



Common Sense Initiative

Mike DeWine, Governor
Jon Husted, Lt. Governor

Carrie Kuruc, Director

MEMORANDUM

TO: Donna Oklok, Accountancy Board of Ohio

FROM: Paula Steele, Common Sense Initiative Office

DATE: April 8, 2019

RE: CSI Review – Required Submission of Peer Review (OAC 4701-13-11)

On behalf of Lt. Governor Jon Husted, 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 contains one amended rule being proposed by the Accountancy Board of Ohio (Board). The rule package was submitted to the CSI Office on February 19, 2019 and the public comment period was held open through March 18, 2019. No comments were received during this time.

Ohio statute requires all public accounting firms practicing in the State to register with the Board. As a condition of the registration or registration renewal, the accounting firm must undergo a peer review. A peer review is defined in ORC 4701.01 as “a study, appraisal, or review of one or more aspects of the professional work of a public accounting firm that meets the standards and requirements set forth by the accountancy board.”

OAC 4701-13-11 sets requirements pertaining to the submission of peer review reports to the Board, including submission deadlines and necessary contents. The draft rule also provides for a conditional peer review acceptance letter contingent upon the receipt of the final acceptance letter within 30 days and prescribes the notification requirements if an acceptance letter recall or modification letter

is received by a firm.

The BIA submitted by the Board identifies adverse impacts from the rule as the possibility of sanctions for failure to comply. However, the BIA notes that the rules establish standards of practice that are necessary to protect those receiving accounting services and to ensure that those professionals credentialed in Ohio are practicing in a manner consistent with recognized industry standards.

Recommendations

The CSI Office does not have any recommendations for this rule package.

Conclusion

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: John E. Patterson, Executive Director, Accountancy Board of Ohio