

State of Wisconsin



2013 Assembly Bill 669

Date of enactment: April 8, 2014
Date of publication*: April 9, 2014

2013 WISCONSIN ACT 210

AN ACT *to amend* 13.92 (4) (c), 13.92 (4) (d), 13.92 (4) (e), 13.92 (4) (f), 35.93 (2) (b) 4., 35.93 (2) (c) 1., 35.93 (3), 35.93 (3) (e) (intro.), 35.93 (3) (e) 1., 227.01 (13) (intro.), 227.11 (2) (intro.), 227.27 (2), 442.01 (2) and 442.04 (5) (b) 4.; and *to create* 13.92 (4) (bm) and 227.265 of the statutes; **relating to:** rule-making procedures, practice standards for certified public accountants, and eligibility requirements to sit for the licensure examination for certified public accountants.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

SECTION 1. 13.92 (4) (bm) of the statutes is created to read:

13.92 (4) (bm) If 2 or more rules filed under s. 227.20 or modified under s. 227.265 affect the same unit of the Wisconsin administrative code without taking cognizance of the effect thereon of the other rules and if the legislative reference bureau finds that there is no mutual inconsistency in the changes made by each such rule, the legislative reference bureau shall incorporate the changes made by each rule into the text of the unit and document the incorporation in a note to the unit. For each such incorporation, the legislative reference bureau shall include in a correction bill a provision formally validating the incorporation. Section 227.27 (2) is not affected by printing decisions made by the legislative reference bureau under this paragraph.

SECTION 2. 13.92 (4) (c) of the statutes is amended to read:

13.92 (4) (c) The legislative reference bureau may insert in the Wisconsin administrative code a note explaining any change made under par. (b) or (bm).

SECTION 3. 13.92 (4) (d) of the statutes is amended to read:

13.92 (4) (d) Sections 227.114, 227.116, 227.135, and 227.14 to 227.24 do not apply to any change made by the legislative reference bureau under par. (b) or (bm).

SECTION 4. 13.92 (4) (e) of the statutes is amended to read:

13.92 (4) (e) The legislative reference bureau shall prepare and keep on file a record of each change made under par. (b) or (bm).

SECTION 5. 13.92 (4) (f) of the statutes is amended to read:

13.92 (4) (f) The legislative reference bureau shall notify the agency involved of each change made under par. (b) or (bm).

SECTION 6. 35.93 (2) (b) 4. of the statutes, as affected by 2013 Wisconsin Act 20, is amended to read:

35.93 (2) (b) 4. Copies of all rules filed with the legislative reference bureau under s. 227.20 (1) or modified under s. 227.265 since the compilation of the preceding register, including emergency rules filed under s. 227.24 (3).

SECTION 7. 35.93 (2) (c) 1. of the statutes, as affected by 2013 Wisconsin Act 20, is amended to read:

* Section 991.11, WISCONSIN STATUTES: Effective date of acts. "Every act and every portion of an act enacted by the legislature over the governor's partial veto which does not expressly prescribe the time when it takes effect shall take effect on the day after its date of publication."

35.93 (2) (c) 1. Each chapter of the Wisconsin administrative code that has been affected by rules filed with legislative reference bureau under s. 227.20 (1) or modified under s. 227.265, in accordance with sub. (3) (e) 1.

SECTION 8. 35.93 (3) of the statutes is amended to read:

35.93 (3) The legislative reference bureau shall compile and deliver to the department for printing copy for a register which shall contain all the rules filed under s. 227.20 or modified under s. 227.265 since the compilation of rules for the preceding issue of the register was made and those executive orders which are to be in effect for more than 90 days or an informative summary thereof. The complete register shall be compiled and published before the first day of each month and a notice section of the register shall be compiled and published before the 15th day of each month. Each issue of the register shall contain a title page with the name "Wisconsin administrative register", the number and date of the register, and a table of contents. Each page of the register shall also contain the date and number of the register of which it is a part in addition to the other necessary code titles and page numbers. The legislative reference bureau may include in the register such instructions or information as in the bureau's judgment will help the user to correctly make insertions and deletions in the code and to keep the code current.

SECTION 9. 35.93 (3) (e) (intro.) of the statutes, as affected by [2013 Wisconsin Act 20](#), is amended to read:

35.93 (3) (e) (intro.) The legislative reference bureau shall incorporate into the appropriate chapters of the Wisconsin administrative code each permanent rule filed with the legislative reference bureau under s. 227.20 (1) or modified under s. 227.265 and, for each chapter of the administrative code affected by a rule, do all of the following:

SECTION 10. 35.93 (3) (e) 1. of the statutes, as affected by [2013 Wisconsin Act 20](#), is amended to read:

35.93 (3) (e) 1. Publish the chapter in the appropriate end-of-month register in accordance with the filing deadline for publication established in the rules procedures manual published under s. 227.15 (7) ~~or~~, in an end-of-month register agreed to by the submitting agency and the legislative reference bureau, or, in the case of a rule modified under s. 227.265, in the end-of-month register for the month in which the bill modifying the rule is enacted.

SECTION 11. 227.01 (13) (intro.) of the statutes is amended to read:

227.01 (13) (intro.) "Rule" means a regulation, standard, statement of policy, or general order of general application which has the effect of law and which is issued by an agency to implement, interpret, or make specific legislation enforced or administered by the agency or to govern the organization or procedure of the agency. "Rule" includes a modification of a rule under s. 227.265.

"Rule" does not include, and s. 227.10 does not apply to, any action or inaction of an agency, whether it would otherwise meet the definition under this subsection, which:

SECTION 12. 227.11 (2) (intro.) of the statutes is amended to read:

227.11 (2) (intro.) Rule-making authority is expressly conferred on an agency as follows:

SECTION 13. 227.265 of the statutes is created to read:
227.265 Repeal or modification of rules. If a bill to repeal or modify a rule is enacted, the procedures under ss. 227.114 to 227.21 and 227.26 do not apply. Instead, the legislative reference bureau shall publish the repeal or modification in the Wisconsin administrative code and register as required under s. 35.93, and the repeal or modification shall take effect as provided in s. 227.22.

SECTION 14. 227.27 (2) of the statutes is amended to read:

227.27 (2) The code shall be prima facie evidence in all courts and proceedings as provided by s. 889.01, but this does not preclude reference to or, in case of a discrepancy, control over a rule filed with the legislative reference bureau ~~or the secretary of state~~ under s. 227.20 or modified under s. 227.265, and the certified copy of a rule shall also and in the same degree be prima facie evidence in all courts and proceedings.

SECTION 15. 442.01 (2) of the statutes is amended to read:

442.01 (2) ~~No~~ The examining board may not adopt a standard or rule relating to professional conduct or unethical practice ~~may be adopted~~ until the examining board has held a public hearing with reference thereto, subject to the rules promulgated under s. 440.03 (1). ~~No~~ Except for a rule modified under s. 227.265, no rule or standard shall become effective until 60 days after its adoption by the examining board. Any person who has appeared at the public hearing and filed written protest against ~~any~~ a proposed standard or rule by the examining board, obtain a review thereof under ch. 227. Thereafter every person practicing as a certified public accountant in the state shall be governed and controlled by the rules and standards prescribed by the examining board, including any modifications under s. 227.265.

SECTION 15m. 442.04 (5) (b) 4. of the statutes, as affected by [2013 Wisconsin Act 114](#), is amended to read:

442.04 (5) (b) 4. Except as provided in s. 442.05, the person has successfully passed an examination in such subjects affecting accountancy as the examining board considers necessary. A person is not eligible to take the examination under this subdivision unless the person has completed at least 120 semester hours under subd. 3.

SECTION 16. Accy 1.003 (1) of the administrative code is amended to read:

Accy 1.003 (1) "Attest service" means any of the following, if performed or intended to be performed in

accordance with the statements incorporated under s. Accy 1.205:

(a) An audit or any other engagement that is performed or intended to be performed in accordance with the statements incorporated by reference in s. Accy 1.205 (1).

(b) A review or compilation of a financial statement that is performed or intended to be performed in accordance with the statements incorporated by reference in s. Accy 1.205 (2).

(c) An examination of prospective financial information that is performed or intended to be performed in accordance with the statements incorporated by reference in s. Accy 1.205 (3).

SECTION 17. Accy 1.101 of the administrative code is amended to read:

Accy 1.101 Independence standards. The following independence standards of the accounting profession are adopted by reference and shall be used by certified public accountants in Wisconsin:

The Code of Professional Conduct ET Section 101, including Sections ET 101.01 through ET ~~401.16~~ 101.19, available on the Internet at <http://www.aicpa.org/about/code/et101.htm#101-1> <http://www.aicpa.org/Research/Standards/CodeofConduct/Pages/sec100.aspx>, as of January 31, 2013, and published by the American Institute of Certified Public Accountants in print form as AICPA Professional Standards Volume 2 3, as of ~~June 1, 2002~~ January 31, 2013. The printed volume is available at:

American Institute of Certified Public Accountants
1455 ~~Pennsylvania Ave., NW~~ 1211 Avenue of the Americas
Washington, DC 20004-1081 New York, NY 10036-8775

Note: Definitions of terms used in the independence standards, ET Section 101, are included in ET Section 92 of the Code of Professional Conduct published by the American Institute of Certified Public Accountants and available at on the Internet site <http://www.aicpa.org/about/code/def92.htm> at http://www.aicpa.org/Research/Standards/CodeofConduct/Pages/et_92.aspx and in the same printed volume as ET Section 101. Copies of the Standards described above are on file in the offices of the Accounting Examining Board and the Legislative Reference Bureau.

SECTION 18. Accy 1.205 (intro.), (1), (2) and (3) of the administrative code are consolidated, renumbered Accy 1.205 and amended to read:

Accy 1.205 Standards for auditing, accounting and review services, and attestation engagements. The following standards of the accounting and auditing profession shall be used by that certified public accountants in Wisconsin: ~~(1) The shall use are (1) the~~ Statements on Auditing Standards issued as of June 1, 2003 by the Auditing Standards Board of the American Institute of Certified Public Accountants and published as AICPA Professional Standards, volume 1 by the American Insti-

tute of Certified Public Accountants, Inc., New York, New York are incorporated by reference into this section. ~~(2) The, the~~ Statements on Standards for Accounting and Review Services issued as of June 1, 2003 by the Accounting and Review Services Committee of the American Institute of Certified Public Accountants and published as AICPA Professional Standards, volume 2 by the American Institute of Certified Public Accountants, Inc., New York, New York are incorporated by reference into this section. ~~(3) The, and the~~ Statements on Standards for Attestation Engagements issued as of June 1, 2003, by the Auditing Standards Board, the Accounting and Review Services Committee, and the Consulting Services Executive Committee of the American Institute of Certified Public Accountants and, published as AICPA Professional Standards, volume 2 by the American Institute of Certified Public Accountants, Inc., New York, New York is; and (2) the auditing standards of the Public Company Accounting Oversight Board. All of those Statements and Standards are incorporated by reference into this section.

Note: Copies of the Statements described above may be purchased from the American Institute of Certified Public Accountants, 1211 Avenue of the Americas, New York, NY 10036-8775.

Note: Copies of the Statements described above are on file in the offices of the Accounting Examining Board and the Legislative Reference Bureau.

SECTION 18m. Accy 9.01 (2) of the administrative code is amended to read:

Accy 9.01 (2) "Engagement review" means to review read the financial statements and other information submitted by the reviewed firm or required under applicable professional standards, and the accountant's report on those statements and that information, of a firm that performs at its highest level of service only services under SSARS or services under the SSAE not included in a system review. ~~An engagement review is usually performed at a location other than the reviewed firm's office. In~~ The objective of an engagement review, the reviewers are required to review the financial statements and accompanying accountant's report for compliance with professional standards, and is to determine whether the firm's working paper documentation conforms engagements submitted for review conform to the requirements of the SSARS and SSAES that are applicable to these engagements applicable professional standards in all material respects.

SECTION 19. Accy 9.01 (4) of the administrative code is repealed.

SECTION 19c. Accy 9.01 (5) of the administrative code is amended to read:

Accy 9.01 (5) "SAS" means statements the State- ments on auditing standards Auditing Standards issued by the auditing standards board of the American Institute of Certified Public Accountants.

SECTION 19g. Accy 9.01 (6) of the administrative code is amended to read:

Accy 9.01 (6) “SSAE” means the ~~statements~~ Statements on standards ~~Standards~~ Standards for attestation engagements ~~Attestation Engagements~~ issued by the auditing standards board, the accounting and review services committee, and the consulting services executive committee of the American Institute of Certified Public Accountants.

SECTION 19n. Accy 9.01 (7) of the administrative code is amended to read:

Accy 9.01 (7) “SSARS” means the ~~statements~~ Statements on standards ~~Standards~~ Standards for accounting ~~Accounting~~ and ~~review services~~ Review Services issued by the accounting and review services committee of the American Institute of Certified Public Accountants.

SECTION 19r. Accy 9.01 (8) (intro.) of the administrative code is renumbered Accy 9.01 (8) and amended to read:

Accy 9.01 (8) “System review” means to review a firm that, ~~at the firm’s highest level of service,~~ performs engagements under the SAS or the Government Auditing Standards (Yellow Book), examinations of prospective financial statements under the SSAE. ~~System reviews are usually performed at the reviewed firm’s office, or audits of non-SEC issuers pursuant to the standards of the Public Company Accounting Oversight Board.~~ A system review is intended to provide the reviewer with a reasonable basis for expressing both of the following opinions during the period under review: includes determining whether the firm’s system of quality control for its accounting and auditing practice is designed and

enforced to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards, including the Statements on Quality Control Standards, No. 8, of the American Institute of Certified Public Accountants, in all material respects.

SECTION 19w. Accy 9.01 (8) (a) and (b) of the administrative code are repealed.

SECTION 20. Accy 9.06 of the administrative code is amended to read:

Accy 9.06 Conducting a peer review. In conducting a peer review, a board-approved peer review program shall comply with requirements for performing system reviews, engagement reviews, and ~~report~~ any other reviews established under the “Standards for Performing and Reporting on Peer Reviews” issued by the American Institute of Certified Public Accountants, effective January 1, 2001, specifically identified in paragraphs 25–71, and reproduced in Appendix A to this chapter available on the Internet at <http://www.aicpa.org/Research/Standards/PeerReview/DownloadableDocuments/PeerReviewStandards.pdf>.

Note: Paragraphs 25–71 of these standards are included as Appendix A to this chapter and are also available from the Internet at <http://www.aicpa.org/members/div/practmon/stdstitled1.htm>

SECTION 21. Accy 9 Appendix A of the administrative code is repealed.

SECTION 22. Effective dates. This act takes effect on the day after publication, except as follows:

- (1) The treatment of section 35.93 (2) (b) 4. and (c) 1. and (3) (e) (intro.) and 1. of the statutes takes effect on January 1, 2015.