IDAPA 24 – DIVISION OF OCCUPATIONAL AND PROFESSIONAL LICENSES

IDAHO STATE BOARD OF ACCOUNTANCY

24.30.01 – Idaho Accountancy Rules

Who does this rule apply to?
The following are impacted by these rules:

- Accountancy exam and licensure candidates;
- Licensees;
- Firms;
- General Public.

What is the purpose of this rule?
These rules are necessary to protect the public financial health, safety, and welfare of the citizens of Idaho and confer a benefit on its citizens. These rules implement the duly enacted laws of the state of Idaho, provide citizens with the detailed rules and standards for complying with those laws, and assist in the orderly execution and enforcement of those rules. Third parties rely on the accuracy of the financial information issued by a certified public or licensed public accountant. Third parties need reliable information on transactions such as a buy-sell agreement, business valuations and loans from financial institutions.

What is the legal authority for the agency to promulgate this rule?
This rule implements the following statute passed by the Idaho Legislature:

Professions, Vocations, and Businesses -
- 54-204(1), Idaho Code – Accountants: Powers and Duties

Who do I contact for more information on this rule?

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000. LEGAL AUTHORITY (RULE 000).
This chapter is adopted under the legal authority of Title 54, Chapter 2, Idaho Code. (3-20-20)T

001. TITLE AND SCOPE (RULE 001).

01. Title. These rules are titled IDAPA 24.30.01, "Idaho Accountancy Rules." (3-20-20)T

02. Scope. These rules govern the administration of the certified public accountant examination, the issuance and renewal of licenses to practice as certified or licensed public accountants, the registration of firms, the regulation of individuals granted practice privileges, and the limitation of non-licensees. (3-20-20)T

002. -- 003. (RESERVED)

004. INCORPORATION BY REFERENCE (RULE 004).
The following documents are hereby incorporated by reference into IDAPA 24.30.01 and can be obtained at the Board office. Licensees are required to comply with the following standards when applicable. (3-20-20)T

01. AICPA Standards. The AICPA Professional Standards as applicable under the circumstances and at the time of the services, except as superseded by Section 54-206(8), Idaho Code. (3-20-20)T

02. CPE Standards. 2016 Statements on Standards for Continuing Professional Education Programs jointly approved by NASBA and AICPA. (3-20-20)T

03. PCAOB Standards. The Standards issued by the Public Company Accountability Oversight Board, as applicable under the circumstances and at the time of the services. (3-20-20)T

005. -- 009. (RESERVED)

010. DEFINITIONS (RULE 010).
The Idaho State Board of Accountancy adopts the definitions set forth in Section 54-206, Idaho Code. In addition, as used in this chapter: (3-20-20)T

01. Administering Organization. An entity that has met, and at all relevant times continues to meet, the standards specified by the Board for administering peer reviews. (3-20-20)T

02. Board. The Board or its designated representative. (3-20-20)T

03. Candidate. Applicants approved to sit for the CPA Examination. (3-20-20)T

04. CPA Examination. Uniform Certified Public Accountant Examination. (3-20-20)T

05. CPE. Continuing Professional Education. (3-20-20)T

06. Ethics CPE. Programs in ethics include topics such as ethical reasoning, state-specific statutes and rules, and standards of professional conduct, including those of other applicable regulatory bodies. (3-20-20)T

07. NASBA. The National Association of State Boards of Accountancy. (3-20-20)T

08. National Candidate Database. The National Association of State Boards of Accountancy database of all CPA Examination candidates. (3-20-20)T

09. State-Specific Ethics for Idaho. A minimum two-hour (2) CPE course on Idaho Accountancy Act and Rules, which is exempt from the Statements on Standards for CPE. (3-20-20)T

10. Year of Review. The calendar year during which a peer review is conducted. (3-20-20)T

11. Year Under Review. The twelve-month (12) period that is reviewed. (3-20-20)T

011. -- 017. (RESERVED)

018. COMPLIANCE WITH THESE RULES (RULE 018).

A licensee of the Board or an individual granted practice privileges is subject to the rules of the Board when rendering professional services. (3-20-20)T

019. COMPUTATION OF TIME (RULE 019).
The time in which any act provided by law, rule, order, or notice is to be done is computed by excluding the first day; and including the last day unless the last day is a Saturday, Sunday, or legal holiday and then it is also excluded. (3-20-20)T

020. GOOD MORAL CHARACTER (RULE 020).

01. Demonstrating Good Moral Character. Applicants have the burden of demonstrating good moral character as defined by Section 54-206(11), Idaho Code, in the manner specified by the Board in its application forms. (3-20-20)T

02. Evidence. Prima facie evidence of a lack of good moral character includes, but is not limited to: (3-20-20)T

a. Any deferred prosecution agreement involving an admission of wrongdoing, or any criminal conviction, including conviction following a guilty plea or plea of nolo contendere, for any felony or any crime, an essential element of which is fraud, dishonesty, or deceit, or any other crime that evidences an unfitness of the applicant to provide professional services in a competent manner and consistent with the public safety; (3-20-20)T

b. Revocation, suspension or the lapsing in lieu of discipline of any license or other authority to practice by or before any state, federal, foreign or other licensing or regulatory authority; or (3-20-20)T

c. Any act that would be grounds for revocation or suspension of a license if committed by a licensee of the Board. (3-20-20)T

03. Rehabilitation. The applicant may offer, and the Board may consider the following factors in determining whether the applicant's moral character has been rehabilitated as of the date the applicant is seeking licensure. These factors include, but are not limited to: (3-20-20)T

a. The applicant's completion of criminal probation, restitution, community service, military or other public service; (3-20-20)T

b. The passage of time without the applicant's commission of further crime or act demonstrating a lack of good moral character; and (3-20-20)T

c. The entry of an order by any state or federal court expunging any conviction, reducing a conviction from a felony to misdemeanor, or commuting, suspending, or withholding any judgment as provided by law. (3-20-20)T

021. NOTIFICATION OF CHANGE OF ADDRESS, FELONY CHARGES, OR ACTIONS TAKEN (RULE 021).
Per Section 54-211(3), Idaho Code, within thirty (30) days after its occurrence, a licensee or candidate will notify the Board, in writing, of: (3-20-20)T

01. Address Change. A change in the business address, residence address, or business connection, employer, or principal place of business; (3-20-20)T

02. Felony Charge. Any felony charges, or; (3-20-20)T

03. Actions Taken. The issuance, denial, disciplinary action, restriction, revocation, or suspension of a certificate, license, or permit by another state or by any federal agency. (3-20-20)T

022. -- 099. (RESERVED)

100. CPA EXAMINATION (RULE 100).
An applicant must pass the CPA Examination before applying for a CPA license. The CPA Examination is graded by the American Institute of Certified Public Accountants and subject to review and acceptance by the Board. (3-20-20)T

101. EXAM APPLICATIONS (RULE 101).
Applications to take the CPA Examination are to be made as prescribed in accordance with Section 54-208, Idaho Code. (3-20-20)T

102. AUTHORIZATION TO TEST AND NOTIFICATION TO SCHEDULE (RULE 102).
The Board will forward notification of eligibility in the form of an Authorization to Test (ATT) to NASBA. The ATT is issued for the test section(s) for which the candidate applied. Candidates must pay the fees charged by the AICPA, NASBA, and the test delivery service provider directly to NASBA. The ATT will expire ninety (90) days after it is issued if the candidate has not paid the appropriate fees. Eligible candidates will receive a Notice to Schedule (NTS) for the CPA Examination. The NTS is valid for six (6) months from the date issued. A candidate's ATT lasts as long as the NTS is valid, or until the candidate tests, whichever occurs first. (3-20-20)T

103. FAILURE TO APPEAR (RULE 103).
A candidate who fails to appear for the CPA Examination forfeits all fees paid. (3-20-20)T

104. CPA EXAM EDUCATIONAL QUALIFICATIONS (RULE 104).
A candidate for the CPA examination provides evidence of successful completion of a baccalaureate degree or its equivalent to include thirty (30) or more semester hours (or forty-five (45) or more quarter hours) in business administration subjects of which at least twenty (20) semester hours (or at least thirty (30) quarter hours) are in accounting subjects. (3-20-20)T

105. TESTING PERIOD AND CREDIT (RULE 105).

01. CPA Examination Credit. Candidates are to pass all four (4) test sections of the CPA Examination with a grade of seventy-five (75) or higher within an eighteen-month period which begins on the date that the first test section is passed. Candidates who do not pass all four (4) sections of the CPA Examination within the eighteen-month period lose credit for any test section(s) passed outside the eighteen-month period and that test section(s) is to be retaken. (3-20-20)T

02. Extending the Term of Credit. The Board may extend the term of credit validity upon demonstration by the candidate that the credit was lost by reason of circumstances beyond the candidate's control. (3-20-20)T

03. Transfer of Credit. An applicant may submit the results of any test section of the CPA Examination taken by the applicant in any other state having standards at least equivalent to those of this state, and these results may be adopted by the Board in lieu of examination in this state on the same test section and in accordance with the provisions of Section 54-210, Idaho Code, and these rules. (3-20-20)T

106. CHEATING (RULE 106).

01. Actions. Cheating by an applicant in applying for the CPA Examination or by a candidate in taking the CPA Examination will cause any grade otherwise earned on any part of the CPA Examination to be invalidated. Cheating may warrant summary expulsion from the examination room and disqualification from taking the CPA Examination for a specified period of time. (3-20-20)T

02. Hearings. If the Board believes that it has evidence that a candidate has cheated on the examination or a candidate has been expelled from the examination, the candidate will be provided notice and opportunity for hearing. In such hearings, the Board decides: (3-20-20)T

a. Whether or not there was cheating, and if so what remedy should be applied; (3-20-20)T

b. Whether the candidate will be given credit for any portion of the examination completed in that

session; and (3-20-20)T

c. Whether the candidate will be barred from taking the examination in future sittings, and if so, for how many sittings. (3-20-20)T

03. Notice. If a candidate is refused credit for any test section of an examination taken, disqualified from taking any test section, or barred from taking the examination in the future, the Board will provide information about findings and actions taken to the national candidate database and the board of any other state to which the candidate may apply for the examination. (3-20-20)T

107. SECURITY AND IRREGULARITIES (RULE 107).
Notwithstanding any other provisions under these rules, the Board may postpone scheduled examinations, the release of grades, or the issuance of certificates due to a breach of security, unauthorized acquisition or disclosure of the contents of an examination, suspected or actual negligence, errors, omissions, or irregularities in conducting an examination, or for any other reasonable cause or unforeseen circumstance. (3-20-20)T

108. -- 199. (RESERVED)

200. INITIAL CERTIFIED PUBLIC ACCOUNTANT LICENSURE (RULE 200).
Applications for initial licensure are to be made as prescribed in Section 54-207, Idaho Code, and are to comply with the following: (3-20-20)T

01. Education. (3-20-20)T

a. Applicants for licensure are to meet the provisions of Section 54-207(2), Idaho Code. An applicant for licensure who was accepted for the May 2000 CPA Examination or prior examination is exempt from additional educational requirements. (3-20-20)T

b. The Board will recognize: (3-20-20)T

i. Any college or university accredited by the Northwest Commission on Colleges or Universities or any other regional accrediting association having equivalent standards; (3-20-20)T

ii. Any independent senior college in Idaho certified by the State Department of Education for teacher training; and (3-20-20)T

iii. Accounting and business programs accredited by the Association to Advance Collegiate Schools of Business (AACSB) or any other accrediting agency having equivalent standards. (3-20-20)T

c. An applicant is deemed to have met the education requirement if, as part of the one hundred fifty (150) semester hours of education, the applicant has met any one (1) of the following conditions: (3-20-20)T

i. Earned a graduate degree with a concentration in accounting from a program that is accredited in accounting by an accrediting agency approved by the Board; (3-20-20)T

ii. Earned a graduate degree from a program that is accredited in business by an accrediting agency approved by the Board. Completion of at least twenty-four (24) semester hours in accounting at the undergraduate or fifteen (15) semester hours at the graduate level, or an equivalent combination thereof, including coverage of, but not necessarily separate courses in, the subjects of financial accounting, auditing, taxation, and management accounting; (3-20-20)T

iii. Earned a baccalaureate degree at an institution approved by the Board or from a program that is accredited in business by an accrediting agency approved by the Board. Completion of at least twenty-four (24) semester hours in business (other than accounting courses) and twenty-four (24) semester hours in accounting at the undergraduate or graduate level including coverage of, but not necessarily separate courses in, the subjects of financial accounting, auditing, taxation, and management accounting. (3-20-20)T

02. Experience. (3-20-20)T

a. An applicant is to provide evidence of one (1) year of experience as prescribed in Section 54-209, Idaho Code, and these rules. Experience consists of full or part time employment that extends over a period of no less than twelve (12) months and no more than thirty-six (36) months with no fewer than two thousand (2,000) hours earned within the ten (10) year period immediately preceding the latest application for licensure. (3-20-20)T

b. An applicant completes and submits the Verification of Employment and Experience Evaluation form(s). An applicant may be called to appear before the Board to supplement or verify evidence of experience. (3-20-20)T

c. A licensee verifying experience will maintain supporting documentation of the applicant's experience until thirty (30) days after the applicant is granted a license. The licensee will permit the Board to inspect the supporting documentation prior to issuing a license to the applicant. Any licensee who has been requested by an applicant to submit to the Board evidence of the applicant's experience and has refused to do so will, upon request by the Board, explain in writing or in person the basis for such refusal. (3-20-20)T

d. A licensee who is responsible for supervising attest services, and signs or authorizes someone to sign the accountant's report on the financial statement on behalf of the firm, is to meet the experience requirement set out in the AICPA statements on quality control standards. (3-20-20)T

03. Examination on Code of Professional Conduct. Prior to licensure, applicants successfully complete a course in professional ethics that is acceptable to the Board. (3-20-20)T

04. Initial License Application Fee. As prescribed in Rule 600. (3-20-20)T

201. ANNUAL LICENSE RENEWAL AND LATE FEE (RULE 201).

01. Renewal. Licenses expire on June 30 of each year. (3-20-20)T

02. Non-Renewal. Individuals choosing not to renew their license are to notify the Board, on the renewal form by the expiration date. Individuals with lapsed licenses may not publicly display their wall certificates, use the title CPA or LPA, or provide services that are reserved to licensees. (3-20-20)T

03. Late Fee. Licenses renewed after July 1, but before August 1, are subject to the late renewal fee as prescribed in Rule 600. After August 1, any license not renewed is deemed lapsed and is subject to reinstatement pursuant to Section 54-211, Idaho Code. (3-20-20)T

202. PRACTICE PRIVILEGES (RULE 202).

01. Substantially Equivalent. As prescribed in Section 54-227, Idaho Code, and these rules. (3-20-20)T

02. Internet Disclosures. An individual entering into an engagement to provide professional services via a web site, pursuant to Idaho practice privileges, is to disclose on their web site: (3-20-20)T

a. Their principal state of licensure, license number, and address. (3-20-20)T

b. A means for regulators and the public to contact a responsible licensee in charge at the firm regarding complaints, questions, or regulatory compliance. (3-20-20)T

203. RECIPROCAL LICENSURE (RULE 203).
If the practice privilege standard set out in Section 54-227, Idaho Code, is not applicable, the Board will issue a license to an applicant provided that the applicant pays the application and licensure fees prescribed in Rule 600 and meets one of the following: (3-20-20)T

01. Interstate Reciprocity. The requirements for a reciprocal license under Section 54-210(2), Idaho

Code. Notwithstanding anything to the contrary, an individual whose principal place of business is not in this state and who holds a valid license or permit with unrestricted practice privileges as a Certified Public Accountant from any state that the NASBA National Qualification Appraisal Service has verified to be in substantial equivalence with the CPA licensure requirements of the AICPA/NASBA Uniform Accountancy Act is presumed to have the qualifications substantially equivalent to this state's requirements. (3-20-20)T

02. International Reciprocity. The requirements for foreign reciprocal licensure under Section 54-210(5), Idaho Code, provided that the Board relies on the International Qualifications Appraisal Board for evaluation of foreign credential equivalency. Such licensees are to report any investigations undertaken, or sanctions imposed, by a foreign credentialing body against the licensee's foreign credential. The Board will participate in joint investigations with foreign credentialing bodies and rely on evidence supplied by such bodies in disciplinary hearings. (3-20-20)T

204. -- 299. (RESERVED)

300. APPLICABILITY OF RULES (RULE 300).

01. Reliance. A certified public accountant or licensed public accountant is to hold the affairs of his clients in strict confidence, observe the standards incorporated by reference, promote sound and informative financial reporting, and maintain high standards of personal conduct. (3-20-20)T

02. Acceptance of Licensure. Acceptance of practice privileges or licensure as a certified public accountant or licensed public accountant establishes an affirmative obligation by said individual to be diligent in the performance of professional services, and to be fair and honest in relations with clients, fellow practitioners and the public. (3-20-20)T

03. Rules. These rules do not comprise all acts that may be considered incompatible with the obligations and responsibilities imposed by professional status or discreditable or harmful even though not specifically mentioned or described in the rules. The Board may revoke, suspend, refuse to renew, administratively penalize, reprimand, restrict, or place on probation a licensee, individual granted practice privileges or other individual. The action will not be taken until the individual has been given notice and opportunity for hearing. (3-20-20)T

04. Applicability. These rules apply to all professional services offered or performed by licensees or individuals granted practice privileges, including tax and management advisory services. (3-20-20)T

05. Responsibility. A licensee is responsible for ensuring all persons associated with the licensee in the rendering of professional services, who are either under the licensee's supervision or who are the licensee's partners or shareholders in the practice comply with these rules. A licensee may not permit others to carry out, on his behalf, either with or without compensation, acts that, if carried out by the licensee, would place the licensee in violation of any laws. (3-20-20)T

06. Interpretation of Rules. In the interpretation and enforcement of these rules, the Board gives consideration, but not necessarily dispositive weight, to relevant interpretations, rulings and opinions issued by other states, and by appropriately authorized standard setting bodies. (3-20-20)T

07. Investigative Committee. The Board may appoint an investigative committee of not less than three (3) members consisting of active licensees in good standing. The committee duties are to direct the review and investigation of complaints of violations of the Idaho Accountancy Act and Rules, and to provide reports to the Board. (3-20-20)T

301. COMMISSIONS AND CONTINGENT FEES (RULE 301).

01. Acceptance. Licensees may accept commissions or contingent fees subject to Section 54-218, Idaho Code, the AICPA Code of Professional Conduct, and these rules. (3-20-20)T

02. Disclosures. Any licensee who directly or indirectly accepts or agrees to accept such form of

compensation is to disclose the terms of such compensation to the client. The disclosure is to be: (3-20-20)T

a. In writing, clear, and conspicuous; and state the amount of the compensation or basis on which it will be computed; (3-20-20)T

b. Made at or prior to the time of the recommendation or referral of the product or service for which the commission is paid, prior to the client retaining the licensee to whom the client has been referred for which a referral fee is paid, and prior to the time the licensee undertakes representation of or performance of the service upon which a contingent fee will be charged. (3-20-20)T

302. CONFIDENTIAL CLIENT INFORMATION (RULE 302).

01. Confidentiality. A licensee is to protect and not disclose confidential client information obtained in the course of performing professional services, unless the licensee has obtained the specific consent of the client, or of such client's heirs, successors or personal representatives, or others legally authorized to give such consent on behalf of the client. (3-20-20)T

02. Exemptions. Nothing in these rules is construed as prohibiting the disclosure of information that is required to be disclosed: (3-20-20)T

a. In reporting on the examination of financial statements; (3-20-20)T

b. In investigations by the Board or other accounting regulatory agency; (3-20-20)T

c. In ethical investigations conducted in private professional organizations; (3-20-20)T

d. In the course of peer reviews; (3-20-20)T

e. To other persons active in the organization performing services for that client on a need to know basis; (3-20-20)T

f. To persons in the entity who need this information for the sole purpose of assuring quality control; or (3-20-20)T

g. By any act of law. (3-20-20)T

03. Disciplinary Proceedings. Members of the Board and investigative officers may not disclose any confidential client information that comes to their attention from licensees in disciplinary proceedings or otherwise, except that they may furnish such information to an investigative or disciplinary body. (3-20-20)T

303. RECORDS (RULE 303).

A licensee is to furnish to his client or former client, upon request made within a reasonable time after original issuance of the document in question all client records, as that term is defined in the AICPA Code of Professional Conduct belonging to, or obtained from or on behalf of, the client that the licensee removed from the client's premises or received for the client's account. The licensee may make and retain copies of such documents when they form the basis for work performed by him. Client records are to be returned upon request by the client, whether the engagement has been terminated or the licensee has been paid for services rendered. (3-20-20)T

01. Tax Return, Other Reports, Working Papers Including Audit Documentation Made Part of Client's Records. A licensee who has been paid for the services rendered is to furnish to his client or former client, upon request, within a reasonable time after original issuance of the document in question the following records: (3-20-20)T

a. A copy of a tax return of a client. (3-20-20)T

b. A copy of any report, or other document, issued by the licensee to or for the client; and (3-20-20)T

c. A copy of the licensee's working papers, to the extent that such working papers include records that would ordinarily constitute part of the client's books and records and are not otherwise available to the client. This would include adjusting, closing, combining, or consolidating journal entries; information normally contained in books of original entry and general ledgers or subsidiary ledgers; and tax and depreciation carry forward information. The information should be provided in the medium in which it is requested, provided it exists in that medium. The licensee does not have to convert information that is not in electronic format to an electronic format. (3-20-20)T

02. Working Papers Including Audit Documentation Not a Part of the Client's Records. A licensee's working papers that do not become part of a client's records, which may include analyses and schedules prepared by the client at the request of the licensee, are the licensee's property, not client records, and need not be made available under any circumstances. (3-20-20)T

03. Charges. A licensee does not have to furnish records to a client or a former client more than once. A licensee may charge the client or former client actual costs for time and photocopying charges on subsequent requests. (3-20-20)T

304. FIRM NAMES (RULE 304).

01. General. A licensee may only provide professional services under a firm name that is not misleading as to the description of the legal form of the firm, or as to the person or persons who are owner(s), partners, officers, shareholders or members of the firm. Names of one (1) or more past owners, partners, shareholders or members who were licensed may be included in the firm name. A partner surviving the death or withdrawal of all other partners may continue to practice under a partnership name for up to two (2) years after becoming a sole practitioner. (3-20-20)T

02. Title. A firm may designate itself as "Certified Public Accountant(s)," "Licensed Public Accountant(s)" or "Public Accountant(s)" when a majority of its partners, shareholders, or members are actively licensed certified public accountants or licensed public accountants under the provisions of the Idaho Accountancy Act and Rules. The firm name may not include the name of a non-licensee owner, except as allowed in Subsection 304.01 if the title "CPA(s)" or "LPA(s)" is included in the firm name. The firm name may not include the name of a person who is not a CPA or LPA if the title "Public Accountant(s)" is included in the firm name. (3-20-20)T

305. COMMUNICATIONS (RULE 305).

01. Response. Unless otherwise specified, a licensee is to respond within thirty (30) calendar days of the mailing to any communication in which the Board requests a response. (3-20-20)T

02. Complaints. Upon the receipt or filing of a complaint against an individual over whom the Board has regulatory authority, the Board may transmit a copy of such complaint to the individual. Upon receipt of a transmitted complaint, the individual is to file a written answer to the complaint within twenty (20) calendar days of receipt, unless otherwise granted an extension of time by the Board. (3-20-20)T

306. -- 399. (RESERVED)

400. CPE BASIC REQUIREMENTS (RULE 400).
Demonstrate participation in a program of learning that meets the requirements as set forth in the Statement of Standards as referenced in Rule 004. CPE courses approved on NASBA's National Registry of CPE Sponsors, the AICPA, and state societies are deemed to meet the CPE requirements of this state. Responsibility for documenting the acceptability of the program and the validity of the credits rests with the licensee. (3-20-20)T

01. Renewal. Licensees seeking active license renewal are to demonstrate that during the two (2) calendar years immediately preceding the date the reporting form is due that no less than eighty (80) hours of CPE are recorded, of which at least four (4) hours are ethics with a minimum of thirty (30) hours in any one (1) calendar year, and a maximum of fifty (50) hours recorded in any one (1) calendar year. (3-20-20)T

02. New and Reciprocal. Completion of at least a two-hour (2) course on Idaho state-specific ethics during the calendar year that the license is issued. During the second calendar year of licensure, a minimum of thirty (30) hours is to be completed which may include an ethics component based on the prior year submission.

(3-20-20)T

401. CPE REPORTING, CONTROLS, AND LATE FEES (RULE 405).

01. Reporting. No later than January 31 of each year, individuals renewing their licenses are to provide a signed reporting form either: (3-20-20)T

a. Disclosing the information pertaining to the educational programs submitted for qualification as prescribed in the CPE Standards; or (3-20-20)T

b. Applying for exception, extension, or exemption. (3-20-20)T

02. CPE Late Fees. A License will not be issued until the licensee files the reporting form with supporting documentation, pays the late filing as prescribed in Rule 600, license renewal fee and any other penalty the Board may impose. (3-20-20)T

402. CPE EXCEPTIONS, EXTENSIONS, AND EXEMPTIONS (RULE 402).

01. Exceptions and Extensions. The Board may make exceptions to the CPE requirements, or grant extensions of time for completion of the CPE requirements, where reasons of health as certified by a medical doctor prevent compliance by the licensee, or other good cause exists. (3-20-20)T

a. Licensees asking for exceptions or extensions under these conditions apply on the reporting form for the year in which the extension or exemption is sought, and within the time period set for CPE reporting, stating the reasons for asking for such exception or extension. Any request not filed timely is subject to the late fee prescribed in Rule 600, in addition to any administrative action. (3-20-20)T

b. A penalty of no more than fifty percent (50%) of the hours a licensee is short in meeting the calendar year CPE requirement may be assessed for extensions. In such cases, the licensee will be required to complete the CPE hours and any assessed penalty no later than April 30. The penalty for non-compliance with ethics CPE is to obtain the mandatory hours of ethics CPE plus fifty percent (50%) penalty hours in ethics CPE prior to April 30. The penalty for non-compliance with state-specific ethics for Idaho is to complete the course plus fifty percent (50%) penalty hours in ethics CPE prior to April 30. (3-20-20)T

02. Inactive or Retired. Licensees who elect inactive or retired status are exempt from any CPE requirements as prescribed by Sections 54-211(c) and (d), Idaho Code. A licensee who has elected inactive or retired status may provide the following volunteer, uncompensated services: tax preparation services, participating in a government-sponsored business mentoring program, serving on the board of directors for a nonprofit or governmental organization, or serving on a government-appointed advisory board. If the CPA provides the foregoing volunteer, uncompensated services, the CPA has a duty to ensure that they hold the professional competencies necessary to offer these services. (3-20-20)T

403. REVIEW AND AUDIT OF CPE REPORTS (RULE 403).
All signed CPE reports are subject to formal verification to determine qualification and sufficiency of hours reported. A formal audit of CPE reported may be performed to determine whether hours reported qualify for credit. If a reporting form is not approved, the licensee will be notified. (3-20-20)T

404. NOTIFICATION (RULE 404).
A licensee is served a notice of noncompliance when it is determined the CPE requirement has not been fulfilled. The notice advises and provides opportunity for the deficiencies to be addressed. If the deficiencies remain, administrative action may be taken. (3-20-20)T

405. ACTION (RULE 405).
Following notice and hearing, the Board may suspend the license or take other action pursuant to Section 54-219, Idaho Code. (3-20-20)T

406. REINSTATEMENT AND RE-ENTRY (RULE 406).

An individual whose license has lapsed or is in a non-active status per Section 54-211, Idaho Code, is to complete no less than eighty (80) hours of CPE, of which at least four (4) hours are in ethics CPE with a minimum of two (2) hours to be in state specific ethics for Idaho, during the twelve (12) months immediately prior to applying for reinstatement or re-entry to an active license. The applicant is required to identify and complete a program of learning designed to demonstrate the currency of the applicant's competencies directly related to his area of service. Completion of the CPE will otherwise exempt the licensee from obtaining CPE hours during the calendar year of returning to an active license. If a licensee applies for re-entry during a license period and has already paid the fee for an inactive or retired license, the licensee is to pay the difference between the cost of an inactive or retired license and the annual license renewal fee. An individual who is applying for reinstatement to an inactive or retired license is not required to meet a CPE requirement. (3-20-20)T

407. FORMERLY LICENSED (RULE 407).
Any person who was licensed by the Board and who chose to let their license lapse, or had their license lapsed by the Board, may place the word "former" adjacent to their CPA or LPA title on any business card, letterhead, or any other document or device so long as at the time the license lapsed, the person was in good standing with the Board. (3-20-20)T

408. CONTINUING PROFESSIONAL EDUCATION COMMITTEE (RULE 408).

01. Appointment. The Board may appoint a continuing professional education committee. The committee consists of not less than five (5) members who are active licensees of this state, in good standing, and who need not be members of this Board. The committee performs the following duties and is authorized to take all actions necessary to perform these duties: (3-20-20)T

a. To evaluate reported CPE to determine qualification. (3-20-20)T

b. To consider applications for exceptions, extensions, and exemptions, and to assess penalties. (3-20-20)T

c. To audit CPE reports and to consider other matters that may be assigned by the Board. (3-20-20)T

02. Powers and Duties. Any decision or ruling of this committee, in performance of these duties, will have the full power and effect of a ruling of the Board, but is subject to the Board's review and approval. (3-20-20)T

409. -- 499. (RESERVED)

500. PURPOSE OF FIRM REGISTRATION AND PEER REVIEW (RULE 500).
The purpose of the program is to monitor compliance with applicable accounting and auditing standards adopted by generally recognized standard setting bodies. The program emphasizes appropriate education programs or remedial procedures that may be recommended or required where the firm does not comply with appropriate professional standards. In the event a firm is unwilling or unable to comply with professional standards, or a firm's failure to comply with professional standards is so egregious as to warrant continuing action, the Board will take appropriate action to protect the public interest as authorized by Section 54-219, Idaho Code. (3-20-20)T

501. ISSUANCE OF REPORTS AND FORM OF PRACTICE (RULE 501).
A licensee can provide or offer to provide attest services or issue reports on compilations only in a firm as defined by Section 54-206(10), Idaho Code, except as provided under Section 54-221(4), Idaho Code. (3-20-20)T

502. PEER REVIEW PROGRAM PARTICIPATION (RULE 502).

01. Participation. Any firm that issues reports on accounting and auditing engagements, including audits, reviews, compilations, prospective financial information, engagements performed in accordance with the PCAOB, and any examination, review or agreed-upon procedures engagement performed in accordance with the statement on standards for attestation engagements. A licensee who issues compilation reports through any form of business other than a firm is to participate in the peer review program. Such licensees are to meet the requirements for registration and peer review. (3-20-20)T

02. Practice Privileges. Individuals with practice privileges in Idaho are to comply with the peer review requirements in the state of their principal place of business. (3-20-20)T

503. EXEMPTION FROM PARTICIPATION (RULE 503).

01. Firms. A firm that does not perform any of the services in Rule 502 is exempt from peer review. The firm is to notify the Board of such exemption in writing at the time of renewal of its registration. A firm that begins providing these services is to commence a peer review within eighteen (18) months of the date of the issuance of its initial report. (3-20-20)T

02. Licensees Not in Public Practice. A licensee who does not perform any of the services in Rule 502 is exempt from firm registration and peer review. The licensee is to notify the Board of such exemption in writing at the time of initial CPA licensure and annually thereafter at the time of CPA or LPA license renewal. (3-20-20)T

03. Licensees Not Issuing Reports. A licensee who issues financial statements pursuant to Section 54-221(5), Idaho Code, is exempt from peer review. (3-20-20)T

504. SCHEDULING OF THE PEER REVIEW (RULE 504).

01. Frequency. A firm performing any of the services in Rule 502 undergoes, at its own expense, a peer review commensurate in scope with its practice, not less than once in each three (3) years. (3-20-20)T

02. Currently Enrolled. A firm currently enrolled in a program of an approved administering organization will use the year of review assigned by the administering organization. The firm will notify the Board of the deadlines set by the administering organization. (3-20-20)T

03. Review Year. Each firm is to enroll with one (1) of the approved administering organizations. Each firm adopts the review date assigned by the appropriate administering organization and notifies the Board of such date. (3-20-20)T

04. New Firms. Within one (1) year of registration with the Board, new firms are to enroll with an approved administering organization. The firm adopts the review date assigned and notifies the Board of such date. (3-20-20)T

05. Mergers or Combinations. In the event that two (2) or more firms are merged or combined, the resulting firm retains the peer review year of the firm with the largest number of accounting and auditing hours. (3-20-20)T

06. Dissolutions or Separations. In the event that a firm is divided, the new firm(s) retains the review year of the former firm. In the event that the year under review is less than twelve (12) months, a review year will be assigned so that the review occurs within eighteen (18) months of the commencement of the new firm(s). (3-20-20)T

07. Multi-State Practices. With respect to a multi-state firm, the Peer Review Oversight Committee may accept a peer review based solely upon work conducted outside of this state if the peer review is performed in accordance with requirements equivalent to those of this state. (3-20-20)T

08. Report Issuance. It is the responsibility of the firm to anticipate its need for peer review services in sufficient time to enable the reviewer to issue the report within six (6) months after the review date. (3-20-20)T

09. Extensions. The Board may accept an extension recommended by the administering organization for the conduct of a review, provided the Board is notified by the firm within thirty (30) days of the date of receipt of recommendation for such an extension. (3-20-20)T

10. Just Cause. The Board may change a firm's peer review year for just cause. (3-20-20)T

505. MINIMUM STANDARDS (RULE 505).
The minimum standards for peer review are contained in the Standards for Performing and Reporting on Peer

Reviews section of the AICPA Standards. Peer reviews intended to meet the requirements of the AICPA peer review program are to be carried out in conformity with these standards under the supervision of an administering organization approved by the Board to administer peer reviews. Reviewed firms arrange and schedule their reviews in compliance with the procedures established by the administering organization and cooperate with the administering organization and with the Board in all matters related to the review. (3-20-20)T

506. REPORTING TO THE BOARD (RULE 506).

01. Firm Registration Form. All firms performing any of the peer reviewable services in Rule 502 annually file a firm registration no later than September 30. The registration is on a form prescribed by the Board. Firm registrations filed after September 30 are subject to penalty for non-compliance pursuant to Rule 600. (3-20-20)T

02. Peer Review Documentation. A firm that has undergone peer review will file a copy of the peer review report, letter of comments if any, letter of response if any, and letter accepting the review report issued by the administering organization. The letter will be filed within thirty (30) days after receipt. Additionally, firms are to notify the Board within thirty (30) days of the date the peer reviewer or a team captain advises the firm that a grade of fail will be recommended. The Board reserves the right to obtain all other information relating to the peer review. The Board also has the authority to exempt for good cause firms who would otherwise have to file peer review documentation. (3-20-20)T

507. RETENTION OF DOCUMENTS RELATING TO PEER REVIEWS (RULE 507).
Documents relating to peer reviews are to be retained as follows: (3-20-20)T

01. Documents. All documentation necessary to establish that each peer review was performed in conformity with peer review standards adopted by the Board. These documents may include the peer review working papers, the peer review report, comment letters and related correspondence indicating the firm's concurrence or non-concurrence, and any proposed remedial actions and related implementation. (3-20-20)T

02. Retention Period. Document retention is for a period of time corresponding to the designated retention period of the relevant administering organization and, upon request of the Committee, to be made available to it. In no event may the retention period be less than ninety (90) days from the date of acceptance of the review by the administering organization. (3-20-20)T

508. CONFIDENTIALITY (RULE 508).
The letter and any documentation submitted to the Board pursuant to Rule 506.02 is confidential as authorized by Title 74, Chapter 1, Idaho Code, unless an Order is issued by the Board pursuant to Section 54-219, Idaho Code. (3-20-20)T

509. REMEDIES FOR FAILURE TO COMPLY (RULE 509).

01. Corrective Actions. The Board will take appropriate action to protect the public interest if the Board determines, through the peer review process or otherwise, that a firm's performance or reporting practices, or both, are not, or may not be, in accordance with applicable professional standards, or that the firm does not comply with peer review program requirements or with all or some of the reporting, remedial action, or fee penalty requirements of this section. The Board's actions may include, but are not limited to: (3-20-20)T

a. The annual license of the principal(s) of a non-compliant firm will not be issued until the firm complies with all requirements of these rules, provided the licensee has met all licensing requirements; (3-20-20)T

b. Requiring the firm to develop quality control procedures to provide a reasonable assurance that similar occurrences will not occur in the future; (3-20-20)T

c. Requiring any individual licensee who had responsibility for, or who substantially participated in, the engagement(s) to successfully complete specific courses or types of continuing education as specified by the Board; (3-20-20)T

d. Requiring the reviewed firm to engage a Board-approved licensee to conduct a Board-prescribed on-site field review of the firm's work product and practices or perform other investigative procedures to assess the degree or pervasiveness of nonconforming work product. The Board-approved licensee engaged by the firm will submit a report of the findings to the Board within thirty (30) days of the completion of the services. The cost of the Board-prescribed on-site review or other Board-prescribed procedures will be at the firm's expense; (3-20-20)T

e. Requiring the reviewed firm responsible for engagement(s) to submit all or specified categories of its compilation or attest working papers and reports to a preissuance evaluation performed by a Board-approved licensee in a manner and for a duration prescribed by the Board. Prior to the firm issuing the reports on the engagements reviewed, the Board-approved licensee submits to a designee of the Board for the purpose of recommending that the Board accept a report of the findings, including the nature and frequency of recommended actions for the firm. The cost of the Board-approved preissuance evaluation will be at the firm's expense; (3-20-20)T

f. Initiating an investigation to determine if additional discipline pursuant to Section 54-219, Idaho Code, is warranted. Notwithstanding the foregoing, absent an investigation the specific rating of a single peer review report is not a sufficient basis to warrant disciplinary action. (3-20-20)T

02. Solicitation and Review of Other Sources. The Board may solicit, and review licensee reports and other information covered by the reports from clients, public agencies, banks, and other users of such information. (3-20-20)T

510. ADMINISTERING ORGANIZATIONS (RULE 510).
Qualified administering organizations that register with, and are approved by the Board based on their adherence to the AICPA Peer Review minimum standards, include the peer review program of the American Institute of Certified Public Accountants (AICPA) and state CPA societies fully involved in the administration of the AICPA Peer Review Program and their successor organizations that meet the minimum standards. (3-20-20)T

511. PEER REVIEW OVERSIGHT COMMITTEE (RULE 511).

01. Appointment. The Board appoints an Oversight Committee consisting of no more than seven (7) members who are active licensees and possess extensive current experience in accounting and auditing services. No committee member may be a current member of the Board. (3-20-20)T

02. Responsibilities. The committee acts in an advisory capacity to the Board with the following duties: (3-20-20)T

a. Monitoring administrating organizations to provide reasonable assurance that peer reviews are being conducted and reported in accordance with the peer review minimum standards. (3-20-20)T

i. Visit annually the administering organizations to examine their procedures for administering the peer review program and meet with the organization's peer review committee during the consideration of peer review documents. (3-20-20)T

ii. Review, on the basis of random selection, a number of reviews performed by the administering organization which include, at a minimum, a review of the peer review report, the letter of comments (if any), the firm's response to the matters discussed in the letter of comments, the organization's acceptance letter outlining any additional corrective or monitoring procedures, and working papers on the selected review. The review of documents may be expanded if significant deficiencies, problems, or inconsistencies are discovered. (3-20-20)T

b. Reports to the Board on conclusions reached and makes recommendations to the adherence to Peer Review Standards. Alternatively, for those organizations participating in the AICPA oversight program in connection with involved state societies, the committee may obtain and review the oversight program report to ensure that reviews are being conducted and reported on in accordance with the standards. Reports submitted may not contain information concerning specific firms or reviewers. (3-20-20)T

c. Based on the result of the foregoing procedures, the committee will make recommendation to the Board as to the continuing qualifications of the approved administering organizations. (3-20-20)T

512. -- 599. (RESERVED)

600. FEES (RULE 600).

01. Examination and License.

Exam/License	Initial Fee
Initial Exam	$100
Re-Exam	$50
Active License	$120
Inactive or Retired License	$100
Reciprocity	$175 + license fee
International Reciprocity	$175 + license fee
Transfer of Grades	$175 + license fee
Reinstatement License	Sum of unpaid license fees for the preceding 3 license renewal cycles
Re-entry License	$20
Firm Registration	$20 firm plus $5 per licensee up to $200 maximum

(3-20-20)T

02. Administrative Services.

Category	Fee
Interstate Exchange of Information	$10
Wall Certificate	$20

(3-20-20)T

03. Late Fees.

Category	Fee
Late License Renewal	$100
Non-compliance with CPE Filing:	
February	$100
March	$150
April	$200
May	$250
June	$300
Non-compliance with Firm Registration	$100 per licensee

(3-20-20)T

701. -- 999. (RESERVED)

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