing company has requested that the CPA firm perform the annual audit for the leasing company.

The Board determined that the CPA firm would not be independent in this circumstance. This is based on the fact that 61H1-21.001(1)(b) 1. states that independence is impaired if the firm, the shareholders or professional employees participating in the engagement or located in an office participating in a significant portion of the engagement is “connected with the enterprise...in any capacity equivalent to management or of an employee.” Since there is a dual employment relationship involved, the CPA firm is not independent.

Please keep in mind that this opinion is based solely on the facts set forth in your letter and is not intended to be an opinion of general applicability. Furthermore, we have not conducted an independent factual investigation to determine whether other relevant facts do or may exist. We have not determined whether any aspects of these transactions run afoul of any law or rule other than those specifically mentioned herein.

Sincerely,

DIVISION OF CERTIFIED PUBLIC ACCOUNTING

BY: \_\_\_\_\_  
Martha P. Willis  
Division Director

MPW/jc