
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 an
2 approved peer review for renewals of permits to practice public
3 accountancy.

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

7 "Approved peer review program" means a peer review program
8 approved by the board, in accordance with rules and procedures
9 established by the board pursuant to section 466-4(d)(3)."

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

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

14 (1) Initiate investigations and hearings, either upon
15 complaint or on its own motion on any matter involving
16 the conduct of certified public accountants, public
17 accountants, or firms, or the violation of any of the
18 provisions of this chapter or the rules of the board;



1 (2) Adopt, amend, and repeal rules governing the
2 administration and enforcement of this chapter and the
3 conduct of the licensees, as it deems appropriate to
4 establish and maintain high standards of competence
5 and integrity in the practice of public accountancy;

6 (3) Adopt, amend, and repeal rules and procedures for
7 approved peer review programs, which shall provide
8 that:

9 (A) A firm that does not provide financial statement
10 audit or review services, or services that are
11 subject to the Statements on Standards for
12 Attestation Engagements established by the
13 American Institute of Certified Public
14 Accountants, may certify that fact in writing and
15 thereupon be exempted from the peer review
16 requirement of section 466-7(b)(3); and

17 (B) A firm with its primary office outside this state
18 may satisfy the peer review requirement by
19 providing satisfactory evidence of a peer review
20 conducted outside this state;

21 [~~3~~] (4) Grant, deny, suspend, or revoke licenses that are
22 authorized by this chapter and impose such conditions



1 as may be necessary in connection with the granting,
2 denial, suspension, or revocation of licenses;

3 [~~4~~] (5) Prescribe the proof to be furnished for the
4 issuance of a duplicate license in place of one
5 alleged to have been lost or destroyed, including a
6 requirement for any indemnity deemed appropriate to
7 the case; and

8 [~~5~~] (6) Grant, renew, forfeit and restore permits to
9 practice that are authorized by this chapter and
10 impose such conditions as may be necessary in
11 connection with the granting, renewal, forfeiture and
12 restoration of permits."

13 SECTION 4. Section 466-7, Hawaii Revised Statutes, is
14 amended by amending subsection (b) to read as follows:

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

- 17 (1) A valid license;
- 18 (2) Completed continuing professional education hours, the
19 content of which shall be specified by the board which
20 may provide for special consideration by the board to
21 applicants for permit renewal when, in the judgment of



1 the board, full compliance with all requirements of
2 continuing education cannot reasonably be met;

3 (3) Completed an approved peer review program; provided
4 that this paragraph shall not apply to the initial
5 issuance of an applicant's permit to practice;

6 [~~3~~] (4) Completed an application; and

7 [~~4~~] (5) Paid appropriate fees and assessments."

8 SECTION 5. Statutory material to be repealed is bracketed
9 and stricken. New statutory material is underscored.

10 SECTION 6. This Act shall take effect upon its approval;
11 provided that section 4 of this Act shall apply to applications
12 for the renewal of a permit to practice public accountancy
13 submitted after December 31, 2011.

14

INTRODUCED BY: _____



Report Title:

Certified Public Accountants; Approved Peer Review

Description:

Requires an approved peer review for renewals of permits to practice public accountancy.

