Review of Rules 4701-3-06, 4701-11-6 and 4701-13-11

4701-3-06 Conditional application for the CPA examination. (THIS RULE IS BEING RESCINDED)

(A) A candidate may apply to take the CPA examination up to ninety days preceding the date on which the candidate will complete the educational requirements defined in rule 4701-3-09 of the Administrative Code under the following conditions:

(1) The candidate submits to the board's administrative agent a letter from the appropriate educational institution with the examination application. The letter must state that the candidate will meet all educational requirements defined in rule 4701-3-09 of the Administrative Code and specify the likely completion date of the requirements.

(2) The candidate may sit for the CPA examination only after the educational requirements defined in rule 4701-3-09 of the Administrative Code are completed. The notice to schedule will be dated on the first day of the examination window following the date the candidate completes the educational requirements, unless the candidate makes prior written arrangements for an earlier date.

(B) A candidate who sits for the CPA examination under the conditions described in paragraph (A) of this rule must submit to the board's administrative agent all final official transcripts and applicable supporting documentation no later than four months following the window in which the candidate completes the educational requirements.

(C) The board may cancel any examination scores received by a candidate who fails to meet the requirements in paragraph (B) of this rule.

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4701-11-06 Retention of client records.

(A) If a client makes a written request for records from a registered firm or Ohio permit holder, the registered firm or Ohio permit holder shall comply with the request within thirty days after receipt of the request. The thirty-day deadline may be extended by the board if the registered firm or Ohio permit holder requests an extension of time in accordance with paragraph (I) of this rule.

(B) A client's records are any accounting or other records belonging to the client that were provided to the registered firm or Ohio permit holder by or on behalf of the client, as well as records defined in paragraph (E) of this rule as client records.

(C) The workpapers of the registered firm or Ohio permit holder include, but are not limited to, the following:

(1) The registered firm's or Ohio permit holder's notes or memos regarding the engagement;

(2) Records kept by the registered firm or Ohio permit holder of procedures applied, tests performed, information obtained, and pertinent conclusions reached in the engagement;

(3) Analyses and schedules prepared by the client at the registered firm's or Ohio permit holder's request, and;

(4) Audit programs, audit analyses and memoranda, letters of confirmation and representation, abstracts of company documents, and schedules or commentaries either prepared or obtained by the registered firm or Ohio permit holder.

(D) Workpapers may also be in the form of data stored on discs, tapes, films, or any media other than paper. Workpapers are considered to be the registered firm's or Ohio permit holder's property. In the event of a dispute between the registered firm or Ohio permit holder and the client concerning records, the board will determine whether or not a document may be classified either as a registered firm's or Ohio permit holder's workpaper, or as a client record.

(E) Workpapers may contain information that is not reflected in the client's books and records, with the result that the client's financial information is incomplete. These records are defined as client records, and may include but are not limited to:

(1) Adjusting, closing, combining or consolidating journal entries;

(2) Depreciation and amortization schedules, including tax carryforward information; and

(3) Information normally contained in books of original entry, as well as general ledgers and subsidiary ledgers.

(F) If the registered firm or Ohio permit holder has converted client information onto computer files for use with the registered firm's or Ohio permit holder's software and the registered firm or Ohio permit holder has not been paid for professional services rendered, then the registered firm or Ohio permit holder is under no obligation to provide the client with electronic files or a copy of any software. If the client has paid the registered firm or Ohio permit holder for professional services rendered, then the registered firm or Ohio permit holder must provide a copy of all relevant electronic data files to the client.

(G) If the registered firm or Ohio permit holder has provided the information described in paragraph (B) or (E) of this rule to the client, then the registered firm or Ohio permit holder need not comply with further client requests for the same information.

(H) The registered firm or Ohio permit holder may demand that agreed-upon fees be paid prior to providing any information described in paragraph (E) of this rule if there is an engagement letter or other documented understanding prepared prior to the engagement and communicated to the client that states the specific fee payment arrangements for providing such information.

(I) In the event of a dispute between the client and a registered firm or Ohio permit holder over the return of records described in paragraph (E) of this rule, the registered firm or Ohio permit holder may request an extension of the deadline specified in paragraph (A) of this rule in order to mediate the dispute. The request must be filed within thirty days of the date the records retention complaint is filed with the board. The mediation must be conducted before a mediator mutually agreeable to and selected by the parties, and must be completed within sixty days of the date the complaint is filed with the board. The mediator may be the executive director of the board or a designee if the parties agree. If either party is dissatisfied with the recommendations of the mediator, that party may request a hearing before the board.

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4701-13-11 Required submission of peer review reports.

(A) Each public accounting firm that receives any of the following peer review reports must submit the report to the board by the deadline specified in paragraph (B) of this rule, along with any applicable letters of comment, letters of response, and peer review acceptance letter:

(1) An adverse (fail) peer review report.

(2) A modified (pass with deficiencies) peer review or report review that contains a deficiency or deficiencies concerning the professional standards in Chapter 4701-9 of the Administrative Code deemed by the peer review committee defined in rule 4701-13-03 of the Administrative Code to be significant and continuing from the firm's previous peer review or report review.

(3) A second consecutive modified (pass with deficiencies) peer review report that does not contain any deficiency concerning the professional standards in Chapter 4701-9 of the Administrative Code deemed by the peer review committee defined in rule 4701-13-03 of the Administrative Code to be significant and continuing from the firm's previous peer review or report review.

(B) The firm must submit the report, along with any applicable letters of comment, letters of response, and peer review acceptance letter to the board no later than thirty days after the firm receives a peer review acceptance letter issued by the peer review committee defined in rule 4701-13-03 of the Administrative Code.

(C) Failure to comply with the provisions of this rule shall be a violation of division (A)(4) of section 4701.16 of the Revised Code.

Replaces: 4701-13-11

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