

**Notice of Public Hearing**  
LSA Document #07-306

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Under [IC 4-22-2-24](#), notice is hereby given that on October 17, 2008, at 10:15 a.m., at the Indiana Government Center South, 402 West Washington Street, Room W064, Indianapolis, Indiana, the Indiana Board of Accountancy will hold a public hearing on a proposed rule to amend [872 IAC 1-6](#), quality review, to revise the requirements and procedures for a quality review program for CPA and PA firms.

The Board has the authority to promulgate rules governing the administration and enforcement of [IC 25-2.1](#) and the conduct of licensees, including adopting rules regarding the requirement that a firm as a condition to renew a permit undergo a quality review not more than once every three years and the manner in which a quality review is conducted. The proposed rule clarifies the roles of the administrative entity and the oversight committee for the quality review program, removes out-of-date language, and revises firms' renewal requirements. The proposed rule requires each administrative entity to submit to the Board the names of those firms that have been determined to be in noncompliance with acceptable accountancy practices and the remedial actions suggested to correct these deficiencies. The proposed rule permits those firms that may have a dispute with the administrative entity's suggested remedies to correct deficiencies in the firm's accountancy practice to bring their concerns to the Board for a determination regarding the dispute. This provision gives the Board an added means of monitoring those firms that are not providing adequate accountancy services to the public and gives firms an informal opportunity to address disputes with the administering entity. The proposed rule also streamlines the duties for IPLA's staff because it makes processing of renewal forms more effective and efficient by eliminating the need for accountancy firms to submit a hard copy of the quality review acceptance letter with the renewal application.

Upon review, the Indiana Board of Accountancy has determined that this rule will have a fiscal impact on small businesses. It amounts to the administrative fee assessed by the administering entity of the quality review program and a fee assessed by the reviewing firm. Although there are fees associated with the administering and completing of a quality review, the Board believes that these fees are insignificant in comparison to the benefits of assuring that the public is protected and that accountancy firms are utilizing acceptable accounting practices. Practitioners are more likely to render a higher level of service, if they know that their accountancy services are subject to review and consumers will gain a greater level of comfort or confidence, or both, in their accountant, which again is believed to outweigh any associated costs.

Copies of these rules are now on file at the Indiana Government Center South, 402 West Washington Street, Room W072 and Legislative Services Agency, One North Capitol, Suite 325, Indianapolis, Indiana and are open for public inspection.

Frances L. Kelly  
Executive Director  
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