

**STATE OF WISCONSIN
ACCOUNTING EXAMINING BOARD**

**IN THE MATTER OF RULE-MAKING : REPORT TO THE LEGISLATURE
PROCEEDINGS BEFORE THE : ON CLEARINGHOUSE RULE 09-100
ACCOUNTING EXAMINING BOARD : (s. 227.19 (3), Stats.**

I. THE PROPOSED RULE:

The proposed rule, including the analysis and text, is attached.

II. REFERENCE TO APPLICABLE FORMS:

No new or revised forms are required by these rules.

III. FISCAL ESTIMATES:

The department estimates that this rule will require staff time in the Division of Professional Credentialing and the Division of Management Services. The total one-time salary and fringe costs are estimated at \$2,865. The department finds that this rule has no significant fiscal effect on the private sector.

IV. DETAILED STATEMENT EXPLAINING THE BASIS AND PURPOSE OF THE PROPOSED RULE, INCLUDING HOW THE PROPOSED RULE ADVANCES RELEVANT STATUTORY GOALS OR PURPOSES:

This proposed rule-making would enable the Accounting Examining Board to grant certified public account certificates and licenses to applicants who are certified to practice by a foreign credentialing authority that is a signatory to the International Mutual Recognition Agreement (MRA) that has been entered into by the National Association of State Boards of Accountancy and the American Institute of Certified Public Accountants.

The proposed rule creates a route to licensure for accountants who hold a credential from a foreign credentialing authority that is a signatory to the MRA. A foreign credentialing authority may not be a signatory to the MRA until the International Qualifications Appraisal Board (IQAB) has found that the requirements to obtain the foreign credential are substantially equivalent to the requirements used in the United States. The IQAB is jointly created by the National Association of State Boards of Accountancy and the American Institute of Certified Public Accountants. The MRA is currently being used by other states and a number of foreign credentialing authorities.

V. PUBLIC HEARING:

A public hearing was held on December 10, 2009. There were no appearances at the public hearing and no written comments were received.

VI. RESPONSE TO LEGISLATIVE COUNCIL STAFF RECOMMENDATIONS:

Comment 5.a. In s. Accy 8.05 (1) (a), “American institute of CPA’s” should be changed to “American Institute of Certified Professional Accountants”. This change should also be made in pars. (b) and (c).

Response. “CPAs” has been changed to certified public accountants, rather than certified professional accountants. This change has been made in s. Accy 8.05 (1) (a) to (c).

Comment 5.b. In s. Accy 8.05 (1) (b), it appears that “national association of state boards of accountancy” should be capitalized. This change should also be made in par. (c).

Comment 5.c. In s. Accy 8.05 (1) (c), it appears that “international qualifications appraisal board” should be capitalized.

Response to Comment 5.b. and Comment 5.c. Part I of the Administrative Rules Procedures Manual, Drafting, Format and Style – “1.01 (4) CAPITALIZATION. Avoid using capital letters except for proper names.” In accordance with this procedure, the capitalization recommendations in Comment 5.b. and Comment 5.c. are not being accepted.

VII. FINAL REGULATORY FLEXIBILITY ANALYSIS:

These rules will have no significant economic impact on small businesses, as defined in s. 227.114 (1), Stats.

Accy 7.05, 8.04, 8.05 CR09-100 (Mutual recognition agreements) Report to Leg 12-21-09