The Accounting Profession: Examples of Governmental Regulation on both the Federal and State Levels

An Honors Thesis (ID 499)

by

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"If, like Rip Van Winkle, a public accountant had fallen into a long sleep and were to awaken today, what an unfamiliar world he would find!" (Hall, 1987). This quotation eludes to the not so shocking fact that like most professions, accounting, both public and certified, have changed immensely in the last decade. What has been the cause of such change? The general evolution of society in addition to technological advancements, the international market, and complex tax laws have made the accounting field an extremely intricate one in which to work. Another aspect of the accounting profession which leads to change is governmental regulation. Federal and state involvement in accounting increases as does the complicated society in which businesses and individuals must function today. Specific examples of attempted regulation of auditing procedures on the national level and the certification process on the state level will be utilized to show the involvement of government regulation on the accounting profession.

The complexities of the financial area of auditing have caused the federal government to conduct hearings on fraudulent financial reporting. According to McGee (1986) "sixteen public hearings were held in 1985 and 1986 by the Oversight and Investigative Subcommittee of the House Energy and Commerce Committee." The purpose of these hearings is to
discover the "performance of independent auditors" (Newman, 1986). Over the course of the two year period of hearings, Congressman Ron Wyden authored bill 4886 titled the Financial Fraud Detection and Disclosure Act of 1986. However, portions of the bill were changed due to the hearings and bill 5439 evolved. Congressman Wyden states in Newman (1986) that he revised the bill because he "...discussed the issue at length with accounting experts, practicing accountants, and non-partisan governmental organizations." The proposed legislation is an attempt to amend the Securities Exchange Act of 1934 and hence, only pertains to organizations that are filed with the Securities and Exchange Commission.

John B Dingell, chairman of the Committee conducting the hearings, states that the hearings prove that legislation needs to be enacted to "...improve the availability of independent auditors to carry out their responsibilities under the Federal Securities Laws" (Newman, 1986). Hence, with Congressman Dingell and Wyden in agreement they developed three main functions that bill 5439 would fulfill. First, according to Newman (1986) the bill needs to "include reasonable procedures for material fraud detection." The second aspect of the bill is to "require reporting on internal control systems" (Newman, 1986). Third, bill 5439 must "require the reporting of fraudulent activities to appropriate enforcement and regulatory authorities" (Newman, 1986). In essence, as an auditor is performing his/her job related functions, any illegality or
irregularity in a firm's financial records is to be reported to the previously discussed authorities.

The proposed legislation is intended to correct three major problems in auditing. First, "when an auditor discovers a fraud, current standards only require the auditor to inform management and the board of directors, and then the auditor may resign" (Newman, 1986). This procedure allows an auditor to inform management of an illegality and then resign from his/her position. Therefore, most likely no action will be taken to correct the fraudulent financial reports. Newman (1986) states the second rectification the bill contains is requiring an auditor to search for fraud. Congressman Wyden feels that "the public expects more and deserves more" (Newman, 1986). Ultimately, it is Wyden's view that when performing an audit the accountant should expect fraud and search for illegalities. Finally, the third correction of the legislation is intended to save companies from failing due to fraud because of incomplete statements from auditors (Newman, 1986). This is accomplished by implementing the first two corrections.

Opposite the positive perspective of bill 5439 are those people who think "fraud is an illusive goal and additional responsibilities placed upon the accounting profession will not solve the problem" (McGee, 1986). It appears that if auditors are forced to broaden the scope of their task to fraud detection and reporting, they will become "federal policemen"
(McGee, 1986). McGee (1986) concludes that if accountants are mandated this duty, "additional burdens will be imposed on the accounting profession without significantly decreasing the possibility of preventing loss due to fraud". It is this vane of thought that initiated the Treadway Commission.

The Treadway Commission is a national non-governmental study on fraudulent financial reporting. Sponsoring the study are the American Institute of Certified Public Accountants, the American Accounting Association, the Financial Executives Institute, the Institute of Internal Auditors, and The National Association of Accounts (Berman, 1988). This group hopes to formulate a strategy that will satisfy those parties affected by the commission without depicting a need for governmental regulation (Berman, 1988). The commission has no legal power, but because of the reputation of those backing the operation, "it feels its recommendations are less onerous to publicly held companies and their accountants than proposed whistle-blower legislation" (Berman, 1988).

Opposition such as that previously described caused bill 5439 not to pass in the legislative session in which it was proposed. However, it is obvious that great problems exist in the world of auditing. A commission such as Treadway would not have been ordered unless it was necessary. Hence, it appears that governmental regulation from the federal level is a trend for the future. Buckley and Weston (1980) state that:
now that the accounting profession is in the limelight, a heightened sense of the accountant’s role and his responsibility to the public is well underway. There are in excess of 25 million investors in this country who through the power at the polls, will see to it that present interest is sustained and interest among more members of congress is generated.

As the world of accounting evolves, increased governmental regulation at the state level also occurs in an attempt to improve the oversight of the profession. A particular aspect of accounting which is the responsibility of each state is the creation of a licensing program. In order to illustrate this state obligation, Indiana will be used as a specific example. Under current Indiana law there are five steps in becoming a Certified Public Accountant. According to the Indiana Code 25-2-1 (see Appendix one) and “Extension of Credit Hours” (1991), a person must first complete pre-accounting and general education requirements. The second step is to complete accounting courses and degree requirements and graduate with a baccalaureate degree. Third, a college graduate must work three years in public accounting or retain equivalent work experience, and sit for the CPA exam some time during the three years. Upon passing the CPA exam, a person will become certified and receive his/her first biannual permit (state license) to practice in the accounting profession as a Certified Public Accountant. The fifth and final step set by the Indiana Code requires continuing education.
Guidelines such as those established in the Indiana Code are developed and passed into law by the Indiana General Assembly. Legislators and staff spend months before an official Session (see Appendix one) begins working on state issues in order to propose new laws or changes to existing laws to the Senate (see Appendix one) and the House of Representatives (see Appendix one). An area of concern for legislators during the 107th Indiana General Assembly is educational requirements for Certified Public Accountants. Hence, Senate Bill 276 (see Appendix one) which addresses the licensing process was proposed. A thorough investigation of Senate Bill 276 represents a timely example of how the legislative and political processes at the state level affect the accounting profession. In essence, the bill as described in its digest (see Appendix one):

Provides that the educational requirements for certified public accountants expires January 1, 2000. Replaces the current requirement, beginning January 1, 2000, with the requirements that first time examination candidates must have at least 150 semester hours (or its equivalent) of college education, including an accounting concentration (or its equivalent).

A complete copy of the bill is located in Appendix two.

The reasoning behind bill 276 is the same as that for federal regulation. According to “Facts About,” “prospective CPA’s need to master a growing scope of knowledge to practice tomorrow’s accounting because the financial arena is becoming more complex with each passing
day." After analyzing Senate Bill 276 and the Indiana Code 25-2-1, the only notable change to the licensing process occurs in step three of becoming a Certified Public Accountant. Under the proposed change to the Indiana Code, a person would be required at this point to complete the additional 16-30 credit hours to bring his/her total to 150 credit hours. However, it is imperative to note that the bill is not an attempt to force universities to lengthen the accounting baccalaureate degree to 150 credit hours. Instead, a CPA candidate would be encouraged to obtain additional coursework during the three year work experience requirement ("Extension of Credit Hours," 1990).

The thrust toward 150 credit hours in the accounting profession is not only a state plan, but originated at the national level in 1988 by the American Institute of Certified Public Accountants (AICPA) ("Extension of Credit hours," 1990). The AICPA "is the national organization which monitors professional ethics and standards, and prepares and grades the Uniform CPA Examination" ("Facts About"). This organization has "jurisdiction in all 50 states and four trust territories and in 1988 established a 150 hour course requirement for membership, to become effective in the year 2000" ("Extension of Credit Hours," 1990). It was after the AICPA requirement was set forth that the Indiana CPA Society (ICPAS) prepared a proposal for the legislature asking for a change in the Indiana Code. According to the "Facts About," the ICPAS is a 75-year old
professional accounting association with over 6000 statewide members. The association "has been a leader for educational and quality performance issues throughout its history" ("Facts About").

The change in the certification process will cause four broad improvements in Certified Public Accounting. First, CPA's with an increased education will "better serve the public" ("Facts About"). Because of the complexity of the financial realm, CPA's must be extremely well-qualified to adequately perform their duties. Not only is the 150 credit hour plan endorsed by the AICPA, but as stated in the "Extension of Credit Hours" (1990), the proposal of increased education is also backed by the National Association of the State Board of Accountancy (NASBA), the American Accounting Association (AAA), and the Federation of Schools of Accountancy (FSA). In addition, Tennessee, Kentucky and ten other states have already implemented the 150 hour course requirement ("Extension of Credit Hours," 1990). Second, "Facts About" states that an "improved quality of work" would be a likely result of the educational push. If the public is made aware of the "comprehensive education obtained by CPA's, they will continue to place their trust in the work produced" ("Facts About"). A third factor contained in the bill would "increase professional competence" ("Facts About"). Due to increased specialization in the accounting field, extra credit hours are needed to prepare a person for their line of work. Finally, an "increased liberal arts
education" would be allowed under the new CPA certification process ("Facts About"). Not only is an extensive accounting background a necessity for success, but education in history, literature, languages and sciences are needed in the world of a Certified Public Accountant ("Facts About").

Personal interviews with two men involved in the political and accounting areas illustrates support and opposition for Senate Bill 276. An interview with Larry E. Nunn, of Larry Nunn and Associates CPA's serves as an example of one accountant's strong support for Senate Bill 276. Mr. Nunn states that "with tax changes, increased technology, and the international workforce, the increased credit hours would create a well-rounded person to better serve the public." It is the hope of Larry Nunn and other accounting professionals that CPA candidates will go beyond the basic background provided by a four year degree. Knowledge in international finance and economics as well as foreign language is becoming an essential exponent in the field of accounting. Finally, Nunn disagrees with critics of 276 as he states "this bill does not restrict people from entering the public accounting job market, but allows for improvement in the Certified Public Accounting field."

Opposition to Senate Bill 276 also exists. During a personal interview with Mark Alan Palmer of Johnson, Smith, Densborn, Wright, and Heath, he explained his arguments against the bill. The multi-client
lobbying firm for which Mr. Palmer works, represents a client who owns CPA Exam Review Companies in each of the 50 states. Hence, the client opposes tougher regulation on CPA certification because of a fear of decreasing exam candidates. Palmer called his client's dilemma "the classic turf battle." Undoubtedly, a CPA exam review organization needs a steady stream of clients to run an efficient operation. Therefore, Palmer was hired to attempt to defeat Senate Bill 276.

Now that an explanation of Senate Bill 276 has been discussed, it is also important to understand its path through the General Assembly. After speaking with Senator Steven R. Johnson (Republican-Kokomo), the writer discovered he was approached by Carole Spinner of the Indiana CPA Society to author a bill with the idea of increased educational requirements for CPA's. Senator Johnson contacted his accountant to discuss the idea of increasing educational requirements for Certified Public Accountants. Discovering that his accountant supported the increase, Senator Johnson decided to author (see Appendix one) Senate Bill 276. Appendix number three is a graphical explanation of how a bill becomes a law. However, a complete discussion of Senate Bill 276's journey through the General Assembly will assist in clarifying the process.

After Senator Johnson decided to author Senate Bill 276, he took his ideas on amending the Indiana Code to the Legislative Services Agency.
Attorneys proceeded to draft an introduced version of the bill for Senator Johnson to inspect. Once the Senator approves the bill, he files the introduced version with the Secretary of the Senate's office. Senator Robert Garton (Republican-Columbus), the President Pro Tempore (see Appendix one) of the Senate, is responsible for assigning all filed bills to a standing committee (see Appendix one). Because of the educational implications of Senate Bill 276, it was assigned to the Senate Education Committee by Senator Garton. Senate Bill 276 is now ready for first reading (see Appendix one) in the Senate Chambers. Following Senate Bill 276 through the legislature is done with the assistance of the Legislative Chamber Book published by the Indiana State Chamber of Commerce. The book is a tracking device updated on a daily basis by staff members. A copy of the portion of the Chamber Book on Senate Bill 276 is located in Appendix four.

Once the committee assignment is announced in the Senate Chambers the bill has passed first reading, each member of the Education Committee then receives a copy of the bill to examine. After the members of the Education Committee have had an opportunity to study the contents of the legislation, a committee meeting can be called by the chairman of the committee to discuss the bill. On January 29, 1991 Senate Bill 276 was heard in committee with the recommendation of "Do Pass" (see Appendix one). When a bill survives committee, every senator receives a copy of the
bill in order to assist in the voting process. To aid Senator Johnson in passing the bill, Senator Maidenberg was added as a second author and Senator McCarty was put on the bill as a co-author (see Appendix five-A). A bill is required to sit on all of the Senators' desks for 48 hours before it can be called on the Senate floor for the second time. Second reading (see Appendix one) is when all debate on a bill occurs. Also, any amendments (see Appendix one) to a bill are voted on during second reading.

Senator Johnson called Senate Bill 276 for the second time on February 4, 1991. There were no motions presented to amend the bill and it passed the Senate's second reading process. The next step in the process is third reading (see Appendix one). At this time, a roll call (see Appendix one) vote is taken electronically to pass or defeat the bill. On February 11, 1991, Senator Johnson called his bill and it passed third reading 30-20. The breakdown of the vote is interesting as 14 democrats and 16 republicans voted for the bill. Consequently, 10 democrats and 10 republicans voted against Senate Bill 276. This indicates that the legislation was not a party line vote, but the Senators had individual ideas about the bill. A copy of the roll call vote for Senate Bill 276 appears in Appendix six. After a bill passes third reading, sponsors (see Appendix one) are assigned to assist in its passage through the House of Representatives. Representative Dvorak was named the House sponsor and Representatives Dobis, Buell and Kiely became co-sponsors (see Appendix
five-B).

A bill begins the same process in the House of Representatives after it passes third reading in the Senate. Speaker of the House Michael Phillips (see Appendix one), assigned Senate Bill 276 to the Governmental Affairs Committee on March 7, 1991. The bill passed out of committee on March 28, 1991. Second reading occurred on April 10, 1991 and Senate Bill 276 passed without motion to amend. It was at this point that the bill's easy ride through the General Assembly came to a screeching halt. Because of conflict on the State Budget and Redistricting between the Republican and Democrat parties, Senate Bill 276 was never called up for vote in the House. However, although the bill appeared to be dead, it was resurrected as an amendment to another bill.

At the end of each Session there is a period of conference committees (see Appendix one) in which two members from each House are appointed to discuss differences of opinion in bills and attempt to "iron out" the problems. House Bill 1768 is a professional licensure bill and it was determined that the language in Senate Bill 276 was germane (see Appendix one) to House Bill 1768 and was added as an amendment. Senators Wheeler and O'Day, and Representatives Bowser and Conlon represented the Senate and House of Representatives, respectively. The new version of the bill was discussed in conference committee and reported favorably back to each House by the conferees. The conference
committee Report is located in Appendix seven. However, when Senator Wheeler called House Bill 1768 to the floor as a conference committee report eligible for adoption, there were problems. The major question about the bill was caused by a misprint in the committee report. Instead of the effective date being December 31, 1999, it was printed as December 31, 1991. Therefore, because of the confusion, Senator Wheeler withdrew his motion for a vote on 1768 so that the bill could be reprinted and discussed on the floor at a later time. Since the bill was being considered on the last day of session, there was not an opportunity for it to be called again. Hence, Senate Bill 276, alias House Bill 1768, died on April 30, 1991. However, even though the CPA educational bill was not passed into law this session, it will most likely reappear at a later date. Because of strong support on both the state and federal level, the increased level of education for Certified Public Accounting has only just begun.

CONCLUSION

Throughout the last ten years the accounting profession has expanded its focus and, thus, so must its followers. From the ethical stance of the Financial Fraud Detection and Disclosure Act of 1986 to Senate Bill 276, concerning educational requirements for Certified Public Accountants of 1991, accounting has proven to be a dynamic and ever changing field that needs regulation. Is the attempt of such governmental
regulation the wrong manner in which to assist the needs of the accounting profession? This writer does not think so. The efforts to regulate accounting exemplified in this thesis were not successful during the Legislative Session in which they were proposed. However, even government interest in an issue initiates peoples' involvement if they are affected by a topic. This is exemplified in one instance by the Treadway Commission. Action such as the Treadway Commission caused people in the accounting profession to become educated and aware of problems, therefore, investigating solutions. Eli Mason, Certified Public Accountant, writes the credo for a CPA. This verse depicts the enormous responsibility of CPA's and, although, not directly stated in the credo, public accountants carry the same burden. Those individuals who are experts in the financial arena have an obligation:

To serve the public from whom my authority is derived.
To serve my profession and contribute to its institutions.
To practice at the highest professional level.
To maintain an ethical posture characteristic of a learned profession.
To maintain my technical skills so that the public is served with competence.
To maintain a state of independence at all times so that decisions are reached with objectivity.
To work with my colleagues--for the practice of a profession is an experience in human behavior and mutual respect.

"Credo for a CPA" Eli Mason, CPA (Buckley and Weston, 1980).
To achieve this kind of "perfection," government involvement and regulation must be present.
Appendix One
Glossary of Legislative Terms
(Mendel, 1991)

Amendment - Any alteration made or proposed to be made, in a bill, motion, or clause thereof, by adding, changing, substituting or omitting.

Author - The member who introduces a bill in the house of origin.

Bill - Draft of proposed law presented to the legislature for consideration.

Conference Committee - A committee of four members, usually one from each party in each house, which meets to resolve differences on a bill which has passed both houses in differing form.

Digest - A brief summary of the contents of a bill which must be attached before introduction.

Do Pass - The affirmative recommendation made by a committee in sending a bill to the floor for additional action.

First Reading - To read the first of three times the bill or title for consideration.

Germaneness - The relevance or appropriateness of amendments or substitutes.

House of Representatives - A legislative body, being the lower house of the General Assembly, with 100 members.

Indiana Code - A compilation of the permanent laws of Indiana.

President Pro Tempore - The majority floor leader in the Senate who presides in the absence of the President of the Senate. The President Pro Tempore appoints Senate Committees, refers bills to committee and directs the Senate staff.

Roll Call Vote - Recording the presence of members or taking a vote.

Second Reading - Consideration of a bill by the house after study by committee. Bills may be deleted and amended at this point.

Senate - The upper house of the General Assembly, with 50 members.

Session - The period during which legislature meets at which all classes of legislation may be considered.
**Speaker of the House** - The presiding officer of the House of Representatives, chosen by members. Neither the constitution nor the Rules of the House require that the Speaker be a member of the House, but by custom, he always is.

**Sponsor** - A member who agrees to introduce and support a bill in the second house after its passage by the house of origin.

**Standing Committee** - Regular committees of the legislature set up to perform certain legislative functions.

**Third Reading** - The reading of a bill for final passage.
Appendix Two

January 30, 1991

SENATE BILL No. 276

DIGEST OF INTRODUCED BILL

Citations Affected: IC 25-2-1.

Synopsis: Educational requirements for certified public accountants. Provides that the educational requirement for certified public accountants expires January 1, 2000. Replaces the current requirement, beginning January 1, 2000, with the requirement that first time examination candidates must have at least 150 semester hours (or its equivalent) of college education, including an accounting concentration (or its equivalent).

Effective: July 1, 1991.

____________________________________________________

Johnson, McCarty, Maidenberg

____________________________________________________

January 9, 1991, read first time and referred to Committee on Education.
January 30, 1991

First Regular Session 107th General Assembly (1991)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in this style type, and deletions will appear in this style type.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in this style type. Also, the word NEW will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

SENATE BILL No. 276

A BILL FOR AN ACT to amend the Indiana Code concerning professions and occupations.

Be it enacted by the General Assembly of the State of Indiana:

SECTION 1. IC 25-2-1-4 IS AMENDED TO READ AS FOLLOWS: Sec. 4. (a) A certificate of certified public accountant shall be granted by the board to any person:

(1) who has attained the age of eighteen (18) years;

(2) who does not have a conviction for:

(A) an act which would constitute a ground for disciplinary sanction under section 13.1(b) of this chapter; or

(B) a felony that has a direct bearing on his ability to practice competently;

(3) who has passed a written examination established by the board in accounting theory, accounting practice, auditing, and such related subjects as the board shall determine to be appropriate; and

(4) except as to any person registered and licensed as a public accountant, who meets the following requirements of education, residence, and experience:
(A) The experience requirements shall be:

(i) three (3) years of public accounting experience, satisfactory to the board, in practice in any state as a certified public accountant or as a public accountant, or in employment in any state as an accountant by anyone practicing public accounting, or a combination of such types of experience;

(ii) the completion of from three (3) to six (6) years of experience, in accounting but not in public accounting, such as experience in teaching accounting in full-time employment in a college, an institution created under IC 20-12-61, or a private school registered under IC 20-12-62;

(iii) full-time employment as an accountant by any business or corporation, or by a governmental agency, which, in the opinion of the board, is equivalent to three (3) years of public accounting experience; or

(iv) any combination of such types of experience.

A master's degree in accounting or business administration from a college or university recognized by the board, and the satisfactory completion of such semester hours in accounting, business administration, economics, and such related subjects as the board shall, by rule, determine to be appropriate, may be substituted for one (1) year of public accounting experience.

(B) Before January 1, 2000, the educational requirement shall be graduation with a baccalaureate degree conferred by a college or university recognized by the board, and the satisfactory completion of such number of semester hours in accounting, business administration, and economics, and such related subjects as the board shall by rule determine to be appropriate.

(C) After December 31, 1999, the educational requirement for first time examination candidates must be at least one hundred fifty (150) semester hours (or the equivalent, if a different grading period is used) of college education, including a baccalaureate or higher degree. The total education program must
include an accounting concentration (or its equivalent) as determined by the board by rule to be appropriate.

(3) (D) The board may, in its discretion, waive the educational requirement for any candidate if it is satisfied from the result of a special written examination given the candidate by the board to test his educational qualifications that he is as well equipped educationally as if the applicable educational requirements of this section were met. The board may provide by rule for the general scope of such examinations and may obtain such advice and assistance as are appropriate to assist the board in preparing and grading such special examinations. The cost of such examination shall be borne by the candidate.

(3) (E) On the date of submitting an application to take any written examination established by the board leading to the granting of a certificate of certified public accountant, a candidate must have lived in Indiana for the immediately preceding sixty (60) days or the candidate must have maintained permanent legal residence in Indiana for the preceding six (6) months. Applications to take the written examination must be approved by the board.

(b) The examinations described in subsection (a)(3) held by the board shall take place as often as the board shall determine, but shall be held at least once each year. The board may make such use of all or any part of the uniform certified public accountant’s examination and advisory grading service necessary to assist the board in performing its duties under this chapter.

(c) A candidate may take the examination required by subsection (a)(3) before meeting the experience or education requirements under this section. However, if a candidate who has taken the examination before meeting the education requirements under this section fails to satisfactorily complete degree requirements within sixty (60) days after taking the examination, the candidate’s examination is invalid.

(d) A candidate for the certificate of a certified public accountant who has successfully completed the examination under subsection (a)(3) shall have no status as a certified public accountant, unless and until he has the requisite experience and has received his certificate as a certified public accountant.

(e) The board may by rule prescribe the terms and conditions
under which a candidate who passes the examination in two (2) or more of the subjects indicated in subsection (a)(3) may be reexamined in only the remaining subjects, with credit for the subjects previously passed. Credit given by another state for subjects passed may be recognized, provided the requirements to sit for an examination in such other state are at least equivalent to those in this state, and that such other state has related terms and conditions not inconsistent with those of this state. The board may also provide by rule for a reasonable waiting period for a candidate's reexamination in a subject he has failed. Subject to the foregoing and such other rules as the board may adopt governing reexamination, a candidate shall be entitled to any number of reexaminations under subsection (a)(3).

(f) In general, the applicable educational and experience requirements under subsection (a)(4) shall be those in effect on the date of the examination for which the candidate first sits for such examination. In the case of candidates, a candidate who is inducted into or enlists for one (1) tour of active duty in the armed forces of the United States, the applicable educational and experience requirements under subsection (a)(4) shall be those in effect on the date of the candidate's induction or enlistment. The board may provide by rule for exceptions to the general rule in order to prevent what it determines to be undue hardship to candidates resulting from changes in the educational and experience requirements as provided in subsection (a)(4).

(g) The board shall set the fee of not less than twenty-five dollars ($25) for the initial examination provided in subsection (a)(3).

(h) Fees for reexamination under subsection (a)(3) shall also be set by the board for each subject in which the candidate is reexamined, of not less than twenty-five dollars ($25), for such reexamination. Any person who has received from the board a certificate as a certified public accountant and who holds a permit issued under section 12 of this chapter, which is in full force and effect, shall be styled and known as a "certified public accountant" and may also use the abbreviation "CPA". A list of certified public accountants shall be maintained. Any certified public accountant may also be known as a "public accountant".

(i) Persons who, on July 1, 1969, hold certified public accountant certificates issued before that date under the laws of this state shall not be required to obtain additional certificates under this chapter, but shall otherwise be subject to all provisions of this chapter, and such certificates theretofore issued shall, for all purposes, be considered certificates issued under this chapter and subject to the provisions of this chapter.
SECTION 2. IC 25-2-1-10 IS AMENDED TO READ AS FOLLOWS: Sec. 10. (a) The license of "accounting practitioner" shall be granted by the board to any person who:
   (A) (1) has attained the age of eighteen (18) years;
   (B) (2) has not been convicted of:
      (1) an act which would constitute a ground for disciplinary sanction under section 13.1(b) of this chapter; or
      (2) a felony that has a direct bearing on his ability to practice competently;
   (C) (3) has met the experience requirements set forth in section 4(a)(3) of this chapter; and
   (D) (4) has met either of the following education and examination requirements:
      (1) Graduation from a duly accredited high school, business college, college, or university recognized by the board and passage of a written examination established by the board in accounting theory and practice.
      (2) Graduation with a baccalaureate degree conferred by a college or university recognized by the board and the satisfactory completion of such semester hours in accounting, business administration, economics and such related subjects as the board shall, by rule, determine to be appropriate, and passage of a written examination established by the board in accounting theory.
   (b) A candidate who has met the education requirements of graduation from a business college or college or university recognized by the board shall be eligible to take the examination prescribed in this section, provided he also meets the requirements of subsection (a)(B) (a)(2).
   (c) The board may, in its discretion, waive the educational requirement for any candidate if it is satisfied from the result of a special written examination given the candidate by the board to test his educational qualifications that he is as well equipped educationally as if he met the applicable educational requirements specified in subsections (a)(2) (a)(2) subsection (a)(4)(A) and (a)(4)(B). The board may provide by rule for the general scope of such examinations and may obtain such advice and assistance as it deems appropriate to assist in preparing and grading such special examinations. The cost of such examination shall be borne by the candidate, provided that the cost of any reexamination shall not exceed two (2) times the
cost of the original fee for sitting for the examination.

d) The examinations described in subsection (a)(3)(a)(4) shall be held on behalf of the board, shall take place as often as the board shall determine, but shall be held not less frequently than once each year. The board may make such use of all or any part of the uniform certified public accountant's examination and advisory grading service as it deems appropriate to assist it in performing its duties under this chapter.

e) The examinations described in this section shall be conducted under and pursuant to rules duly adopted by the board pursuant to the provisions of section 3 of this chapter.

f) Any person who has received from the board a license to practice public accounting as an accounting practitioner and holds a permit issued under section 12 of this chapter which is in full force and effect shall be registered with the board and styled and known as an "accounting practitioner" and may also use the abbreviation "AP". However, no person registered and licensed under this chapter as an "accounting practitioner" shall prepare or render accounting opinions or certificates on financial statements, schedules, reports, or exhibits for publication, credit purposes, use in courts of law or equity, or for other purposes.

g) A partnership engaged in this state in the practice of public accountancy as accounting practitioners shall register with the board as a partnership of accounting practitioners and have and maintain all of the following requirements:

(A) (1) At least one (1) partner thereof must be a certified public accountant, a public accountant, or an accounting practitioner in good standing of this state.

(B) (2) Each partner thereof personally engaged within this state in the practice of public accountancy as a member thereof must be a certified public accountant, a public accountant, or an accounting practitioner in good standing of this state.

(C) (3) Each partner thereof shall be a certified public accountant, a public accountant, or an accounting practitioner in good standing of some state or territorial possession of the United States of America, or as to a partner who is a nonresident of the United States of America and who is not a certified public accountant, a public accountant, or an accounting practitioner in good standing of some state or territorial possession of the United States of America, he shall hold a license or rating in some foreign country which is equivalent to that of a certified public accountant, a public accountant, or an
accounting practitioner in the United States of America.

(4) Each resident manager in charge of an office of a
firm in this state must be a certified public accountant, a
public accountant, or an accounting practitioner in good
standing of this state.

Application for such registration shall be made upon the affidavit
of a partner of such partnership who holds a permit to practice
in this state as a certified public accountant, a public accountant,
or an accounting practitioner. The board shall in each case
determine whether the applicant is eligible for registration. A
partnership which is so registered and which holds a partnership
permit issued under section 12 of this chapter may use the words
"accounting practitioners" or the abbreviation "AP's" in
connection with its partnership name. Notification shall be given
the board within one (1) month after the admission to or
withdrawal of a partner residing in Indiana from any
partnership so registered.
SENATE MOTION

Mr. President: I move that Senator Maidenberg be added as second author of Senate Bill 276.

JOHNSON

SENATE MOTION

Mr. President: I move that Senator McCarty be added as coauthor of Senate Bill 276.

JOHNSON
COMMITTEE REPORT

Mr. President: Your Committee on Education, to which was referred Senate Bill 276, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill do pass.

SINKS, Chairman

Committee Vote: Yeas 7, Nays 2.
How A Bill Becomes A Law In Indiana

SENATE

DRAFTED

ASSIGNED TO COMMITTEE

1ST READING

PRESIDENT PRO-TEM OF SENATE

TO SENATE

SENATE-HOUSE CONFERENCE

GOVERNOR APPROVED OR VETOED

TO GOVERNOR

TO HOUSE

HOUSE

REPORT OUT

NO PASS

AMEND NO PASS

NO RECOMMENDATION

KILL

PASS

AMEND

RETURN TO COMMITTEE

2ND READING

PASS

DEFEAT

AMEND

RETURN TO COMMITTEE

3RD READING

(Here is Your Indiana Government)
1989
<table>
<thead>
<tr>
<th>BILL NO.</th>
<th>HOUSE OF ORIGIN</th>
<th>SECOND HOUSE</th>
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<tbody>
<tr>
<td>S.B. 276</td>
<td>EDUCATIONAL REQUIREMENTS/CPA</td>
<td>Assigned to Education</td>
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<tr>
<td></td>
<td>(Johnson) Provides that the educational requirement for certified public accountants expires January 1, 2000. More.</td>
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<td>1/29 D P Pass 2/11 (50-20)</td>
<td>3/12 DP Pass 4/10</td>
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<tr>
<td>S.B. 277</td>
<td>COMMERCIAL DRIVER’S LICENSE</td>
<td>Assigned to Inter.Coop. Trans.</td>
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<td>(Weatherwax) Provides that the holder of a chauffeur's or public passenger chauffeur's license that is renewed or issued after June 30, 1991, is not entitled by that license to drive a commercial motor vehicle (CMV). More. Effective: Upon passage; April 1, 1992.</td>
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<tr>
<td>S.B. 278</td>
<td>PERF, TRF COST OF LIVING</td>
<td>Assigned to Pensions/Labor</td>
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<td>(Harrison) Provides increases to the pension portion of the monthly benefit payable to retired PERF or TRF members (or to survivors or beneficiaries of PERF or TRF members) ... Provides a 2% cost of living increase to all members (or to survivors or beneficiaries of members) who retired or were disabled before July 2, 1990.</td>
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<td>2/15 DP 2/25 P 2/5 PA 4/9 D</td>
<td>4/7 Ways 1/5 DP 4/15 PA 4/12 9/4 1/12</td>
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<tr>
<td>S.B. 279A</td>
<td>EXCISE POLICE TRAINING FUND</td>
<td>Assigned to Public Policy</td>
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<td>(Harrison) Establishes an alcoholic beverage enforcement officers' training fund that is similar to the state police training fund and the conservation officers' training fund. Provides for administration of the fund by the Alcoholic beverage commission. More. Effective: Upon passage.</td>
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<td>2/160 PA 2/18 PA 2/12 PA 4/16</td>
<td>3/1 Ways 5/10 DP 4/15 PA</td>
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<tr>
<td>S.B. 280</td>
<td>ADVISORY COMMITTEE/MEDICAL ASSISTANCE</td>
<td>Assigned to Health/HumanSer.</td>
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<td></td>
<td>(Riegsecker) Adds the Indiana psychological association to the list of organizations represented on the advisory committee for medical assistance.</td>
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<td>2/6 DP 2/11 P 2/12 PA 4/10</td>
<td>4/1 DP 4/10 PA</td>
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</table>
Appendix Five-A
Senators Involved With Senate Bill 276


SEAT NO. 22. Committees: Environ. & Consumer Affs.; Ch., Ethics; R.M., Finance and (Budget); Legis. Appmt. & Elecs. (Elections); Public Policy (Govt. Reg.).

Author

(D) Anthony Charles Maldenberg (Dist. 20, Grant, Howard, Madison). P.O. Box 1205, Marion 46952. Attorney. State Senator 1986-. Mayor, City of Marion 1976-79. Mbr. - Local Govt. Study Commission, Marion Rotary Club, Community Foundation of Grant County, Marion Urban League, Marion NAACP, Grant County, Indiana and American Bar Assns. B.A., Indiana University; J.D. Georgetown University, Jewish, Sinai Temple.


Second Author


SEAT NO. 47. Committees: Commerce; Finance (Budget); Public Policy (Public Safety).

Co-Author


(Legislative Directory) 1991
Appendix Six

INDIANA STATE SENATE

SB 276 JOHNSON THIRD READING
EDUCATIONAL REQUIREMENTS FOR CPA

2/11/91
5:21 PM

PRESIDING: WHEELER

30 YEAS 20 NAYS 0 NOT VOTING
PASSED

VOTING YEA:

ALEXA
BLANKENBAKER
BREAUX
CORCORAN
DOLL
GARD
GARTON
GERY

HARRISON
HUNT
JOHNSON
LANDSKE
LAWSON
MAHERN
MAIDENBERG
MCCARTY

MEEKS
MERRITT
MILLER, P
NEARY
O' DAY
RIEGSECKER
ROGERS
SIMPSON
SINKS
SMITH
THOMPSON
WEATHERWAX
WHEELER
WORMAN

VOTING NAY:

ANTICH
BORST
CRAYCRAFT
FERREE
HELLMANN
HUME

LEISING
LEWIS
MACKLIN
MILLS
MRVAN
NUGENT

PAUL
PEASE
SERVER
SOARDS
WOLF
WYSS
YOUNG
ZAKAS

NOT VOTING: NONE

EXCUSED: NONE
MR. PRESIDENT:

Your Conference Committee appointed to confer with a like committee from the House upon Engrossed Senate Amendments to Engrossed House Bill No. 1768 respectfully reports that said two committees have conferred and agreed as follows to wit:

that the House recede from its dissent from all Senate amendments and that the House now concur in all Senate amendments to the bill and that the bill be further amended as follows:

Page 1. between the enacting clause and line 1. begin a new paragraph and insert the following:

"SECTION 1. IC 5-2.5-5 IS AMENDED TO READ AS FOLLOWS: Sec. 5. (a) On request. law enforcement agencies shall release. or allow inspection of. a limited criminal history to noncriminal justice organizations or individuals only if the subject of the request:

- (1) has applied for employment with a noncriminal justice organization or individual;
- (2) has applied for a license and criminal history data as required by law to be provided in connection with the license;
- (3) is a candidate for public office or a public official;
- (4) is in the process of being apprehended by a law enforcement agency;
- (5) is placed under arrest for the alleged commission of a crime;
- (6) has charged that his rights have been abused repeatedly by criminal justice agencies;
- (7) is the subject of judicial decision or determination with respect to the setting of bond. plea bargaining. sentencing. or probation;
- (8) has volunteered services that involve contact with. care of. or supervision over
a child who is being placed, matched, or monitored by a social services agency or
a not-for-profit corporation;
9: is being investigated for welfare fraud by an investigator of the state
department of public welfare or a county department of public welfare; or
10: is being sought by the parent locator service of the child support division of
the state department of public welfare; or
(11) has applied for a private detective license or is an officer or a partner
of an applicant for a private detective license and is being investigated by:
(A) the private detectives licensing board established under
IC 25-30-1-5.1; or
(B) the Indiana professional licensing agency.
However, limited criminal history information obtained from the National Crime
Information Center may not be released under this section except to the extent
permitted by the Attorney General of the United States.
(b) Any person who uses limited criminal history for any purpose not specified under
this section commits a Class A misdemeanor.
SECTION 2. IC 25-1-10 IS ADDED TO THE INDIANA CODE AS A NEW
CHAPTER TO READ AS FOLLOWS:
Chapter 10. Professional Licensing Standards of Practice
Sec. 1. As used in this chapter, "board" means any of the following:
(1) Indiana state board of public accountancy (IC 25-2-1-3).
(2) Board of registration for architects (IC 25-4-1-2).
(3) Indiana auctioneer commission (IC 25-6-1-2).
(4) State board of barber examiners (IC 25-7-1-20).
(5) State boxing commission (IC 25-9-1).
(6) State board of cosmetology examiners (IC 25-8-3-1).
(7) State board of funeral service (IC 25-15).
(8) Board of registration for professional engineers and land surveyors
(IC 25-31-1-3).
(9) Indiana plumbing commission (IC 25-28.5-1-3).
(10) Indiana real estate commission (IC 25-34.1).
(11) Indiana state board of television and radio service examiners (IC 25-36-1-4).
(12) Real estate appraiser certification board (IC 25-34.1-8).
(13) Private detectives licensing board (IC 25-30-1-5.1).
Sec. 2. As used in this chapter, "license" includes a license, certificate, registration, or permit.

Sec. 3. As used in this chapter, "person" means an individual, a partnership, or a corporation.

Sec. 4. As used in this chapter, "practitioner" means a person who holds:
   (1) an unlimited license, certificate, registration, or permit;
   (2) a limited or probationary license, certificate, registration, or permit;
   (3) a temporary license, certificate, registration, or permit; or
   (4) an intern permit;

issued by the board regulating a profession.

Sec. 5. (a) A practitioner shall comply with the standards established by the board regulating the profession and is subject to the exercise of the disciplinary sanctions under section 14 of this chapter if, after a hearing, the board finds that the practitioner:

   (1) has:
      (A) engaged in or knowingly cooperated in fraud or material deception to obtain a license to practice;
      (B) engaged in fraud or material deception in the course of professional services or activities; or
      (C) advertised services in a false or misleading manner;
   (2) has been convicted of a crime that has a direct bearing on the practitioner's ability to continue to practice competently;
   (3) has knowingly violated an Indiana statute or rule or federal statute or regulation regulating the profession;
   (4) has continued to practice although the practitioner has become unfit to practice due to:
      (A) professional incompetence;
      (B) failure to keep abreast of current professional theory or practice;
      (C) physical or mental disability; or
      (D) addiction to, abuse of, or severe dependency on alcohol or other drugs that endanger the public by impairing a practitioner's ability to practice safely;
   (5) has engaged in a course of lewd or immoral conduct in connection with the delivery of services to the public;

HB 1768 DI S1

CC.No.05'1991
(6) has allowed the practitioner's name or a license issued under this chapter to be used in connection with an individual who renders services beyond the scope of the individual's training, experience, or competence;

(7) has had disciplinary action taken against the practitioner or the practitioner's license to practice in another state or jurisdiction on grounds similar to those under this chapter;

(8) has assisted another person in committing an act that would constitute a ground for disciplinary sanction under this chapter; or

(9) has allowed a license issued by a board to be:

  (A) used by another person; or

  (B) displayed to the public when the license has expired or has been revoked or suspended.

(b) A certified copy of the record of disciplinary action is conclusive evidence of the other jurisdiction's disciplinary action under subsection (a)(7).

Sec. 6. In addition to section 5 of this chapter, a practitioner registered as an architect or a landscape architect is subject to the disciplinary sanctions under section 14 of this chapter if, after a hearing, the board finds that the practitioner has permitted the practitioner's seal to be affixed to plans, specifications, or drawings that were not prepared by the practitioner or under the practitioner's personal supervision by the practitioner's regularly employed subordinates.

Sec. 7. In addition to section 5 of this chapter, a practitioner licensed to practice auctioneering is subject to the disciplinary sanctions under section 14 of this chapter if, after a hearing, the board finds that the practitioner has failed to:

(1) account and to make payment under IC 25-6.1-6-2; or

(2) keep the funds of others separate from the practitioner's own private accounts.

Sec. 8. In addition to section 5 of this chapter, a practitioner registered as a barber is subject to the disciplinary sanctions under section 14 of this chapter if, after a hearing, the board finds that the practitioner has continued to practice although the practitioner has become unfit to practice barbering because of the contraction of a communicable disease that endangers the public.

Sec. 9. In addition to section 5 of this chapter, a practitioner registered as an engineer or a land surveyor is subject to the disciplinary sanctions under
section 14 of this chapter if, after a hearing, the board finds that the practitioner has permitted the practitioner's seal to be affixed to plans, specifications, or drawings not prepared by the practitioner or under the practitioner's personal supervision by the practitioner's regularly employed subordinates.

Sec. 10. In addition to section 5 of this chapter, a practitioner who is registered as a public accountant, registered as an accounting practitioner, or certified as a certified public accountant is subject to the disciplinary sanctions under section 14 of this chapter if after a hearing the board finds the practitioner has continued to practice although the practitioner has failed to:

(1) complete continuing education requirements satisfactorily; or

(2) furnish evidence of satisfactory completion of continuing education requirements.

Sec. 11. In addition to section 5 of this chapter, a person who is licensed as a private detective is subject to the disciplinary sanctions under section 14 of this chapter if after a hearing the board finds the person has:

(1) impersonated, or permitted or aided and abetted an employee to impersonate a law enforcement officer, an employee of the United States government, an employee of Indiana, or an employee of a political subdivision of Indiana; or

(2) during the period between the expiration of a private detective license for failure to renew within the time fixed under IC 25-30-1 and the reinstatement of the license, committed or permitted an employee to commit an act that would be cause for suspension or revocation of a license, or grounds for the denial for the application for a license.

Sec. 12. The board may order a practitioner to submit to a reasonable physical or mental examination if the practitioner's physical or mental capacity to practice safely is at issue in a disciplinary proceeding.

Sec. 13. Failure to comply with a board order to submit to a physical or mental examination makes a practitioner liable to summary suspension under section 15 of this chapter.

Sec. 14. (a) The board may impose any of the following sanctions, singly or in combination, if the board finds that a practitioner is subject to disciplinary sanctions under section 5 of this chapter:

(1) Permanently revoke a practitioner's license.
(2) Suspend a practitioner's license.

(3) Censure a practitioner.

(4) Issue a letter of reprimand.

(5) Place a practitioner on probation status and require the practitioner to:
   (A) report regularly to the board upon the matters that are the basis of probation;
   (B) limit practice to those areas prescribed by the board;
   (C) continue or renew professional education approved by the board until a satisfactory degree of skill has been attained in those areas that are the basis of the probation; or
   (D) perform or refrain from performing any acts, including community service without compensation, that the board considers appropriate to the public interest or to the rehabilitation or treatment of the practitioner.

(6) Assess a civil penalty against the practitioner for not more than one thousand dollars ($1,000) for each violation listed in section 5 of this chapter except for a finding of incompetency due to a physical or mental disability.

(b) When imposing a civil penalty under subsection (a)(6), the board shall consider a practitioner's ability to pay the amount assessed. If the practitioner fails to pay the civil penalty within the time specified by the board, the board may suspend the practitioner's license without additional proceedings. However, a suspension may not be imposed if the sole basis for the suspension is the practitioner's inability to pay a penalty.

(c) The board may withdraw or modify the probation under subsection (a)(5) if the board finds after a hearing that the deficiency that required disciplinary action has been remedied or that changed circumstances warrant a modification of the order.

Sec. 15. The board may summarily suspend a practitioner's license for not more than ninety (90) days before a final adjudication or during the appeals process if the board finds that a practitioner represents a clear and immediate danger to the public health and safety if the practitioner is allowed to continue to practice. The summary suspension may be renewed upon a hearing before the board, and each renewal may be for not more than ninety (90) days.
Sec. 16. The board may reinstate a license that has been suspended under this chapter if, after a hearing, the board is satisfied that the applicant is able to practice with reasonable skill and safety to the public. As a condition of reinstatement, the board may impose disciplinary or corrective measures authorized under this chapter.

Sec. 17. The board may not reinstate a license that has been revoked under this chapter. An individual whose license has been revoked under this chapter may not apply for a new license for seven (7) years after the date of revocation.

Sec. 18. The board shall seek to achieve consistency in the application of sanctions authorized in this chapter. Significant departures from prior decisions involving similar conduct must be explained in the board’s findings or orders.

Sec. 19. A practitioner may petition the board to accept the surrender of the practitioner’s license instead of having a hearing before the board. The practitioner may not surrender the practitioner’s license without the written approval of the board, and the board may impose any conditions appropriate to the surrender or reinstatement of a surrendered license.

Sec. 20. A practitioner who has been subjected to disciplinary sanctions may be required by a board to pay the costs of the proceeding. The practitioner’s ability to pay shall be considered when costs are assessed. If the practitioner fails to pay the costs, a suspension may not be imposed solely upon the practitioner’s inability to pay the amount assessed. These costs are limited to the following:

(1) Court reporters.
(2) Transcripts.
(3) Certification of documents.
(4) Photo duplication.
(5) Witness attendance and mileage fees.
(6) Postage.
(7) Expert witnesses.
(8) Depositions.
(9) Notarizations.

SECTION 3. IC 25-2-1-4 IS AMENDED TO READ AS FOLLOWS: Sec. 4. (a) A certificate of certified public accountant shall be granted by the board to any person:

11 who has attained the age of eighteen (18) years;

HB 1768 DI 81 7 CC.No.05 1991
(2) who does not have a conviction for:

(A) an act which would constitute a ground for disciplinary sanction under section 18.1-10 of this chapter; IC 25-1-10; or

(B) a felony that has a direct bearing on his ability to practice competently;

(3) who has passed a written examination established by the board in accounting theory, accounting practice, auditing, and such related subjects as the board shall determine to be appropriate; and

(4) except as to any person registered and licensed as a public accountant, who meets the following requirements of education, residence, and experience:

(A) The experience requirements shall be:

(i) three (3) years of public accounting experience, satisfactory to the board, in practice in any state as a certified public accountant or as a public accountant, or in employment in any state as an accountant by anyone practicing public accounting, or a combination of such types of experience:

(ii) the completion of from three (3) to six (6) years of experience, in accounting but not in public accounting, such as experience in teaching accounting in full-time employment in a college, an institution created under IC 20-12-61, or a private school registered under IC 20-12-62;

(iii) full-time employment as an accountant by any business or corporation, or by a governmental agency, which, in the opinion of the board, is equivalent to three (3) years of public accounting experience; or

(iv) any combination of such types of experience.

A master's degree in accounting or business administration from a college or university recognized by the board, and the satisfactory completion of such semester hours in accounting, business administration, economics, and such related subjects as the board shall, by rule, determine to be appropriate, may be substituted for one (1) year of public accounting experience.

(B) The educational requirement shall be graduation with a baccalaureate degree conferred by a college or university recognized by the board, and the satisfactory completion of such number of semester hours in accounting, business administration and economics, and such related subjects as the board shall by rule determine to be appropriate.

(C) The board may, in its discretion, waive the educational requirement for any candidate if it is satisfied from the result of a special written examination given
the candidate by the board to test his educational qualifications that he is as well equipped educationally as if the applicable educational requirements of this section were met. The board may provide by rule for the general scope of such examinations and may obtain such advice and assistance as are appropriate to assist the board in preparing and grading such special examinations. The cost of such examination shall be borne by the candidate.

(d) On the date of submitting an application to take any written examination established by the board leading to the granting of a certificate of certified public accountant, a candidate must have lived in Indiana for the immediately preceding sixty (60) days or the candidate must have maintained permanent legal residence in Indiana for the preceding six (6) months. Applications to take the written examination must be approved by the board.

(b) The examinations described in subsection (a)(3) held by the board shall take place as often as the board shall determine, but shall be held at least once each year. The board may make such use of all or any part of the uniform certified public accountant’s examination and advisory grading service necessary to assist the board in performing its duties under this chapter.

(c) A candidate may take the examination required by subsection (a)(3) before meeting the experience or education requirements under this section. However, if a candidate who has taken the examination before meeting the education requirements under this section fails to satisfactorily complete degree requirements within sixty (60) days after taking the examination, the candidate’s examination is invalid.

(d) A candidate for the certificate of a certified public accountant who has successfully completed the examination under subsection (a)(3) shall have no status as a certified public accountant, unless and until he has the requisite experience and has received his certificate as a certified public accountant.

(e) The board may by rule prescribe the terms and conditions under which a candidate who passes the examination in two (2) or more of the subjects indicated in subsection (a)(3) may be reexamined in only the remaining subjects, with credit for the subjects previously passed. Credit given by another state for subjects passed may be recognized, provided the requirements to sit for an examination in such other state are at least equivalent to those in this state, and that such other state has related terms and conditions not inconsistent with those of this state. The board may also provide by rule for a reasonable waiting period for a candidate’s reexamination in a subject he has
failed. Subject to the foregoing and such other rules as the board may adopt governing reexamination, a candidate shall be entitled to any number of reexaminations under subsection (a)(3).

(f) In general, the applicable educational and experience requirements under subsection (a)(4) shall be those in effect on the date of the examination for which the candidate first sits for such examination. In the case of candidates, a candidate who is inducted into or enlists for one (1) tour of active duty in the armed forces of the United States, the applicable educational and experience requirements under subsection (a)(4) shall be those in effect on the date of the candidate’s induction or enlistment. The board may provide by rule for exceptions to the general rule in order to prevent what it determines to be undue hardship to candidates resulting from changes in the educational and experience requirements as provided in subsection (a)(4).

(g) The board shall set the fee of not less than twenty-five dollars ($25) for the initial examination provided in subsection (a)(3).

(h) Fees for reexamination under subsection (a)(3) shall also be set by the board for each subject in which the candidate is reexamined, of not less than twenty-five dollars ($25), for such reexamination. Any person who has received from the board a certificate as a certified public accountant and who holds a permit issued under section 12 of this chapter, which is in full force and effect, shall be styled and known as a "certified public accountant" and may also use the abbreviation "CPA". A list of certified public accountants shall be maintained. Any certified public accountant may also be known as a "public accountant".

(i) Persons who, on July 1, 1969, hold certified public accountant certificates issued before that date under the laws of this state shall not be required to obtain additional certificates under this chapter, but shall otherwise be subject to all provisions of this chapter; and such certificates theretofore issued shall, for all purposes, be considered certificates issued under this chapter and subject to the provisions of this chapter.

SECTION 4. IC 25-2-1-5 IS AMENDED TO READ AS FOLLOWS: Sec. 5. (a) The board may, in its discretion, waive the examination requirements and issue a certificate to practice public accountancy as a certified public accountant to any resident of this state or to any person who maintains an office and is engaged in the practice of public accountancy in this state possessing

(1) possesses the other qualifications required for such a certificate certification

under the provisions of this chapter; who and

HB 1768 DI 81 10 CC.No.05 1991
(2) is a holder of a certificate as a certified public accountant issued under the laws of any state or territorial possession of the United States of America.

(b) Any such person who has filed an application under the provisions of this chapter for a certificate to practice public accountancy as a certified public accountant may engage in the practice of public accountancy in this state as a certified public accountant until such time as his application for a certificate is granted or rejected.

SECTION 5. IC 25-2-1-10 IS AMENDED TO READ AS FOLLOWS: Sec. 10. (a) The license of "accounting practitioner" shall be granted by the board to any person who:

(1) has attained the age of eighteen (18) years;

(2) has not been convicted of:

(A) an act which would constitute a ground for disciplinary sanction under section IC 25-1-10; or

(B) a felony that has a direct bearing on his ability to practice competently;

(3) has met the experience requirements set forth in section IC 25-1-10 section 4(a)(4)(E) of this chapter; and

(4) has met either of the following education and examination requirements:

(A) Graduation from a duly accredited high school, business college, college, or university recognized by the board, and passage of a written examination established by the board in accounting theory and practice.

(B) Graduation with a baccalaureate degree conferred by a college or university recognized by the board, and the satisfactory completion of such semester hours in accounting, business administration, economics, and such related subjects as the board shall, by rule, determine to be appropriate, and passage of a written examination established by the board in accounting theory.

(b) A candidate who has met the education requirements of graduation from a business college or college or university recognized by the board, shall be eligible to take the examination prescribed in this section, provided he also meets the requirements of subsection (a)(2).

(c) The board may, in its discretion, waive the educational requirement for any candidate if it is satisfied from the result of a special written examination given the candidate by the board to test his educational qualifications that he is as well equipped educationally as if he met the applicable educational requirements specified in subsections subsection (a)(4)(A) and (a)(4)(B). The board may
provide by rule for the general scope of such examinations and may obtain such advice and assistance as it deems appropriate to assist in preparing and grading such special examinations. The cost of such examination shall be borne by the candidate, provided that the cost of any reexamination shall not exceed two (2) times the cost of the original fee for sitting for the examination.

(d) The examinations described in subsection (a) shall be held on behalf of the board, shall take place as often as the board shall determine, but shall be held not less frequently than once each year. The board may make such use of all or any part of the uniform certified public accountant's examination and advisory grading service as it deems appropriate to assist it in performing its duties under this chapter.

(e) The examinations described in this section shall be conducted under and pursuant to rules duly adopted by the board pursuant to the provisions of section 3 of this chapter.

(f) Any person who has received from the board a license to practice public accounting as an accounting practitioner and holds a permit issued under section 12 of this chapter which is in full force and effect, shall be registered with the board and styled and known as an "accounting practitioner" and may also use the abbreviation "AP". However, no person registered and licensed under this chapter as an "accounting practitioner" shall prepare or render accounting opinions or certificates on financial statements, schedules, reports, or exhibits for publication, credit purposes, use in courts of law or equity, or for other purposes.

(g) A partnership engaged in this state in the practice of public accountancy as accounting practitioners shall register with the board as a partnership of accounting practitioners, and have and maintain all of the following requirements:

1. At least one (1) partner thereof must be a certified public accountant, a public accountant or an accounting practitioner in good standing of this state.
2. Each partner thereof personally engaged within this state in the practice of public accountancy as a member thereof must be a certified public accountant, a public accountant or an accounting practitioner in good standing of this state.
3. Each partner thereof shall be a certified public accountant, a public accountant or an accounting practitioner in good standing of some state or territorial possession of the United States of America, or as to a partner who is a nonresident of the United States of America and who is not a certified public accountant, a public accountant or an accounting practitioner in good standing of
some state or territorial possession of the United States of America, he shall hold a license or rating in some foreign country which is equivalent to that of a certified public accountant, a public accountant or an accounting practitioner in the United States of America.

Each resident manager in charge of an office of a firm in this state must be a certified public accountant, a public accountant or an accounting practitioner in good standing of this state.

Application for such registration shall be made upon the affidavit of a partner of such partnership who holds a permit to practice in this state as a certified public accountant, a public accountant or an accounting practitioner. The board shall in each case determine whether the applicant is eligible for registration. A partnership which is so registered and which holds a partnership permit issued under section 12 of this chapter may use the words "accounting practitioners" or the abbreviation "AP's" in connection with its partnership name. Notification shall be given the board, within one (1) month, after the admission to or withdrawal of a partner residing in Indiana from any partnership so registered.

SECTION 6. IC 25-2-1-14 IS AMENDED TO READ AS FOLLOWS: Sec. 14. After notice and hearing as provided in section 15 of this chapter, the board shall revoke the registration and permit to practice of a partnership if at any time it does not have all the qualifications prescribed by the section of this chapter under which it is qualified for registration.

After notice and hearing as provided in section 15 of this chapter, the board may revoke or suspend the registration of a partnership or may revoke, suspend or refuse to renew its permit under section 12 to practice or may censure the holder of any such permit for any of the causes enumerated in section 12-1 for any of the following additional causes: In addition to an act that would constitute a ground for disciplinary sanction under IC 25-1-10, a partnership may be disciplined for any of the following reasons:

(1) The revocation or suspension of the certificate of certified public accountant or the revocation or suspension or refusal to renew the permit to practice of any partner.

(2) The cancellation, revocation, suspension, or refusal to renew the authority of the partnership or any partner thereof to practice public accountancy in any other state for any cause other than failure to pay the periodic registration fee in
such other state.

SECTION 7. IC 25-4-1-7 IS AMENDED TO READ AS FOLLOWS: Sec. 7. (a) Any person who is at least eighteen (18) years of age shall be qualified for an examination for a certificate of registration as a registered architect, provided he shall:

1. have graduated with a professional degree from a school or college of architecture recognized by the board; and

2. either:

(A) have had at least three (3) years practical experience in the office or offices of reputable, registered, practicing architects; or

(B) have had a combination of training and practical experience which shall be found by the board to be fully equivalent to clause (A).

(b) The applicant must not have a conviction for:

1. an act which would constitute a ground for disciplinary sanction under section 15-1 of this chapter: IC 25-1-10; or

2. a felony that has a direct bearing on the applicant's ability to practice competently.

SECTION 8. IC 25-4-1-8 IS AMENDED TO READ AS FOLLOWS: Sec. 8. (a) As used in this section, "out-of-state applicant" means an individual who is an architect registered or licensed under the laws of another state, a foreign country, or a province in a foreign country and who is an applicant for a certificate of registration as a registered architect.

(b) This section applies only to an out-of-state applicant.

(c) The board shall grant a certificate of registration to an out-of-state applicant upon the following conditions:

1. The out-of-state applicant must be at least eighteen (18) years of age and must not have been convicted of:

   (A) an act which would constitute a ground for disciplinary sanction under section 15-1 of this chapter: IC 25-1-10; or

   (B) a felony that has a direct bearing on the applicant’s ability to practice competently.

2. If registered in the other jurisdiction after June 30, 1979, the out-of-state applicant must meet the following conditions:

   (A) Have met the requirements specified by section 7(a)(1) and 7(a)(2) of this chapter, or its equivalent, as determined by the board.
(B) Have met the examination requirements in effect in Indiana, or the equivalent, at the time that the out-of-state applicant was registered in the other jurisdiction.

(3) If registered in the other jurisdiction before July 1, 1979, the out-of-state applicant must meet the following conditions:

(A) The education and work experience requirements in effect in Indiana when the out-of-state applicant was registered in the other jurisdiction.

(B) The examination requirements in effect in Indiana, or the equivalent, at the time the out-of-state applicant was registered in the other jurisdiction.

(4) The out-of-state applicant must pay fees established by the board.

(4) Unless other standards or procedures are adopted under subsection (c), the out-of-state applicant must pass an examination conducted under section 9 of this chapter. An out-of-state applicant may sit for an examination without complying with section 7 of this chapter.

(d) In lieu of the requirement of subsection (c), the board may adopt by rule under IC 25-4-2-3 standards and procedures for granting a certificate to an out-of-state applicant. These standards and procedures may include one or more of the following requirements:

1. The out-of-state applicant must submit to evaluation by members of the architecture faculty of an institution of postsecondary education within Indiana.

2. The out-of-state applicant must furnish to the board evaluations of his work from an architect registered under this chapter.

3. The out-of-state applicant must pass a written examination.

(d) If an out-of-state applicant does not meet the examination requirements under subsection (c) or (e), the board may require the out-of-state applicant to pass a written examination and an oral interview necessary to achieve equivalence to the examination required in Indiana at the time that the out-of-state applicant was registered in the other jurisdiction.

SECTION 9. IC 25-4-2-3 IS AMENDED TO READ AS FOLLOWS: Sec. 3. (a) To qualify for registration as a landscape architect, an applicant must:

1. submit evidence that the applicant is an individual who is at least eighteen years of age.
(2) submit evidence that the applicant:
   A) has been graduated from an approved curriculum of landscape architecture
      presented by a college or school approved by the board; or
   B) has at least eight (8) years of actual practical experience in landscape
      architectural work of a grade and character satisfactory to the board;
(3) submit evidence that the applicant has paid the examination fee and the license
    fee set by the board;
(4) provide an affidavit that indicates that the applicant does not have a conviction
    for:
       A) an act that would constitute a ground for disciplinary action under section
          9 of this chapter: IC 25-1-10; or
       B) a felony that has a direct bearing on his ability to practice competently; and
(5) pass the examination required by the board under section 4 of this chapter
    after meeting the requirements in subdivisions (1) through (4).
(b) The board shall issue a certificate of registration under this chapter to an
    applicant who meets the requirements in this section.

SECTION 10. IC 25-4-2-6 IS AMENDED TO READ AS FOLLOWS: Sec. 6. The
board may issue a certificate of registration to a landscape architect licensed, certified,
or registered in another state without the examination required by section 3 of this
chapter if the applicant:

   (1) is an individual who is at least eighteen (18) years of age;
   (2) pays the fee established by the board; and
   (3) submits evidence satisfactory to the board that:
      A) the out-of-state applicant meets the requirements in section 3(a) and 2 of this
         chapter or its equivalent, as determined by the board; and
      B) the applicant does not have a conviction for:
         i) an act that would constitute a ground for disciplinary action under section
            9 of this chapter: IC 25-1-10; or
         ii) a felony that has a direct bearing on the applicant's ability to practice
             competently.

SECTION 11. IC 25-4-2-9.1 IS AMENDED TO READ AS FOLLOWS: Sec. 9.1. The
board may discipline a person under section 9 of the chapter IC 25-1-10 if that person

displays to the public credentials issued by the board that:

   (1) have been revoked by the board under section 9 of this chapter: IC 25-1-10: