



94TH GENERAL ASSEMBLY

State of Illinois

2005 and 2006

SB2732

Introduced 1/20/2006, by Sen. Louis S. Viverito

SYNOPSIS AS INTRODUCED:

225 ILCS 450/0.03	from Ch. 111, par. 5500.03
225 ILCS 450/6.1	
225 ILCS 450/9.01	
225 ILCS 450/14.3	
225 ILCS 450/16	from Ch. 111, par. 5517
225 ILCS 450/20.01	from Ch. 111, par. 5521.01
225 ILCS 450/20.1	from Ch. 111, par. 5522
225 ILCS 450/27	from Ch. 111, par. 5533

Amends the Illinois Public Accounting Act. Defines "peer review program" as a review of compliance with professional standards of practice (now, generally accepted accounting principles and auditing standards and other generally accepted technical standards). Provides a definition of "Peer Review Administrator". Requires firms and sole practitioners providing accounting services under the Act to complete a peer review as a condition of renewing a license unless an exemption applies. Allows the Department of Financial and Professional Regulation to adopt rules. Provides penalties for failure to comply with remedial actions determined appropriate by the Peer Review Administrator. Requires the firm or sole practitioner to pay for the costs of the peer review. Provides that the peer review proceedings, records, reports, and other documents are privileged and provides exceptions to the privilege. Provides for the peer review year of combined or divided firms or sole practitioners. Makes other changes. Effective immediately.

LRB094 16502 RAS 51763 b

FISCAL NOTE ACT
MAY APPLY

1 AN ACT concerning regulation.

2 **Be it enacted by the People of the State of Illinois,**
3 **represented in the General Assembly:**

4 Section 5. The Illinois Public Accounting Act is amended by
5 changing Sections 0.03, 6.1, 9.01, 14.3, 16, 20.01, 20.1, and
6 27 as follows:

7 (225 ILCS 450/0.03) (from Ch. 111, par. 5500.03)

8 (Section scheduled to be repealed on January 1, 2014)

9 Sec. 0.03. Definitions. As used in this Act, unless the
10 context otherwise requires:

11 (a) "Registered Certified Public Accountant" means any
12 person who has been issued a registration under this Act as a
13 Registered Certified Public Accountant.

14 (b) "Licensed Certified Public Accountant" means any
15 person licensed under this Act as a Licensed Certified Public
16 Accountant.

17 (c) "Committee" means the Public Accountant Registration
18 Committee appointed by the Director.

19 (d) "Department" means the Department of Professional
20 Regulation.

21 (e) "Director" means the Director of Professional
22 Regulation.

23 (f) "License", "licensee" and "licensure" refers to the
24 authorization to practice under the provisions of this Act.

25 (g) "Peer review program" means a study, appraisal, or
26 review of one or more aspects of the professional work of a
27 person or firm or sole practitioner in the practice of public
28 accounting to determine the degree of compliance by the firm or
29 sole practitioner with professional standards and practices,
30 conducted by persons who hold current licenses to practice
31 public accounting under the laws of this or another state and
32 who are not affiliated with the firm or sole practitioner being

1 ~~reviewed certified or licensed under this Act, including~~
2 ~~quality review, peer review, practice monitoring, quality~~
3 ~~assurance, and similar programs undertaken voluntarily or as a~~
4 ~~prerequisite to the providing of professional services under~~
5 ~~government requirements, or any similar internal review or~~
6 ~~inspection that is required by professional standards.~~

7 (h) "Review committee" means any person or persons
8 conducting, reviewing, administering, or supervising a peer
9 review program.

10 (i) "University" means the University of Illinois.

11 (j) "Board" means the Board of Examiners established under
12 Section 2.

13 (k) "Registration", "registrant", and "registered" refer
14 to the authorization to hold oneself out as or use the title
15 "Registered Certified Public Accountant" or "Certified Public
16 Accountant", unless the context otherwise requires.

17 (l) "Peer Review Administrator" means an organization
18 designated by the Department that meets the requirements of
19 subsection (f) of Section 16 of this Act and other rules that
20 the Department may adopt.

21 (Source: P.A. 92-457, eff. 7-1-04; 93-683, eff. 7-2-04.)

22 (225 ILCS 450/6.1)

23 (Section scheduled to be repealed on January 1, 2014)

24 Sec. 6.1. Examinations.

25 (a) The examination shall test the applicant's knowledge of
26 accounting, auditing, and other related subjects, if any, as
27 the Board may deem advisable. A candidate shall be required to
28 pass all sections of the examination in order to qualify for a
29 certificate. A candidate may take the required test sections
30 individually and in any order, as long as the examination is
31 taken within a timeframe established by Board rule.

32 (b) On and after January 1, 2005, applicants shall also be
33 required to pass an examination on the rules of professional
34 conduct, as determined by Board rule to be appropriate, before
35 they may be awarded a certificate as a Certified Public

1 Accountant.

2 (c) Pursuant to compliance with the Americans with
3 Disabilities Act, the Board may provide alternative test
4 administration arrangements that are reasonable in the context
5 of the Certified Public Accountant examination for applicants
6 who are unable to take the examination under standard
7 conditions upon an applicant's submission of evidence as the
8 Board may require, which may include a signed statement from a
9 medical or other licensed medical professional, identifying
10 the applicant's disabilities and the specific alternative
11 accommodations the applicant may need. Any alteration in test
12 administration arrangements does not waive the requirement of
13 sitting for and passing the examination. ~~The Board may in~~
14 ~~certain cases waive or defer any of the requirements of this~~
15 ~~Section regarding the circumstances in which the various~~
16 ~~Sections of the examination must be passed upon a showing that,~~
17 ~~by reasons of circumstances beyond the applicant's control, the~~
18 ~~applicant was unable to meet the requirement.~~

19 (d) Any application, document, or other information filed
20 by or concerning an applicant and any examination grades of an
21 applicant shall be deemed confidential and shall not be
22 disclosed to anyone without the prior written permission of the
23 applicant, except that the names and addresses only of all
24 applicants shall be a public record and be released as public
25 information. Nothing in this subsection shall prevent the Board
26 from making public announcement of the names of persons
27 receiving certificates under this Act.

28 (Source: P.A. 93-683, eff. 7-2-04.)

29 (225 ILCS 450/9.01)

30 (Section scheduled to be repealed on January 1, 2014)

31 Sec. 9.01. Unlicensed practice; violation; civil penalty.

32 (a) Any person or firm that ~~who~~ practices, offers to
33 practice, attempts to practice, or holds oneself out to
34 practice as a licensed certified public accountant without
35 being licensed under this Act shall, in addition to any other

1 penalty provided by law, pay a civil penalty to the Department
2 in an amount not to exceed \$5,000 for each offense as
3 determined by the Department. The civil penalty shall be
4 assessed by the Department after a hearing is held in
5 accordance with the provisions set forth in this Act regarding
6 the provision of a hearing for the discipline of a licensee.

7 (b) The Department has the authority and power to
8 investigate any and all unlicensed activity.

9 (c) The civil penalty shall be paid within 60 days after
10 the effective date of the order imposing the civil penalty. The
11 order shall constitute a judgment and may be filed and
12 execution had thereon in the same manner as any judgment from
13 any court of record.

14 (Source: P.A. 92-457, eff. 7-1-04; 93-683, eff. 7-2-04.)

15 (225 ILCS 450/14.3)

16 (Section scheduled to be repealed on January 1, 2014)

17 Sec. 14.3. Additional requirements for firms. In addition
18 to the ownership requirements set forth in subsection (b) of
19 Section 14, all firms licensed under this Act shall meet the
20 following requirements:

21 (a) All owners of the firm, whether licensed or not, shall
22 be active participants in the firm or its affiliated entities.

23 (b) An individual who supervises services for which a
24 license is required under Section 8 of this Act or who signs or
25 authorizes another to sign any report for which a license is
26 required under Section 8 of this Act shall hold a valid, active
27 ~~unrevoked~~ Licensed Certified Public Accountant license from
28 this State or another state and shall comply with such
29 additional experience requirements as may be required by rule
30 of the Board.

31 (c) The firm shall require that all owners of the firm,
32 whether or not certified or licensed under this Act, comply
33 with rules promulgated under this Act.

34 (d) The firm shall designate to the Department in writing
35 an individual licensed under this Act who shall be responsible

1 for the proper registration of the firm.

2 (e) Applicants have 3 years from the date of application to
3 complete the application process. If the process has not been
4 completed in 3 years, the application shall be denied, the fee
5 shall be forfeited, and the applicant must reapply and meet the
6 requirements in effect at the time of reapplication.

7 (Source: P.A. 92-457, eff. 7-1-04; 93-683, eff. 7-2-04.)

8 (225 ILCS 450/16) (from Ch. 111, par. 5517)

9 (Section scheduled to be repealed on January 1, 2014)

10 Sec. 16. Expiration and renewal of licenses; renewal of
11 registration; continuing education.

12 (a) The expiration date and renewal period for each license
13 issued under this Act shall be set by rule.

14 (b) Every holder of a license or registration under this
15 Act may renew such license or registration before the
16 expiration date upon payment of the required renewal fee as set
17 by rule.

18 (c) Every application for renewal of a license by a
19 licensed certified public accountant who has been licensed
20 under this Act for 3 years or more shall be accompanied or
21 supported by any evidence the Department shall prescribe, in
22 satisfaction of completing, each 3 years, not less than 120
23 hours of continuing professional education programs in
24 subjects given by continuing education sponsors registered by
25 the Department upon recommendation of the Committee. Of the 120
26 hours, not less than 4 hours shall be courses covering the
27 subject of professional ethics. All continuing education
28 sponsors applying to the Department for registration shall be
29 required to submit an initial nonrefundable application fee set
30 by Department rule. Each registered continuing education
31 sponsor shall be required to pay an annual renewal fee set by
32 Department rule. Publicly supported colleges, universities,
33 and governmental agencies located in Illinois are exempt from
34 payment of any fees required for continuing education sponsor
35 registration. Failure by a continuing education sponsor to be

1 licensed or pay the fees prescribed in this Act, or to comply
2 with the rules and regulations established by the Department
3 under this Section regarding requirements for continuing
4 education courses or sponsors, shall constitute grounds for
5 revocation or denial of renewal of the sponsor's registration.

6 (d) Licensed Certified Public Accountants are exempt from
7 the continuing professional education requirement for the
8 first renewal period following the original issuance of the
9 license.

10 Notwithstanding the provisions of ~~this~~ subsection (c), the
11 Department may accept courses and sponsors approved by other
12 states, by the American Institute of Certified Public
13 Accountants, by other state CPA societies, or by national
14 accrediting organizations such as the National Association of
15 State Boards of Accountancy.

16 Failure by an applicant for renewal of a license as a
17 licensed certified public accountant to furnish the evidence
18 shall constitute grounds for disciplinary action, unless the
19 Department in its discretion shall determine the failure to
20 have been due to reasonable cause. The Department, in its
21 discretion, may renew a license despite failure to furnish
22 evidence of satisfaction of requirements of continuing
23 education upon condition that the applicant follow a particular
24 program or schedule of continuing education. In issuing rules
25 and individual orders in respect of requirements of continuing
26 education, the Department in its discretion may, among other
27 things, use and rely upon guidelines and pronouncements of
28 recognized educational and professional associations; may
29 prescribe rules for the content, duration, and organization of
30 courses; shall take into account the accessibility to
31 applicants of such continuing education as it may require, and
32 any impediments to interstate practice of public accounting
33 that may result from differences in requirements in other
34 states; and may provide for relaxation or suspension of
35 requirements in regard to applicants who certify that they do
36 not intend to engage in the practice of public accounting, and

1 for instances of individual hardship.

2 The Department shall establish by rule a means for the
3 verification of completion of the continuing education
4 required by this Section. This verification may be accomplished
5 through audits of records maintained by licensees; by requiring
6 the filing of continuing education certificates with the
7 Department; or by other means established by the Department.

8 The Department may establish, by rule, guidelines for
9 acceptance of continuing education on behalf of licensed
10 certified public accountants taking continuing education
11 courses in other jurisdictions.

12 (e) For renewals on and after July 1, 2012, as a condition
13 for granting a renewal license to firms and sole practitioners
14 who provide services requiring a license under this Act, the
15 Department shall require that the firm or sole practitioner
16 satisfactorily complete a peer review during the immediately
17 preceding 3-year period, accepted by a Peer Review
18 Administrator in accordance with established standards for
19 performing and reporting on peer reviews, unless the firm or
20 sole practitioner is exempted under the provisions of
21 subsection (i) of this Section. A firm or sole practitioner
22 shall, at the request of the Department, submit to the
23 Department a letter from the Peer Review Administrator stating
24 the date on which the peer review was satisfactorily completed.

25 A new firm or sole practitioner not subject to subsection
26 (1) of this Section shall undergo its first peer review during
27 the first full renewal cycle after it is granted its initial
28 license.

29 The requirements of this subsection (e) shall not apply to
30 any person providing services requiring a license under this
31 Act to the extent that such services are provided in the
32 capacity of an employee of the Office of the Auditor General or
33 to a nonprofit cooperative association engaged in the rendering
34 of licensed service to its members only under paragraph (3) of
35 subsection (b) of Section 14 of this Act or any of its
36 employees to the extent that such services are provided in the

1 capacity of an employee of the association.

2 (f) The Department shall approve only Peer Review
3 Administrators that the Department finds comply with
4 established standards for performing and reporting on peer
5 reviews. The Department may adopt rules establishing
6 guidelines for peer reviews, which shall do all of the
7 following:

8 (1) Require that a peer review be conducted by a
9 reviewer that is independent of the firm reviewed and
10 approved by the Peer Review Administrator under
11 established standards.

12 (2) Other than in the peer review process, prohibit the
13 use or public disclosure of information obtained by the
14 reviewer, the Peer Review Administrator, or the Department
15 during or in connection with the peer review process. The
16 requirement that information not be publicly disclosed
17 shall not apply to a hearing before the Department that the
18 firm or sole practitioner requests be public or to the
19 information described in paragraph (3) of subsection (i) of
20 this Section.

21 (g) If a firm or sole practitioner fails to satisfactorily
22 complete a peer review as required by subsection (e) of this
23 Section or does not comply with any remedial actions determined
24 necessary by the Peer Review Administrator, the Peer Review
25 Administrator shall notify the Department of the failure and
26 shall submit a record with specific references to the rule,
27 statutory provision, professional standards, or other
28 applicable authority upon which the Peer Review Administrator
29 made its determination and the specific actions taken or failed
30 to be taken by the licensee that in the opinion of the Peer
31 Review Administrator constitutes a failure to comply. The
32 Department may at its discretion or shall upon submission of a
33 written application by the firm or sole practitioner hold a
34 hearing under Section 20.1 of this Act to determine whether the
35 firm or sole practitioner has complied with subsection (e) of
36 this Section. The hearing shall be confidential and shall not

1 be open to the public unless requested by the firm or sole
2 practitioner.

3 (h) The firm or sole practitioner reviewed shall pay for
4 any peer review performed. The Peer Review Administrator may
5 charge a fee to each firm and sole practitioner sufficient to
6 cover costs of administering the peer review program.

7 (i) A firm or sole practitioner shall be exempt from the
8 requirement to undergo a peer review if:

9 (1) Within 3 years before the date of application for
10 renewal licensure, the sole practitioner or firm has
11 undergone a peer review conducted in another state or
12 foreign jurisdiction that meets the requirements of
13 paragraphs (1) and (2) of subsection (f) of this Section.
14 The sole practitioner or firm shall submit to the
15 Department a letter from the organization administering
16 the most recent peer review stating the date on which the
17 peer review was completed; or

18 (2) The sole practitioner or firm satisfies all of the
19 following conditions:

20 (A) during the preceding 2 years, the firm or sole
21 practitioner has not accepted or performed any
22 services requiring a license under this Act;

23 (B) the firm or sole practitioner agrees to notify
24 the Department within 30 days of accepting an
25 engagement for services requiring a license under this
26 Act and to undergo a peer review within 18 months after
27 the end of the period covered by the engagement; or

28 (3) For reasons of personal health, military service,
29 or other good cause, the Department determines that the
30 sole practitioner or firm is entitled to an exemption,
31 which may be granted for a period of time not to exceed 12
32 months.

33 (j) In any civil action, arbitration, or administrative
34 proceeding, regardless of whether a licensee is a party
35 thereto, all of the following shall apply:

36 (1) The proceedings, records (including, without

1 limitation, letters of acceptance, peer review reports,
2 letters of comment, and letters of response), and working
3 papers related to the peer review process of any reviewer,
4 administering organization, or board member are privileged
5 and not subject to discovery, subpoena, or other means of
6 legal process and may not be introduced into evidence.

7 (2) No employee, member, or agent of a Peer Review
8 Administrator or reviewer shall be permitted or required to
9 testify as to any matters produced, presented, disclosed,
10 or discussed during or in connection with the peer review
11 process or be required to testify to any finding,
12 recommendation, evaluation, opinion, or other actions of
13 any person in connection with the peer review process.

14 (3) No privilege exists under this subsection (j):

15 (A) for information presented or considered in the
16 peer review process that was otherwise available to the
17 public;

18 (B) for materials not prepared in connection with a
19 peer review merely because the materials subsequently
20 are presented or considered as part of the peer review
21 process; or

22 (C) in connection with an administrative
23 proceeding or related civil action brought for the
24 purpose of enforcing this Section.

25 (k) If a peer review report indicates that a firm or sole
26 practitioner complies with the appropriate professional
27 standards and practices set forth in the rules of the
28 Department and no further remedial action is required, the Peer
29 Review Administrator shall destroy all working papers and
30 documents, other than report-related documents, related to the
31 peer review within 90 days after issuance of the letter of
32 acceptance by the Peer Review Administrator. If a peer review
33 letter of acceptance indicates that corrective action is
34 required, the Peer Review Administrator may retain documents
35 and reports related to the peer review until completion of the
36 next peer review or other agreed-to corrective actions.

1 (1) In the event the practices of 2 or more firms or sole
2 practitioners are merged or otherwise combined, the surviving
3 firm shall retain the peer review year of the largest firm, as
4 determined by the number of accounting and auditing hours of
5 each of the practices. In the event that the practice of a firm
6 is divided or a portion of its practice is sold or otherwise
7 transferred, any firm or sole practitioner acquiring some or
8 all of the practice that does not already have its own review
9 year shall retain the review year of the former firm. In the
10 event that the first peer review of a firm that would otherwise
11 be required by this subsection (1) would be less than 12 months
12 after its previous review, a review year shall be assigned by
13 Peer Review Administrator so that the firm's next peer review
14 occurs after not less than 12 months of operation, but not
15 later than 18 months of operation.

16 (Source: P.A. 92-457, eff. 7-1-04; 93-683, eff. 7-2-04; revised
17 10-11-05.)

18 (225 ILCS 450/20.01) (from Ch. 111, par. 5521.01)

19 (Section scheduled to be repealed on January 1, 2014)

20 Sec. 20.01. Grounds for discipline; license or
21 registration.

22 (a) The Department may refuse to issue or renew, or may
23 revoke, suspend, or reprimand any registration or registrant,
24 any license or licensee, place a licensee or registrant on
25 probation for a period of time subject to any conditions the
26 Department may specify including requiring the licensee or
27 registrant to attend continuing education courses or to work
28 under the supervision of another licensee or registrant, impose
29 a fine not to exceed \$5,000 for each violation, restrict the
30 authorized scope of practice, or require a licensee or
31 registrant to undergo a peer review program, for any one or
32 more of the following:

33 (1) Violation of any provision of this Act.

34 (2) Attempting to procure a license or registration to
35 practice under this Act by bribery or fraudulent

1 misrepresentations.

2 (3) Having a license to practice public accounting or
3 registration revoked, suspended, or otherwise acted
4 against, including the denial of licensure or
5 registration, by the licensing or registering authority of
6 another state, territory, or country, including but not
7 limited to the District of Columbia, or any United States
8 territory. No disciplinary action shall be taken in
9 Illinois if the action taken in another jurisdiction was
10 based upon failure to meet the continuing professional
11 education requirements of that jurisdiction and the
12 applicable Illinois continuing professional education
13 requirements are met.

14 (4) Being convicted or found guilty, regardless of
15 adjudication, of a crime in any jurisdiction which directly
16 relates to the practice of public accounting or the ability
17 to practice public accounting or as a Registered Certified
18 Public Accountant.

19 (5) Making or filing a report or record which the
20 registrant or licensee knows to be false, willfully failing
21 to file a report or record required by state or federal
22 law, willfully impeding or obstructing the filing, or
23 inducing another person to impede or obstruct the filing.
24 The reports or records shall include only those that are
25 signed in the capacity of a licensed certified public
26 accountant or a registered certified public accountant.

27 (6) Conviction in this or another State or the District
28 of Columbia, or any United States Territory, of any crime
29 that is punishable by one year or more in prison or
30 conviction of a crime in a federal court that is punishable
31 by one year or more in prison.

32 (7) Proof that the licensee or registrant is guilty of
33 fraud or deceit, or of gross negligence, incompetency, or
34 misconduct, in the practice of public accounting.

35 (8) Violation of any rule adopted under this Act.

36 (9) Practicing on a revoked, suspended, or inactive

1 license or registration.

2 (10) Suspension or revocation of the right to practice
3 before any state or federal agency.

4 (11) Conviction of any crime under the laws of the
5 United States or any state or territory of the United
6 States that is a felony or misdemeanor and has dishonesty
7 as an essential element, or of any crime that is directly
8 related to the practice of the profession.

9 (12) Making any misrepresentation for the purpose of
10 obtaining a license, or registration or material
11 misstatement in furnishing information to the Department.

12 (13) Aiding or assisting another person in violating
13 any provision of this Act or rules promulgated hereunder.

14 (14) Engaging in dishonorable, unethical, or
15 unprofessional conduct of a character likely to deceive,
16 defraud, or harm the public ~~and violating the rules of~~
17 ~~professional conduct adopted by the Department.~~

18 (15) Habitual or excessive use or addiction to alcohol,
19 narcotics, stimulants, or any other chemical agent or drug
20 that results in the inability to practice with reasonable
21 skill, judgment, or safety.

22 (16) Directly or indirectly giving to or receiving from
23 any person, firm, corporation, partnership, or association
24 any fee, commission, rebate, or other form of compensation
25 for any professional service not actually rendered.

26 (17) Physical or mental disability, including
27 deterioration through the aging process or loss of
28 abilities and skills that results in the inability to
29 practice the profession with reasonable judgment, skill or
30 safety.

31 (18) Solicitation of professional services by using
32 false or misleading advertising.

33 (19) Failure to file a return, or pay the tax, penalty
34 or interest shown in a filed return, or to pay any final
35 assessment of tax, penalty or interest, as required by any
36 tax Act administered by the Illinois Department of Revenue

1 or any successor agency or the Internal Revenue Service or
2 any successor agency.

3 (20) Practicing or attempting to practice under a name
4 other than the full name as shown on the license or
5 registration or any other legally authorized name.

6 (21) A finding by the Department that a licensee or
7 registrant has not complied with a provision of any lawful
8 order issued by the Department.

9 (22) Making a false statement to the Department
10 regarding compliance with continuing professional
11 education or peer review requirements.

12 (23) Failing to make a substantive response to a
13 request for information by the Department within 30 days of
14 the request.

15 (b) (Blank).

16 (c) In rendering an order, the Department shall take into
17 consideration the facts and circumstances involving the type of
18 acts or omissions in subsection (a) including, but not limited
19 to:

20 (1) the extent to which public confidence in the public
21 accounting profession was, might have been, or may be
22 injured;

23 (2) the degree of trust and dependence among the
24 involved parties;

25 (3) the character and degree of financial or economic
26 harm which did or might have resulted; and

27 (4) the intent or mental state of the person charged at
28 the time of the acts or omissions.

29 (d) The Department shall reissue the license or
30 registration upon a showing that the disciplined licensee or
31 registrant has complied with all of the terms and conditions
32 set forth in the final order.

33 (e) The Department shall deny any application for a
34 license, registration, or renewal, without hearing, to any
35 person who has defaulted on an educational loan guaranteed by
36 the Illinois Student Assistance Commission; however, the

1 Department may issue a license, registration, or renewal if the
2 person in default has established a satisfactory repayment
3 record as determined by the Illinois Student Assistance
4 Commission.

5 (f) The determination by a court that a licensee or
6 registrant is subject to involuntary admission or judicial
7 admission as provided in the Mental Health and Developmental
8 Disabilities Code will result in the automatic suspension of
9 his or her license or registration. The licensee or registrant
10 shall be responsible for notifying the Department of the
11 determination by the court that the licensee or registrant is
12 subject to involuntary admission or judicial admission as
13 provided in the Mental Health and Developmental Disabilities
14 Code. The licensee or registrant shall also notify the
15 Department upon discharge so that a determination may be made
16 under item (17) of subsection (a) whether the licensee or
17 registrant may resume practice.

18 (Source: P.A. 92-457, eff. 7-1-04; 93-629, eff. 12-23-03;
19 93-683, eff. 7-2-04.)

20 (225 ILCS 450/20.1) (from Ch. 111, par. 5522)

21 (Section scheduled to be repealed on January 1, 2014)

22 Sec. 20.1. Investigations; notice; hearing. The Department
23 may, upon its own motion, and shall, upon the verified
24 complaint in writing of any person setting forth facts which,
25 if proved, would constitute grounds for disciplinary action as
26 set forth in Section 20.01, investigate the actions of any
27 person or entity. The Department may refer complaints and
28 investigations to a disciplinary body of the accounting
29 profession for technical assistance. The results of an
30 investigation and recommendations of the disciplinary body may
31 be considered by the Department, but shall not be considered
32 determinative and the Department shall not in any way be
33 obligated to take any action or be bound by the results of the
34 accounting profession's disciplinary proceedings. The
35 Department, before taking disciplinary action, shall afford

1 the concerned party or parties an opportunity to request a
2 hearing and if so requested shall set a time and place for a
3 hearing of the complaint. With respect to determinations by a
4 Peer Review Administrator duly appointed by the Department
5 under subsection (f) of Section 16 of this Act that a licensee
6 has failed to satisfactorily complete a peer review as required
7 under subsection (e) of Section 16, the Department may consider
8 the Peer Review Administrator's findings of fact as prima facie
9 evidence, and upon request by a licensee for a hearing the
10 Department shall review the record presented and hear arguments
11 by the licensee or the licensee's counsel but need not conduct
12 a trial or hearing de novo or accept additional evidence. The
13 Department shall notify the applicant or the licensed or
14 registered person or entity of any charges made and the date
15 and place of the hearing of those charges by mailing notice
16 thereof to that person or entity by registered or certified
17 mail to the place last specified by the accused person or
18 entity in the last notification to the Department, at least 30
19 days prior to the date set for the hearing or by serving a
20 written notice by delivery of the notice to the accused person
21 or entity at least 15 days prior to the date set for the
22 hearing, and shall direct the applicant or licensee or
23 registrant to file a written answer to the Department under
24 oath within 20 days after the service of the notice and inform
25 the applicant or licensee or registrant that failure to file an
26 answer will result in default being taken against the applicant
27 or licensee or registrant and that the license or registration
28 may be suspended, revoked, placed on probationary status, or
29 other disciplinary action may be taken, including limiting the
30 scope, nature or extent of practice, as the Director may deem
31 proper. In case the person fails to file an answer after
32 receiving notice, his or her license or registration may, in
33 the discretion of the Department, be suspended, revoked, or
34 placed on probationary status, or the Department may take
35 whatever disciplinary action deemed proper, including limiting
36 the scope, nature, or extent of the person's practice or the

1 imposition of a fine, without a hearing, if the act or acts
2 charged constitute sufficient grounds for such action under
3 this Act. The Department shall afford the accused person or
4 entity an opportunity to be heard in person or by counsel at
5 the hearing. At the conclusion of the hearing the Committee
6 shall present to the Director a written report setting forth
7 its finding of facts, conclusions of law, and recommendations.
8 The report shall contain a finding whether or not the accused
9 person violated this Act or failed to comply with the
10 conditions required in this Act. If the Director disagrees in
11 any regard with the report, he or she may issue an order in
12 contravention of the report. The Director shall provide a
13 written explanation to the Committee of any such deviations and
14 shall specify with particularity the reasons for the
15 deviations.

16 The finding is not admissible in evidence against the
17 person in a criminal prosecution brought for the violation of
18 this Act, but the hearing and findings are not a bar to a
19 criminal prosecution brought for the violation of this Act.

20 (Source: P.A. 92-457, eff. 7-1-04; 93-683, eff. 7-2-04.)

21 (225 ILCS 450/27) (from Ch. 111, par. 5533)

22 (Section scheduled to be repealed on January 1, 2014)

23 Sec. 27. A licensed or registered certified public
24 accountant shall not be required by any court to divulge
25 information or evidence which has been obtained by him in his
26 confidential capacity as a licensed or registered certified
27 public accountant. This Section shall not apply to any
28 investigation or hearing undertaken pursuant to this Act.

29 (Source: P.A. 92-457, eff. 7-1-04.)

30 Section 99. Effective date. This Act takes effect upon
31 becoming law.