
A BILL FOR AN ACT

RELATING TO PUBLIC ACCOUNTANCY.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1 SECTION 1. The purpose of this Act is to require peer
2 review as a condition for renewal for certain certified public
3 accounting firms and the firm's permit to practice public
4 accountancy in this State.

5 SECTION 2. Section 466-3, Hawaii Revised Statutes, is
6 amended by adding a new definition to be appropriately inserted
7 and to read as follows:

8 "Approved peer review program" means a peer review program
9 that is approved by the board, in accordance with procedures and
10 rules established by the board, which shall apply to the permits
11 to practice of both persons and firms."

12 SECTION 3. Section 466-7, Hawaii Revised Statutes, is
13 amended as follows:

14 1. By amending subsection (b) to read:

15 "(b) An applicant for the initial issuance or renewal of a
16 permit shall have:

17 (1) A valid license;



1 (2) Completed continuing professional education hours, the
2 content of which shall be specified by the board,
3 which may provide for special consideration by the
4 board to applicants for permit renewal when, in the
5 judgment of the board, full compliance with all
6 requirements of continuing education cannot reasonably
7 be met;

8 (3) Completed an approved peer review program; provided
9 that no peer review shall be required prior to the
10 initial issuance of an applicant's permit to practice;

11 [~~3~~] (4) Completed an application; and

12 [~~4~~] (5) Paid appropriate fees and assessments."

13 2. By amending subsection (d) to read:

14 "(d) All firms shall obtain a permit to practice. The
15 board may issue or renew a permit to actively engage in the
16 practice of public accountancy to any firm [~~which~~] that submits
17 a completed application and demonstrates qualifications as
18 prescribed by the board~~[-]~~; provided that:

19 (1) The board's rules and procedures may provide that a
20 firm that does not provide attest services certifies
21 that fact in writing and shall thereupon be exempted
22 from the approved peer review program requirement; and



1 (2) A firm with its primary office outside of this State
2 may satisfy the approved peer review program
3 requirement by providing satisfactory evidence of
4 having completed an approved peer review program
5 outside of this State."

6 SECTION 4. Statutory material to be repealed is bracketed
7 and stricken. New statutory material is underscored.

8 SECTION 5. This Act shall take effect on January 1, 2009.

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INTRODUCED BY: _____

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BR

JAN 15 2008



Report Title:

Accountants; Peer Review

Description:

Requires peer review as a condition for the renewal of a permit to practice public accountancy. Applies to both persons and firms. Exempts certain firms from the requirements.

