

**17-12-507. Quality review of each practice unit.**

(a) The Arkansas State Board of Public Accountancy may by rule require as a condition for the renewal of a license a quality review of each practice unit maintained in this state.

(b) (1) The board may charge the accountant or firm reviewed a fee for each:

(A) Quality review of each practice unit; and

(B) Follow-up action to a quality review that is not in conformity with applicable professional standards.

(2) The amount of the fee shall be established by board rule.

(c) (1) The quality review shall consist of either a uniform or random annual submission by each licensee of the following kinds of reports issued by that licensee during the twelve-month period immediately preceding the date of submission, if reports were issued during the period:

(A) A compilation report;

(B) A review report;

(C) An agreed upon procedures report;

(D) An audit report;

(E) An audit report under a federal grant program or other government program; and

(F) An examination of prospective financial information.

(2) If none of the above reports were issued during the twelve (12) months immediately preceding the date of submission, a licensee is required to submit reports issued since the date of its last quality review survey submission.

(d) All persons acting on behalf of the board in a quality review program under this section shall be considered officers or employees of the State of Arkansas for purposes of:

(1) Immunity from civil liability pursuant to § 19-10-301 et seq.; and

(2) Payment of actual damages on behalf of state officers or employees pursuant to § 21-9-201 et seq.

(e) All financial statements, working papers, or other documents obtained from applicants for quality review shall be confidential and shall not be subject to public inspection

except pursuant to an order of a court of competent jurisdiction. However, the documents may be introduced as evidence in any relevant proceedings before the board.

**(f)** For purposes of this section, a “practice unit” shall be deemed to be any firm registered with the board under § 17-12-401 et seq., and any licensee not employed by or associated with any firm registered with the board under § 17-12-401 et seq. but who has issued one (1) or more compilation reports.

**(g) (1)** Notwithstanding any provision to the contrary in this chapter, a certified public accountant, public accountant, or firm of certified public accountants or public accountants currently licensed by another state or foreign country shall not be required to obtain a license under this chapter for the sole purpose of conducting peer review as defined by board rule of a licensee in this state and may use the applicable title “certified public accountant” or “public accountant” or abbreviation “CPA” or “PA” solely in conjunction with the peer review activities.

**(2)** Any certified public accountant, public accountant, or firm of certified public accountants or public accountants, whether licensed in this state or in another jurisdiction, shall meet standards adopted by the board to accomplish the goals of this chapter in order to qualify to perform peer review of licensees under this chapter.

**History.** Acts 1987, No. 824, §§ 1-3; 1999, No. 180, § 37; 2005, No. 54, § 16; 2013, No. 90, § 1.