

JAN 18 2008

A BILL FOR AN ACT

RELATING TO CERTIFIED PUBLIC ACCOUNTANTS.

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 accountant 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."

11 SECTION 3. Section 466-4, Hawaii Revised Statutes, is
12 amended by amending subsection (d) to read as follows:

13 "(d) In addition to any other powers and duties authorized
14 by law, the board, in accordance with chapter 91 shall:

15 (1) Initiate investigations and hearings, either upon
16 complaint or on its own motion on any matter involving
17 the conduct of certified public accountants, public



1 accountants, or firms, or the violation of any of the
2 provisions of this chapter or the rules of the board;

3 (2) Adopt, amend, and repeal rules and procedures
4 governing the administration and enforcement of this
5 chapter and the conduct of the licensees, as it deems
6 appropriate to establish and maintain high standards
7 of competence and integrity in the practice of public
8 accountancy[?]. The rules and procedures may provide
9 that a firm, which does not provide attest services
10 upon certification of that fact in writing, may
11 thereupon be exempted from the peer review
12 requirement. A firm with its primary office outside
13 this State may satisfy the peer review requirement by
14 providing satisfactory evidence of a peer review
15 conducted outside this State;

16 (3) Grant, deny, suspend, or revoke licenses that are
17 authorized by this chapter and impose such conditions
18 as may be necessary in connection with the granting,
19 denial, suspension, or revocation of licenses;

20 (4) Prescribe the proof to be furnished for the issuance
21 of a duplicate license in place of one alleged to have



1 been lost or destroyed, including a requirement for
2 any indemnity deemed appropriate to the case; and
3 (5) Grant, renew, forfeit and restore permits to practice
4 that are authorized by this chapter and impose such
5 conditions as may be necessary in connection with the
6 granting, renewal, forfeiture and restoration of
7 permits."

8 SECTION 3. Section 466-7, Hawaii Revised Statutes, is
9 amended by amending subsection (b) to read as follows:

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

- 12 (1) A valid license;
- 13 (2) Completed continuing professional education hours, the
14 content of which shall be specified by the board which
15 may provide for special consideration by the board to
16 applicants for permit renewal when, in the judgment of
17 the board, full compliance with all requirements of
18 continuing education cannot reasonably be met;
- 19 (3) Completed an approved peer review program in
20 accordance with rules and procedures adopted by the
21 board; provided that the rules shall not require a



1 peer review prior to the initial issuance of an
2 applicant's permit to practice;

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

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

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

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

8

INTRODUCED BY: Russell Kohl B/R



Report Title:

Certified Public Accountants; Approved Peer Review

Description:

Requires an approved peer review for certain certified public accountant firms to practice in Hawaii.

