A BILL FOR AN ACT

RELATING TO THE PEER REVIEW OVERSIGHT COMMITTEE.

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

SECTION 1. The legislature finds that some confusion exists regarding the qualifications for the board of public accountants' peer review oversight committee. The board raised the issue of whether a pass rating includes ratings other than a fail rating.

The purpose of this Act is to remove the pass rating criterion and to allow a member to qualify for the peer review oversight committee so long as the member does not have a fail rating.

SECTION 2. Section 466-42, Hawaii Revised Statutes, is amended by amending subsection (c) to read as follows:

"(c) [Effective January 1, 2013, the] The peer review oversight committee shall consist of three individuals who hold permits to practice under section 466-7. No member of the peer review oversight committee shall be a current member of the board, the Hawaii Society of Certified Public Accountants Peer Review or Professional Ethics Committees, or the American
Institute of Certified Public Accountants Professional Ethics Executive Committee. The members shall have significant experience with attest engagements and currently be in the practice of public accountancy at the partner or equivalent level. The member's firm shall have received a report with a rating [of pass] other than a fail rating or an unmodified opinion from its last peer review."

SECTION 3. Statutory material to be repealed is bracketed and stricken. New statutory material is underscored.

SECTION 4. This Act shall take effect upon its approval.

INTRODUCED BY: [Signature]

JAN 22 2019
Report Title:
Accountants; Qualifications; Peer Review Oversight Committee

Description:
Clarifies that a member may qualify for the peer review oversight committee so long as the member does not have a fail rating.

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