

Charlie Liem, Secretary

Charlie Crist, Governor

**MINUTES
DEPARTMENT OF BUSINESS AND PROFESSIONAL REGULATION
BOARD OF ACCOUNTANCY MEETING
October 21, 2010**

Sheraton Suites Tampa Westshore
4400 West Cypress Street
Tampa, Florida

Thursday, October 21, 2010

The meeting was called to order at 1:08 p.m. by Mr. Tipton, Chair. The roll was called by Ms. Caldwell, and reflected the following persons present. Ms. Borders-Byrd took over as Chair during the Rules portion of meeting.

BOARD MEMBERS

Teresa Borcheck	Excused Absence
Cynthia Borders-Byrd	Present
Rick Carroll	Present
Maria Caldwell	Present
William Durkin	Present
Steve Riggs	Present
Eric Robinson	Present
David Tipton	Present

STAFF

Veloria Kelly	Present
June Carroll	Present

1. Adopted Rules – Assistant Attorney General's report

Ms. Clark reported.

Ms. Clark informed board members that the following rules became effective September 21, 2010:

- 61H1-20.003 – Client
- 61H1-20.004 – Enterprise
- 61H1.20.0051 – Assembled Financial Statements
- 61H1-20.0052 – Offer to Perform or Perform Services Involving Assembled Fin. Statements
- 61H1-20.0053 – Standards for Assembled Financial Statements
- 61H1-20.0092 – Government Auditing Standards
- 61H1-20.0093 – Rules of the Auditor General
- 61H1-20.010 – Engagement
- 61H1.20.013 – Employee
- 61H1-20.16 – Non-CPA Shareholder, Partners, and Members

2. Rules to be Adopted and Worked on – Assistant Attorney General's report

Ms. Clark reported.

Ms. Clark informed the board the rules on this list was not complete, she stated she had not been able to get a hard copy of the Standards to go with these rules. Ms. Anderson of the FICPA volunteered to provide this language to Ms. Clark.

Ms. Clark asked the board to vote on the language presented in rule 61H1-29.002 Temporary License.

61H1-29.002 Temporary License.

(1) In each instance in which out-of-state certified public accountants or firms, not authorized to practice public accounting pursuant to the practice privileges granted to Section 473.3141, F.S., send out-of-state personnel into the state to perform a specific engagement, a temporary license will be required. Applications for temporary licenses must be filed prior to commencement of the engagement. A temporary license shall not be required of a person entering this state solely for the purpose of preparing federal tax returns or advising as to federal tax matters.

(2) Applications for temporary licenses to fulfill specific engagements shall be in writing directed to the Department on forms prescribed by the Department.

(3) Each application will be accompanied by the statement of the applicant, or if it is a partnership or professional service corporation, by a partner or shareholder of the applicant, to the effect that:

(a) Said work qualifies for a temporary license;

(b) That the applicant is not maintaining a full-time office and staff in the state for the full-time public accounting practice in the state through the use of a temporary license.

(4) The out-of-state certified public accountant shall furnish the Department with the names of all out-of-state personnel coming into the state to fulfill the specific engagement and such other information as required by Chapters 455 and 473, F.S., and rules promulgated pursuant thereto. At the time of such furnishing, the out-of-state certified public accountant shall pay to the Department the sum of \$400 for the first license in a calendar year and \$400 for each additional application in the same calendar year. If the out-of-state certified public accountant desires to substitute personnel or bring additional personnel into the state to fulfill the specific engagement, he shall notify the Department of the names of such substituted personnel or additional personnel as soon as practicable after the substitution or addition.

(5) The Board may, on its own initiative or upon the request of the applicant, conduct a hearing, including the taking of the sworn testimony of the applicant, or a partner, shareholder or employee thereof, in regard to the granting or refusing of a temporary license. Such hearing may be held either prior to or after the granting or refusing of a temporary license.

(6) The fee will not be refunded in the event the application is withdrawn or denied.

(7) An out-of-state certified public accountant who is a resident of Florida may not practice as a certified public accountant in Florida through the use of temporary licenses or the practice privileges granted to Section 473.3141, F.S., nor may he assume or use the titles or designations "certified public accountant," or "public accountant" or the abbreviation "CPA," or any other title, designation, words, letters, abbreviations, sign, card, or device tending to indicate that he holds an active license under Chapter 473, F.S., nor shall such person attest as an expert in accountancy to the reliability or fairness of presentation of financial information or utilize any form of disclaimer of opinion which is intended or conventionally understood to convey an assurance of reliability as to matters not specifically disclaimed unless such person holds an active license under Chapter 473, F.S. This rule shall not prohibit the performance by such persons of other services involving the use of accounting skills, including the preparation of tax returns and the preparation of financial statements without expression of opinion thereon.

(8) A temporary license may be denied for any one of the following:

(a) The applicant has failed to fully complete required application;

(b) The applicant has committed any of the acts specified by Rule 61H1-36.001, F.A.C., which

constitutes grounds for disciplinary action against a certified public accountant.

(9) Notwithstanding the above-stated requirements, a temporary license will not be required for an individual meeting one of the following requirements:

(a) Holds a valid license as a certified public accountant from a state that has adopted the substantially equivalency standards set forth in Section 5 of the Uniform Accountancy Act, fifth edition revised July 2007, incorporated herein and available at <http://www.aicpa.org/Advocacy/State/Documents/UAA%20Fifth%20Edition%20Final%20Version.pdf>; or

(b) Holds a valid license as a certified public accountant and obtains verification from the National Association of State Board of Accountancy CredentialNet service that the individual meets the substantially equivalency standards set forth in Section 5 of the Uniform Accountancy Act, fifth edition revised July 2007. CredentialNet can be reached at credentialnet@nasba.org or 866.350.0017.

Rulemaking Authority 473.304, 473.305, 473.314 FS. Law Implemented 473.314, 473.315 FS. History—New 12-4-79, Amended 2-3-81, 10-19-83, Formerly 21A-29.02, Amended 5-3-88, 12-3-89, 6-13-90, 3-29-92, 12-2-92, Formerly 21A-29.002, Amended 6-28-94, 1-11-95, 8-28-06, 12-10-09,_____.

Motion was made by Mr. Riggs, seconded by Mr. Carroll, to approve language as presented. Upon vote, the motion passed unanimously. Motion was made by Mr. Riggs, seconded by Mr. Carroll, that this would not have an impact on small businesses. Upon vote, the motion passed unanimously.

Motion was made by Ms. Caldwell, seconded by Mr. Robinson, to notice for rule development 61H1-20.008 Generally Accepted Auditing Standards. **61H1-23.001 Confidential Client Information.** A certified public accountant shall not disclose any confidential information obtained in the course of a professional engagement except with the consent of the client. This rule shall not be construed to relieve a certified public accountant of his or her obligation under Rules 61H1-20.008 ~~61H1-22.002~~ and 20.007 ~~22.003~~ or to contravene or contradict any of the provisions of 473, F.S. Furthermore, this rule shall not prohibit a confidential review of a certified public accountant's professional practice as a part of a quality review program. *Specific Authority 473.304, 473.315, 473.316 FS. Law Implemented 473.315, 473.316 FS. History—New 12-4-79, Formerly 21A-23.01, 21A-23.001.* Upon vote, the motion passed unanimously. Motion was made by Ms. Caldwell, seconded by Mr. Robinson, that this would not have an impact on small businesses. Upon vote, the motion passed unanimously.

3. Discussion with IRS, Department of Treasury

Mr. Poole, Mr. Larsen and Mr. MacLennan from the IRS, Department of Treasury were present for this item, along with Mr. Shinn from the Probable Cause Panel.

Members of the IRS were present to discuss with the board possible ways to communicate abuse that the board may observe. Items of discussion were ways to encourage CPA's to look for fraudulent schemes. Have the IRS, Department of Justice notify the Board when action is taken against a CPA, and have something on the website. The board felt the discussion was meaningful and they should meet at least twice a year to discuss.

4. Peer Reviews

Ms. Anderson, Mr. Brown, and Mr. Hart of the FICPA were present for this item.

Ms. Anderson talked with the board on how the peer review program would work. All CPA's firms would be enrolled in an approved program. The board would determine who the approved organizations would be. The AICPA Standards would be used to measure the

reviews. The approved providers will keep records of who's passed and who hasn't. Those who haven't passed will be monitored. Those that don't cooperate would not be eligible for renewal of their license. Providers will have to make an application biannually to determine if they can continue providing the service. This will be brought back to the board at their December 2, 2010 meeting.

5. Committee Vacancies

This was continued until the December meeting. Ms. Clark informed the board they may want to consider drafting language to create a rule that would allow a committee for disciplinary matter.

6. Consider statutory change to create impaired practitioner program

Ms. Kelly informed the board that during negotiating the Physician Recovery Network contract it was pointed out that there was no statutory authority to send a licensee to PRN for anything other reason than discipline. There may be instances when the board might want to send a licensees or exam applicant to the Physician Recovery Network program, and to do so we will need statutory authority. Motion was made Mr. Tipton, seconded by Mr. Durkin, to move forward with this. Upon vote, the motion passed unanimously.

7. Other Business

The meeting was adjourned at 3:44 p.m.

Cynthia Borders-Byrd, Chair