

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 4 and 16 as follows:

6 (225 ILCS 450/4) (from Ch. 111, par. 5505)

7 (Section scheduled to be repealed on January 1, 2014)

8 Sec. 4. Transitional language.

9 (a) The provisions of this Act shall not be construed to  
10 invalidate any certificates as certified public accountants  
11 issued by the University under "An Act to regulate the  
12 profession of public accountants", approved May 15, 1903, as  
13 amended, or any certificates as Certified Public Accountants  
14 issued by the University or the Board under Section 4 of "An  
15 Act to regulate the practice of public accounting and to repeal  
16 certain acts therein named", approved July 22, 1943, as  
17 amended, which certificates shall be valid and in force as  
18 though issued under the provisions of this Act.

19 (b) Before July 1, 2012 ~~2010~~, persons who have received a  
20 Certified Public Accountant (CPA) Certificate issued by the  
21 Board of Examiners or holding similar certifications from other  
22 jurisdictions with equivalent educational requirements and  
23 examination standards may apply to the Department on forms

1 supplied by the Department for and may be granted a  
2 registration as a Registered Certified Public Accountant from  
3 the Department upon payment of the required fee.

4 (c) Beginning with the 2006 renewal, the Department shall  
5 cease to issue a license as a Public Accountant. Any person  
6 holding a valid license as a Public Accountant prior to  
7 September 30, 2006 who meets the conditions for renewal of a  
8 license under this Act, shall be issued a license as a Licensed  
9 Certified Public Accountant under this Act and shall be subject  
10 to continued regulation by the Department under this Act. The  
11 Department may adopt rules to implement this Section.

12 (d) The Department shall not issue any new registrations as  
13 a Registered Certified Public Accountant after July 1, 2012  
14 ~~2010~~. After that date, any applicant for licensure under this  
15 Act shall apply for a license as a Licensed Certified Public  
16 Accountant and shall meet the requirements set forth in this  
17 Act. Any person issued a Certified Public Accountant  
18 certificate who has been issued a registration as a Registered  
19 Certified Public Accountant may renew the registration under  
20 the provisions of this Act and that person may continue to  
21 renew or restore the registration during his or her lifetime,  
22 subject only to the renewal or restoration requirements for the  
23 registration under this Act. Such registration shall be subject  
24 to the disciplinary provisions of this Act.

25 (e) On and after October 1, 2006, no person shall hold  
26 himself or herself out to the public in this State in any

1 manner by using the title "certified public accountant" or use  
2 the abbreviation "C.P.A." or "CPA" or any words or letters to  
3 indicate that the person using the same is a certified public  
4 accountant unless he or she maintains a current registration or  
5 license issued by the Department or is exercising the practice  
6 privilege afforded under Section 5.2 of this Act. It shall be a  
7 violation of this Act for an individual to assume or use the  
8 title "certified public accountant" or use the abbreviation  
9 "C.P.A." or "CPA" or any words or letters to indicate that the  
10 person using the same is a certified public accountant in this  
11 State unless he or she maintains a current registration or  
12 license issued by the Department or is exercising the practice  
13 privilege afforded under Section 5.2 of this Act.

14 (Source: P.A. 95-386, eff. 1-1-08.)

15 (225 ILCS 450/16) (from Ch. 111, par. 5517)

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

17 Sec. 16. Expiration and renewal of licenses; renewal of  
18 registration; continuing education.

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

21 (b) Every holder of a license or registration under this  
22 Act may renew such license or registration before the  
23 expiration date upon payment of the required renewal fee as set  
24 by rule.

25 (c) Every application for renewal of a license by a

1 licensed certified public accountant who has been licensed  
2 under this Act for 3 years or more shall be accompanied or  
3 supported by any evidence the Department shall prescribe, in  
4 satisfaction of completing, each 3 years, not less than 120  
5 hours of continuing professional education programs in  
6 subjects given by continuing education sponsors registered by  
7 the Department upon recommendation of the Committee. Of the 120  
8 hours, not less than 4 hours shall be courses covering the  
9 subject of professional ethics. All continuing education  
10 sponsors applying to the Department for registration shall be  
11 required to submit an initial nonrefundable application fee set  
12 by Department rule. Each registered continuing education  
13 sponsor shall be required to pay an annual renewal fee set by  
14 Department rule. Publicly supported colleges, universities,  
15 and governmental agencies located in Illinois are exempt from  
16 payment of any fees required for continuing education sponsor  
17 registration. Failure by a continuing education sponsor to be  
18 licensed or pay the fees prescribed in this Act, or to comply  
19 with the rules and regulations established by the Department  
20 under this Section regarding requirements for continuing  
21 education courses or sponsors, shall constitute grounds for  
22 revocation or denial of renewal of the sponsor's registration.

23 (d) Licensed Certified Public Accountants are exempt from  
24 the continuing professional education requirement for the  
25 first renewal period following the original issuance of the  
26 license.

1           Notwithstanding the provisions of subsection (c), the  
2 Department may accept courses and sponsors approved by other  
3 states, by the American Institute of Certified Public  
4 Accountants, by other state CPA societies, or by national  
5 accrediting organizations such as the National Association of  
6 State Boards of Accountancy.

7           Failure by an applicant for renewal of a license as a  
8 licensed certified public accountant to furnish the evidence  
9 shall constitute grounds for disciplinary action, unless the  
10 Department in its discretion shall determine the failure to  
11 have been due to reasonable cause. The Department, in its  
12 discretion, may renew a license despite failure to furnish  
13 evidence of satisfaction of requirements of continuing  
14 education upon condition that the applicant follow a particular  
15 program or schedule of continuing education. In issuing rules  
16 and individual orders in respect of requirements of continuing  
17 education, the Department in its discretion may, among other  
18 things, use and rely upon guidelines and pronouncements of  
19 recognized educational and professional associations; may  
20 prescribe rules for the content, duration, and organization of  
21 courses; shall take into account the accessibility to  
22 applicants of such continuing education as it may require, and  
23 any impediments to interstate practice of public accounting  
24 that may result from differences in requirements in other  
25 states; and may provide for relaxation or suspension of  
26 requirements in regard to applicants who certify that they do

1 not intend to engage in the practice of public accounting, and  
2 for instances of individual hardship.

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

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

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

26 A new firm or sole practitioner not subject to subsection

1 (1) of this Section shall undergo its first peer review during  
2 the first full renewal cycle after it is granted its initial  
3 license.

4 The requirements of this subsection (e) shall not apply to  
5 any person providing services requiring a license under this  
6 Act to the extent that such services are provided in the  
7 capacity of an employee of the Office of the Auditor General or  
8 to a nonprofit cooperative association engaged in the rendering  
9 of licensed service to its members only under paragraph (3) of  
10 subsection (b) of Section 14 of this Act or any of its  
11 employees to the extent that such services are provided in the  
12 capacity of an employee of the association.

13 (f) The Department shall approve only Peer Review  
14 Administrators that the Department finds comply with  
15 established standards for performing and reporting on peer  
16 reviews. The Department may adopt rules establishing  
17 guidelines for peer reviews, which shall do all of the  
18 following:

19 (1) Require that a peer review be conducted by a  
20 reviewer that is independent of the firm reviewed and  
21 approved by the Peer Review Administrator under  
22 established standards.

23 (2) Other than in the peer review process, prohibit the  
24 use or public disclosure of information obtained by the  
25 reviewer, the Peer Review Administrator, or the Department  
26 during or in connection with the peer review process. The

1 requirement that information not be publicly disclosed  
2 shall not apply to a hearing before the Department that the  
3 firm or sole practitioner requests be public or to the  
4 information described in paragraph (3) of subsection (i) of  
5 this Section.

6 (g) If a firm or sole practitioner fails to satisfactorily  
7 complete a peer review as required by subsection (e) of this  
8 Section or does not comply with any remedial actions determined  
9 necessary by the Peer Review Administrator, the Peer Review  
10 Administrator shall notify the Department of the failure and  
11 shall submit a record with specific references to the rule,  
12 statutory provision, professional standards, or other  
13 applicable authority upon which the Peer Review Administrator  
14 made its determination and the specific actions taken or failed  
15 to be taken by the licensee that in the opinion of the Peer  
16 Review Administrator constitutes a failure to comply. The  
17 Department may at its discretion or shall upon submission of a  
18 written application by the firm or sole practitioner hold a  
19 hearing under Section 20.1 of this Act to determine whether the  
20 firm or sole practitioner has complied with subsection (e) of  
21 this Section. The hearing shall be confidential and shall not  
22 be open to the public unless requested by the firm or sole  
23 practitioner.

24 (h) The firm or sole practitioner reviewed shall pay for  
25 any peer review performed. The Peer Review Administrator may  
26 charge a fee to each firm and sole practitioner sufficient to



1 cover costs of administering the peer review program.

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

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

13 (2) The sole practitioner or firm satisfies all of the  
14 following conditions:

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

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

23 (3) For reasons of personal health, military service,  
24 or other good cause, the Department determines that the  
25 sole practitioner or firm is entitled to an exemption,  
26 which may be granted for a period of time not to exceed 12

1 months.

2 (j) If a peer review report indicates that a firm or sole  
3 practitioner complies with the appropriate professional  
4 standards and practices set forth in the rules of the  
5 Department and no further remedial action is required, the Peer  
6 Review Administrator shall, after issuance of the final letter  
7 of acceptance, destroy all working papers and documents related  
8 to the peer review, other than report-related documents and  
9 documents evidencing completion of remedial actions, if any, in  
10 accordance with rules established by the Department ~~, related~~  
11 ~~to the peer review within 90 days after issuance of the letter~~  
12 ~~of acceptance by the Peer Review Administrator. If a peer~~  
13 ~~review letter of acceptance indicates that corrective action is~~  
14 ~~required, the Peer Review Administrator may retain documents~~  
15 ~~and reports related to the peer review until completion of the~~  
16 ~~next peer review or other agreed to corrective actions.~~

17 (k) (Blank). ~~In the event the practices of 2 or more firms~~  
18 ~~or sole practitioners are merged or otherwise combined, the~~  
19 ~~surviving firm shall retain the peer review year of the largest~~  
20 ~~firm, as determined by the number of accounting and auditing~~  
21 ~~hours of each of the practices. In the event that the practice~~  
22 ~~of a firm is divided or a portion of its practice is sold or~~  
23 ~~otherwise transferred, any firm or sole practitioner acquiring~~  
24 ~~some or all of the practice that does not already have its own~~  
25 ~~review year shall retain the review year of the former firm. In~~  
26 ~~the event that the first peer review of a firm that would~~

1 ~~otherwise be required by this subsection (k) would be less than~~  
2 ~~12 months after its previous review, a review year shall be~~  
3 ~~assigned by a Peer Review Administrator so that the firm's next~~  
4 ~~peer review occurs after not less than 12 months of operation,~~  
5 ~~but not later than 18 months of operation.~~

6 (Source: P.A. 93-683, eff. 7-2-04; 94-779, eff. 5-19-06.)

7 Section 99. Effective date. This Act takes effect upon  
8 becoming law.