1	State of Arkansas	*As Engrossed: H2/16/17*
2	91st General Assembly	A Bill
3	Regular Session, 2017	SENATE BILL 260
4		
5	By: Senators D. Wallace, Caldwell, Irvin, Rice, B. Sample, G. Stubblefield	
6	By: Representatives Warren, Brown, D. Douglas, Hillman, *Johnson*	

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8   **For An Act To Be Entitled**

9   AN ACT TO REQUIRE A PEER REVIEW PROGRAM FOR PUBLIC

10   ACCOUNTANCY LICENSEES; TO AMEND PROVISIONS CONCERNING

11   THE PROFESSION OF PUBLIC ACCOUNTANCY; AND FOR OTHER

12   PURPOSES.

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15   **Subtitle**

16   TO REQUIRE A PEER REVIEW PROGRAM FOR

17   PUBLIC ACCOUNTANCY LICENSEES; AND TO

18   AMEND PROVISIONS CONCERNING THE

19   PROFESSION OF PUBLIC ACCOUNTANCY.

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22   BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:

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24   SECTION 1. Arkansas Code § 17-12-401(b)(2), concerning professional

25   partnerships, corporations, limited liability companies, and sole

26   proprietorships of certified public accountants, is amended to read as

27   follows:

28   (2) A firm that does not have an office in this state may

29   perform services under § 17-12-103(a)(2)(B), § 17-12-103(a)(2)(E), or § 17-

30   12-103(a)(6) for a client having its home office in this state and may use

31   the title "CPA" or "CPA firm" without registering under this section only if

32   the firm:

33   (A) Meets the applicable qualifications of this section

34   and § 17-12-507; and

35   (B) Performs the services through an individual with

36   practice privileges under § 17-12-311.; and

1   (C) Meets the peer review requirements under § 17-12-508.
2   SECTION 2. Arkansas Code § 17-12-507, concerning quality review of
3   each practice unit, is amended to add additional subsections to read as
4   follows:
5   (h) Effective January 1, 2019, licensees that are required to enroll
6   in peer review under § 17-12-508 are exempt from the requirements of this
7   section and the rules of the board implementing this section.
8   (i) The requirements of subdivisions (c)(1)(B)-(F) of this section
9   expire on December 31, 2018.
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11   SECTION 3. Arkansas Code Title 17, Chapter 12, Subchapter 5, is
12   amended to add an additional section to read as follows:
13   17-12-508. Peer Review.
14   (a)(1) Beginning January 1, 2019, the Arkansas State Board of Public
15   Accountancy shall by rule require licensees who perform attest services to
16   enroll in an approved peer review program and have a peer review one (1) time
17   every three (3) years.
18   (2) Licensees who perform compilation or preparation of
19   financial statements as their highest level of service shall be excluded from
20   the peer review requirement under this section.
21   (b) Peer reviews shall be conducted in accordance with standards that
22   the board sets by rule.
23   (c) Licensees who fail to obtain peer review ratings required by the
24   board or who otherwise fail to comply with peer review standards established
25   or adopted by the board are subject to sanctions under § 17-12-602.
26   (d)(1) All financial statements, working papers, or other documents
27   obtained from licensees or applicants for peer review shall be confidential
28   and shall not be subject to public inspection except under an order of a
29   court of competent jurisdiction.
30   (2)(A) The documents deemed confidential under subdivision
31   (d)(1) of this section shall be exempt from disclosure under the Freedom of
32   Information Act of 1967, § 25-19-101, et seq.
33   (B) Documents exempted under subdivision (d)(2)(A) of this
34   section may be introduced as evidence in any relevant proceeding before the
35   board.
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1   */s/D. Wallace*

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4   ***APPROVED: 02/28/2017***

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