

By: Stephenson

H.B. No. 1756

A BILL TO BE ENTITLED

AN ACT

relating to the peer review program for certified public accountants and certified public accountancy firms.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Section 901.159, Occupations Code, is amended by amending Subsection (a) and adding Subsections (a-1), (a-2), and (c) to read as follows:

(a) In this section:

(1) "Compilation" means a service provided by a license holder, the objective of which is to assist management in presenting financial information in the form of financial statements without attempting to obtain or provide an assurance that no material modification should be made to the financial statements in order for the financial statements to comply with applicable financial reporting standards.

(2) "Micro-business" has the meaning assigned by Section 2006.001, Government Code.

(3) "Small business" has the meaning assigned by Section 2006.001, Government Code.

(a-1) The board by rule shall provide for a peer review program to review the work product of a license holder or of the certified public accountancy firm in which the license holder is a member, in lieu of the license holder, to the extent necessary to comply with any applicable standards adopted by generally

1 recognized bodies responsible for setting accounting standards.  
2 Peer review must include a verification that each individual in a  
3 certified public accountancy firm who is responsible for  
4 supervising attest services and who signs or authorizes another  
5 person to sign an accountant's reports on financial statements on  
6 behalf of the firm meets the competency requirements of the  
7 professional standards that apply to those services.

8 (a-2) Subsection (a-1) does not apply to a compilation  
9 prepared for the benefit of a micro-business or a small business.

10 (c) The board by rule shall provide that:

11 (1) a license holder or the certified public  
12 accountancy firm in which a license holder is a member is not  
13 required to be a member of an organization in order to comply with  
14 the peer review program under this section; and

15 (2) an organization that administers a peer review  
16 program under this section may not charge a license holder or the  
17 certified public accountancy firm in which a license holder is a  
18 member a different fee for peer review services under this section  
19 based on whether the license holder or firm is a member of the  
20 organization.

21 SECTION 2. Not later than November 1, 2013, the Texas State  
22 Board of Public Accountancy shall adopt rules necessary to  
23 implement the changes in law made by this Act.

24 SECTION 3. This Act takes effect September 1, 2013.