



MEMORANDUM

TO: John Patterson, Executive Director, Accountancy Board of Ohio

FROM: Emily Kaylor, Regulatory Policy Advocate

DATE: September 14, 2016

RE: **CSI Review – Accounting Standards (OAC 4701-9-01, 4701-9-02, 4701-9-03, 4701-9-04, 4701-9-05, 4701-9-06, 4701-9-08, 4701-9-09, and 4701-9-10)**

On behalf of Lt. Governor Mary Taylor, and pursuant to the authority granted to the Common Sense Initiative (CSI) Office under Ohio Revised Code (ORC) section 107.54, the CSI Office has reviewed the abovementioned administrative rule package and associated Business Impact Analysis (BIA). This memo represents the CSI Office's comments to the Agency as provided for in ORC 107.54.

Analysis

This rule package consists of nine rules submitted by the Accountancy Board of Ohio pursuant to the five-year review requirement in statute. The three no-change and six amended rules were sent to the CSI Office on May 17, 2016, but the package was sent to stakeholders on May 2, 2016 with a comment period end date of May 18, 2016. One comment was received during this time. After discussions with the stakeholders the rules were amended and a second comment period lasted from August 24 to August 31. No additional comments were received.

The proposed rules pertain to general accounting guidelines for Certified Public Accountants who hold Ohio permits. These guidelines include integrity, objectivity, professional care, auditing practices, generally accepted accounting principles, attestation, consulting, tax services, and quality control. The amendments include a few updated code references, minor formatting changes, wording clarifications, and some website additions for easily accessible information.

The BIA states that the only adverse impact on businesses will result from non-compliance. If a CPA is not complying with the rules, then he or she may have to appear before the Accountancy

Board for an administrative hearing that may result in lost wages and time. The Ohio Society of Certified Public Accountants (OSCPA) submitted a letter for comment during the CSI comment period. While they mentioned the Accounting Standards rules, their suggestions were for the Ethics Standards in another package. During follow-up between OSCPAs and the Board, some minor language changes were suggested and accepted in the draft rules that were sent out for a second comment period. No comments were received during the second comment period.

After reviewing the proposed rules and the BIA, the CSI Office has determined that the standards espoused by the CSI Office have been met and the purpose of the rule package is justified.

Recommendations

For the reasons discussed above, the CSI Office does not have any recommendations for this rule package.

Conclusion

Based on the above comments, the CSI Office concludes that the Accountancy Board of Ohio should proceed with the formal filing of this rule package with the Joint Committee on Agency Rule Review.

cc: Mark Hamlin, Director of Regulatory Policy