

Board of Accountancy
Legislative Committee Meeting
Conference Call
August 29, 2016

Monday, August 29, 2016

Meeting was called to order at 2:00 p.m. by Chair Steve Vogel. The roll was called by Angela Francis, Board Staff.

Cynthia Borders-Byrd	Present
Maria Caldwell	Present
David Dennis	Present
Martin Fennema	Present
Tracey Keegan	Excused Absence
James Lane	Present
Steve Riggs	Excused Absence
Eric Robinson	Present
Steve Vogel	Present

Mary Ellen Clark, Senior Assistant Attorney General and Board Counsel; C. Erica White, Chief Attorney, Department of Business and Professional Regulation; and Veloria Kelly; Executive Director of the Board of Accountancy. Angela Francis and Denise Graves, Board Staff were present.

Jennifer Green, Florida Institute of Certified Public Accountants; Deborah Curry, Florida Institute of Certified Public Accountants; Paul Brown, Florida Institute of Certified Public Accountants; and Justin Thames, Florida Institute of Certified Public Accountant were present.

1. Discuss Statutory Changes

a. s. 473.302(8)(c) - Allow Board flexibility in promulgating rules

473.302 Definitions.—As used in this chapter, the term:

(8) “Practice of,” “practicing public accountancy,” or “public accounting” means:

(c) Offering to perform or performing for the public one or more types of service involving the preparation of financial statements not included within paragraph (a), by a certified public accountant who holds an active license, issued pursuant to this chapter, or who is authorized to practice public accounting pursuant to the practice privileges granted in s. 473.3141; by a firm of certified public accountants; or by a firm in which a certified public accountant has an ownership interest, including the performance of such services in the employ of another person. The board shall adopt rules establishing standards of practice for such reports and financial statements; provided, however, that nothing in this paragraph shall be construed to permit the board to adopt rules that have the result of prohibiting Florida certified public accountants employed by unlicensed firms from preparing financial statements as authorized by this paragraph.

Motion was made by Mr. Robinson, seconded by Ms. Borders-Byrd, to change “shall” to “may”. Upon vote, the motion passed unanimously.

b. s. 473.302(9) - Revise statute to reference current edition of UAA or consider evergreen language to avoid repeated updates.

473.302 Definitions.—As used in this chapter, the term:

(9) “Uniform Accountancy Act” means the Uniform Accountancy Act, Fourth Edition, dated December 2007 and published by the American Institute of Certified Public Accountants and the National Association of State Boards of Accountancy.

Motion was made by Mr. Dennis, seconded by Mr. Vogel, to revise to the Seventh (7th) Edition published by the American Institute of Certified Public Accountants and the National Association of State Boards of Accountancy. Upon vote, the motion passed unanimously.

c. s. 473.3065(2) F.S.

473.3065 Clay Ford Scholarship Program; Certified Public Accountant Education Minority Assistance Advisory Council.—

(1) The Clay Ford Scholarship Program for Florida residents is hereby established in the division for the purpose of providing scholarships to minority persons as defined in s. 288.703 who are students enrolled in their fifth year of an accounting education program at an institution in this state approved by the board by rule. A Certified Public Accountant Education Minority Assistance Advisory Council shall assist the board in administering the program.

(2) All moneys used to provide scholarships under the Clay Ford Scholarship Program shall be funded by a portion of existing license fees, as set by the board, not to exceed \$10 per license. Such moneys shall be deposited into the Professional Regulation Trust Fund in a separate account maintained for that purpose. The department may spend up to \$200,000 per year for the program from this program account but may not allocate overhead charges to it. Moneys for scholarships shall be disbursed twice per year upon recommendation of the advisory council and approval by the board, based on the adopted eligibility criteria and comparative evaluation of all applicants. Funds in the program account may be invested by the Chief Financial Officer under the same limitations as apply to investment of other state funds, and all interest earned thereon shall be credited to the program account.

(3) The board shall adopt rules as necessary for administration of the Clay Ford Scholarship Program, including rules relating to the following:

(a) Eligibility criteria for receipt of a scholarship, which, at a minimum, shall include the following factors:

1. Financial need.
2. Ethnic, gender, or racial minority status pursuant to s. 288.703(4).
3. Scholastic ability and performance.

(b) Scholarship application procedures.

(c) Amounts in which scholarships may be provided, the total amount that may be provided, the timeframe for payments or partial payments, and criteria for how scholarship funds may be expended.

(d) The total amount of scholarships that can be made each year.

(e) The minimum balance that must be maintained in the program account.

(4) Determinations made by the board regarding recipients of scholarship moneys shall not be considered agency action for purposes of chapter 120.

(5) It is unlawful for any person or agent of such person to knowingly file with the board any notice, statement, or other document that is false or that contains any material misstatement of fact. A person who violates this subsection commits a misdemeanor of the second degree, punishable as provided in s. 775.082 or s. 775.083.

(6) There is hereby created the Certified Public Accountant Education Minority Assistance Advisory Council to assist the board in administering the Clay Ford Scholarship Program. The council shall be diverse and representative of the gender, ethnic, and racial categories set forth in s. 288.703(4).

(a) The council shall consist of five licensed Florida-certified public accountants selected by the board, of whom one shall be a board member who serves as chair of the council, one shall be a representative of the National Association of Black Accountants, one shall be a representative of the Cuban American CPA Association, and two shall be selected at large. At least one member of the council must be a woman.

(b) The board shall determine the terms for initial appointments and appointments thereafter.

(c) Any vacancy on the council shall be filled in the manner provided for the selection of the initial member. Any member appointed to fill a vacancy of an unexpired term shall be appointed for the remainder of that term.

(d) Three consecutive absences or absences constituting 50 percent or more of the council's meetings within any 12-month period shall cause the council membership of the member in question to become void, and the position shall be considered vacant.

(e) The members of the council shall serve without compensation, and any necessary and actual expenses incurred by a member while engaged in the business of the council shall be borne by such member or by the organization or agency such member represents. However, the council member who is a member of the board shall be compensated in accordance with ss. 455.207(4) and 112.061.

History.—s. 1, ch. 98-263; s. 504, ch. 2003-261; s. 349, ch. 2011-142; s. 1, ch. 2013-167.

No action at this time.

d. s. 473.308(8) F.S.

473.308 Licensure.—

(8) If the applicant has at least 5 years of experience in the practice of public accountancy in the United States or in the practice of public accountancy or its equivalent in a foreign country that the International Qualifications Appraisal Board of the National Association of State Boards of Accountancy has determined has licensure standards that are substantially equivalent to those in the United States, or has at least 5 years of work experience that meets the requirements of subsection (4), the board shall waive the requirements of subsection (3) which are in excess of a baccalaureate degree. All experience that is used as a basis for waiving the requirements of subsection (3) must be while licensed as a certified public accountant by another state or territory of the United States or while licensed in the practice of public accountancy or its equivalent in a foreign country that the International Qualifications Appraisal Board of the National Association of State Boards of Accountancy has determined has licensure standards that are substantially equivalent to those in the United States. The board shall have the authority to establish the standards for experience that meet this requirement.

No action at this time. More information is requested by the Committee on how many applicants are affected by this rule. Ms. Kelly will gather information and present it to the Board in September.

e. s. 473.315(3) - Allow Board flexibility in promulgating rules

473.315 Independence, technical standards.—

(3) The board shall adopt rules establishing the standards of practice of public accounting, including, but not limited to, independence, competence, and technical standards.

Motion was made by Mr. Dennis, seconded by Dr. Fennema, to change “shall” to “may”. Upon vote, the motion passed unanimously.

f. s. 473.323(1)(j) - Consider change to include PCAOB

473.323 Disciplinary proceedings.—

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

(j) Suspension or revocation of the right to practice before any state or federal agency.

Motion was made by Mr. Dennis, seconded by Dr. Fennema, to pursue change to include PCAOB. Upon vote, the motion passed unanimously.

g. s. 473.323(2) - Allow Board flexibility in promulgating rules

473.323 Disciplinary proceedings.—

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

Motion was made Mr. Dennis, seconded by Dr. Fennema, to delete 473.323(2) completely. Upon vote, the motion passed unanimously.

h. Revise practice act to allow for level II (fingerprinting) background checks for CPA examination and licensure applicants.

No action at this time. More information is requested by the Committee on the costs to the applicants. Ms. Kelly will gather information and present it to the Board in September.

2. Consider drafting a letter of support for use of ULA funds

Mr. Dennis will draft a letter and submit it to Ms. Kelly for the full Board to review in September.

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3. Other Business

None

4. Adjourn

The meeting was adjourned by Committee Chair Vogel at 3:26 P.M.



Steve Vogel, Chair

473.302(8)(c) Offering to perform or performing for the public one or more types of service involving the preparation of financial statements not included within paragraph (a), by a certified public accountant who holds an active license, issued pursuant to this chapter, or who is authorized to practice public accounting pursuant to the practice privileges granted in s. [473.3141](#); by a firm of certified public accountants; or by a firm in which a certified public accountant has an ownership interest, including the performance of such services in the employ of another person. The board ~~shall~~ may adopt rules establishing standards of practice for such reports and financial statements; provided, however, that nothing in this paragraph shall be construed to permit the board to adopt rules that have the result of prohibiting Florida certified public accountants employed by unlicensed firms from preparing financial statements as authorized by this paragraph.

473.302(9) “Uniform Accountancy Act” means the Uniform Accountancy Act, ~~Fourth~~ Seventh Edition, dated ~~December 2007~~ May 2014 and published by the American Institute of Certified Public Accountants and the National Association of State Boards of Accountancy.

473.308(8) If the applicant has at least 5 years of experience in the practice of public accountancy in the United States or in the practice of public accountancy or its equivalent in a foreign country that the International Qualifications Appraisal Board of the National Association of State Boards of Accountancy has determined has licensure standards that are substantially equivalent to those in the United States, or has at least 5 years of work experience that meets the requirements of subsection (4), the board shall waive the requirements of subsection (3) which are in excess of a baccalaureate degree. All experience that is used as a basis for waiving the requirements of subsection (3) must be while licensed as a certified public accountant by another state or territory of the United States or while licensed in the practice of public accountancy or its equivalent in a foreign country that the International Qualifications Appraisal Board of the National Association of State Boards of Accountancy has determined has licensure standards that are substantially equivalent to those in the United States. The board shall have the authority to establish the standards for experience that meet this requirement.

473.315(3) The board ~~shall~~ may adopt rules establishing the standards of practice of public accounting, including, but not limited to, independence, competence, and technical standards.

473.323(1)(j) Suspension or revocation of the right to practice before any state or federal , or quasi-governmental agency, including but not limited to the Public Company Accounting Oversight Board. ~~agency.~~

~~473.323(2) The board shall specify, by rule, what acts or omissions constitute a violation of subsection (1).~~