

Annual List of Rulemaking Activity
Rules Adopted January 1, 2022 to December 31, 2022
Prepared by the Secretary of State pursuant to 5 MRS §8053-A sub-§5

Agency name: Department of Professional and Financial Regulation,
Office of Professional and Occupational Regulation,
Board of Accountancy

Umbrella-Unit: **02-280**

Statutory authority: 32 MRS §§ 12214(4), 12252(8), 12252; 10 MRS §8003(4)

Chapter number/title: **Ch. 1**, Definitions
Ch. 6, Firm License requirements (*Repeal and replace*)

Filing number: **2022-160, 161**

Effective date: 8/31/2022

Type of rule: Routine Technical

Emergency rule: No

Principal reason or purpose for rule:

The Board of Accountancy repeals and replaces Chapter 6 of Board rules to more accurately describe the peer review process that certain firms are required to successfully participate in as a condition to the granting or renewal of licenses pursuant to 32 MRS §12252(8)

The rulemaking would also amend the Board's Chapter 1, *Definitions*, to more accurately reflect the terminology used throughout the rules, specifically, those used to describe the administration of firm peer reviews.

Basis statement:

The Maine Board of Accountancy (the "Board") is charged by the Legislature with the regulation of certified public accountants and accountancy firms in the State of Maine for the sole purpose of protecting the public health and welfare. 10 MRS §8008. The Legislature granted the Board rulemaking authority pursuant to 32 MRS §12214(4), to adopt such rules as may be reasonably necessary for the proper performance of its duties and the administration of its laws, including, but not limited to rules of professional conduct appropriate to establish and to maintain a high standard of integrity and of dignity in the profession of public accountancy.

The Board amends Chapter 1, *Definitions*, and repeals and replaces Chapter 6, *Firm License Requirements*.

The Board amends Chapter 1, *Definitions*, to update terms used in Board rules, specifically adding terms used to describe the peer review programs that some firms are required to successfully complete as a condition of the issuance of a license or a firm license renewal. The rule would add definitions for "administering entity," "enrollment in a peer review program," "NEPR," "Peer review oversight," "peer review program," and "sponsoring organization." The rule would remove the terms "approved reviewer," "licensed," "multi-jurisdictional firm," "off-site peer review," "on-site peer review," and "report acceptance body" from Chapter 1.

The Board repeals and replaces Chapter 6, currently titled *Accounting Firm License Requirements*, and change it to *Firm License Requirements*. The replacement would substantially conform board rules with the Uniform Accountancy Act rules on peer review and approve the AICPA as a sponsoring organization, along with its peer review program and standards, as well as NEPR as an administering entity of the AICPA peer review program. The rule would update how the Board tracks a firm's successful completion of a peer review. The rule would also repeal current rules regarding the conduct of a peer review, specifically removing the sections regarding "on-site" and "off-site" peer review, qualifications of approved reviewers, qualifications of report acceptance bodies, review of peer review reports by the Board, and the current rule regarding extensions of time to meet the peer review requirement.

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The rulemaking also eliminates the rule regarding peer review as it pertains to multi-jurisdictional firms in light of the recent statutory change authorizing firm mobility.

The purpose of these changes is to track both the peer review process more accurately as it is currently administered as well as the entities with direct oversight of the peer review process for firms with a Maine license. Board staff worked with Board members as well as representatives from the New England Peer Review (“NEPR”) and the American Institute of Certified Public Accountants (“AICPA”) in development of this rulemaking.

Fiscal impact of rule:

None anticipated.