

JAN 22 2016

---

# A BILL FOR AN ACT

RELATING TO PUBLIC ACCOUNTANCY.

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

1           SECTION 1. Section 466-3, Hawaii Revised Statutes, is  
2 amended by amending the definition of "peer review" to read as  
3 follows:

4           "Peer review" means a study, appraisal, or review of one  
5 or more aspects of the professional work of a firm that issues  
6 attest reports by a person or persons who hold permits to  
7 practice public accountancy under section 466-7 or are licensed  
8 to practice public accountancy in any other state and who are  
9 not affiliated with the firm being reviewed."

10          SECTION 2. Section 466-35, Hawaii Revised Statutes, is  
11 amended by amending subsection (b) to read as follows:

12          "(b) A firm shall include, with the peer review compliance  
13 reporting form, the contemporaneous Hawaii supplement to the  
14 peer review report pursuant to section 466-36, if:

15           (1) A peer review report from an approved sponsoring  
16 organization does not include the selection of a  
17 Hawaii office or Hawaii attest engagement;



- 1           (2) The peer reviewer does not hold permits to practice  
2           public accountancy under section 466-7 [~~and is~~  
3           ~~required to have permits to practice under section~~  
4           466-7,] or is not licensed to practice public  
5           accountancy in any other state, except inspectors for  
6           the public company accounting oversight board; or  
7           (3) The final report resulting from any inspection by the  
8           public company accounting oversight board firm  
9           inspection program does not include the firm's Hawaii  
10          offices, if any, and Hawaii attest engagements in the  
11          scope of the inspection, and the firm is not required  
12          to enroll in another peer review program under section  
13          466-34."

14           SECTION 3. Section 466-38, Hawaii Revised Statutes, is  
15          amended by amending subsection (b) to read as follows:

16           "(b) For peer reviews scheduled after December 31, 2014,  
17          any report or document required to be submitted under subsection

18          (a) shall be filed with the board as follows:

- 19           (1) Firms enrolled in the American Institute of Certified  
20           Public Accountants and Hawaii Society of Certified  
21           Public Accountants peer review programs and



1 administered by the Hawaii Society of Certified Public  
2 Accountants, within [~~ten~~] thirty calendar days of  
3 receipt of the notice of completion from the Hawaii  
4 Society of Certified Public Accountants, shall  
5 complete the peer review compliance reporting form  
6 under section 466-35 and submit the form to the board  
7 along with the required documents;

8 (2) Firms otherwise enrolled in the American Institute of  
9 Certified Public Accountants peer review program,  
10 including those whose peer reviews are administered by  
11 the National Peer Review Committee, within [~~ten~~]  
12 thirty calendar days of receipt of the notice of  
13 completion from the sponsoring organization, shall  
14 complete the peer review compliance reporting form  
15 under section 466-35 and submit the form to the board  
16 along with the required documents;

17 (3) Firms enrolled in the public company accounting  
18 oversight board inspection program shall, within [~~ten~~]  
19 thirty calendar days of receipt of the issuance of the  
20 Part I report from the public company accounting  
21 oversight board, complete the peer review compliance



1 reporting form required by section 466-35 and submit  
2 the form to the board along with the required  
3 documents; and

4 (4) Firms enrolled in any other peer review program  
5 approved by this part shall submit the report  
6 generated by that review process and all associated  
7 documentation to the board in a form acceptable to the  
8 board."

9 SECTION 4. Section 466-39, Hawaii Revised Statutes, is  
10 amended by amending subsection (a) to read as follows:

11 "(a) A firm shall have [~~ten~~] thirty calendar days after  
12 the filing of the peer review compliance reporting form to  
13 appeal a "pass with deficiency" or a "fail" rating that may  
14 result in the denial, termination, or nonrenewal of a permit to  
15 practice."

16 SECTION 5. Statutory material to be repealed is bracketed  
17 and stricken. New statutory material is underscored.



# S.B. NO. 2407

1 SECTION 6. This Act shall take effect upon its approval.

2 INTRODUCED BY: W. J. Doyle  
by request



# S.B. NO. 2407

**Report Title:**

Public Accountancy; Peer Review

**Description:**

Redefines "peer review" to include reviews done by out-of-state public accountancy licensees. Increases deadlines for filing of peer review compliance reporting forms and appealing certain ratings from 10 days to 30 calendar days.

*The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.*

