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FORM 2



WISCONSIN LEGISLATIVE COUNCIL RULES CLEARINGHOUSE

Ronald Sklansky
Clearinghouse Director

Richard Sweet
Clearinghouse Assistant Director

Terry C. Anderson
Legislative Council Director

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Legislative Council Deputy Director

CLEARINGHOUSE REPORT TO AGENCY

[THIS REPORT HAS BEEN PREPARED PURSUANT TO S. 227.15, STATS. THIS IS A REPORT ON A RULE AS ORIGINALLY PROPOSED BY THE AGENCY; THE REPORT MAY NOT REFLECT THE FINAL CONTENT OF THE RULE IN FINAL DRAFT FORM AS IT WILL BE SUBMITTED TO THE LEGISLATURE. THIS REPORT CONSTITUTES A REVIEW OF, BUT NOT APPROVAL OR DISAPPROVAL OF, THE SUBSTANTIVE CONTENT AND TECHNICAL ACCURACY OF THE RULE.]

CLEARINGHOUSE RULE 01-133

AN ORDER to create Accy 1.205, relating to auditing standards, standards for accounting and review services, and standards for attestation engagements.

Submitted by **DEPARTMENT OF REGULATION AND LICENSING**

11-15-01 RECEIVED BY LEGISLATIVE COUNCIL.

12-10-01 REPORT SENT TO AGENCY.

RS:PGC;jal;ksm

LEGISLATIVE COUNCIL RULES CLEARINGHOUSE REPORT

This rule has been reviewed by the Rules Clearinghouse. Based on that review, comments are reported as noted below:

1. STATUTORY AUTHORITY [s. 227.15 (2) (a)]

Comment Attached YES NO

2. FORM, STYLE AND PLACEMENT IN ADMINISTRATIVE CODE [s. 227.15 (2) (c)]

Comment Attached YES NO

3. CONFLICT WITH OR DUPLICATION OF EXISTING RULES [s. 227.15 (2) (d)]

Comment Attached YES NO

4. ADEQUACY OF REFERENCES TO RELATED STATUTES, RULES AND FORMS
[s. 227.15 (2) (e)]

Comment Attached YES NO

5. CLARITY, GRAMMAR, PUNCTUATION AND USE OF PLAIN LANGUAGE [s. 227.15 (2) (f)]

Comment Attached YES NO

6. POTENTIAL CONFLICTS WITH, AND COMPARABILITY TO, RELATED FEDERAL
REGULATIONS [s. 227.15 (2) (g)]

Comment Attached YES NO

7. COMPLIANCE WITH PERMIT ACTION DEADLINE REQUIREMENTS [s. 227.15 (2) (h)]

Comment Attached YES NO



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CLEARINGHOUSE RULE 01-133

Comments

[**NOTE:** All citations to “Manual” in the comments below are to the Administrative Rules Procedures Manual, prepared by the Revisor of Statutes Bureau and the Legislative Council Staff, dated September 1998.]

2. Form, Style and Placement in Administrative Code

It is not necessary in the rule to use italics when referring to the titles or contents of publications.

4. Adequacy of References to Related Statutes, Rules and Forms

In the analysis, the final statutory citation should be to “s. 442.01 (1).”

5. Clarity, Grammar, Punctuation and Use of Plain Language

In s. Accy 1.205 (1), (2) and (3), the word “hereby” should be removed.

STATE OF WISCONSIN
ACCOUNTING EXAMINING BOARD

IN THE MATTER OF RULE-MAKING : PROPOSED ORDER OF THE
PROCEEDINGS BEFORE THE : ACCOUNTING EXAMINING BOARD
ACCOUNTING EXAMINING BOARD : ADOPTING RULES
: (CLEARINGHOUSE RULE 01-)

PROPOSED ORDER

An order of the Accounting Examining Board to create Accy 1.205, relating to auditing standards, standards for accounting and review services, and standards for attestation engagements.

Analysis prepared by the Department of Regulation and Licensing.

ANALYSIS

Statutes authorizing promulgation: Wis. Stat. ss. 15.08 (5) (b) and 227.11, and Wis. Stat. s. 442.01 (1) as created by 2001 Wisconsin Act 16. *OK*

Statutes interpreted: Wis. Stat. s. 442.01.

In this proposed rule-making order the Accounting Examining Board proposes to, by reference, all of the following:

(a) The statements on auditing standards issued by the Auditing Standards Board of the American Institute of Certified Public Accountants.

(b) The statements on standards for accounting and review services issued by the Accounting and Review Services Committee of the American Institute of Certified Public Accountants.

(c) The statements on standards for attestation engagements issued by the Auditing Standards Board, the Accounting and Review Services Committee, and the Consulting Services Executive Committee of the American Institute of Certified Public Accountants.

The board is required to adopt these standards under Wis. Stat. s. 442.001 as created by 2001 Wisconsin Act 16. *OK*

TEXT OF RULE

SECTION 1. Accy 1.205 is created to read:

Accy 1.205 Accounting standards. The following standards of the accounting profession shall be used by certified public accountants in Wisconsin:

(1) The *statements on auditing standards* issued as of June 1, 2000 by the auditing standards board of the American institute of certified public accountants and published as *AICPA professional standards*, volume 1 by the American institute of certified public accountants, inc., New York, New York is hereby incorporated by reference into this section.

(2) The *statements on standards for accounting and review services* issued as of June 1, 2000 by the accounting and review services committee of the American institute of certified public accountants and published as *AICPA professional standards*, volume 2 by the American institute of certified public accountants, inc., New York, New York is hereby incorporated by reference into this section.

(3) The *statement on standards for attestation engagements* issued as of June 1, 2000, by the auditing standards board, the accounting and review services committee, and the consulting services executive committee of the American institute of certified public accountants and published as *AICPA professional standards*, volume 2 by the American institute of certified public accountants, inc., New York, New York is hereby incorporated by reference into this section.

Note: Copies of the Statements described above may be purchased from the American Institute of Certified Public Accountants, 1211 Avenue of the Americas, New York, NY 10036-8775.

Note: Copies of the Statements described above are on file in the offices of the Accounting Examining Board, the Secretary of State, and the Revisor of Statutes.

(END OF TEXT OF RULE)

The rules adopted in this order shall take effect on the first day of the month following publication in the Wisconsin administrative register, pursuant to s. 227.22 (2) (intro), Stats., or 60 days after its adoption by the Accounting Examining Board, pursuant to s. 442.01 (2), Stats., whichever is later.

Dated _____

Agency _____

Frank Probst, Chairperson
Accounting Examining Board

FISCAL ESTIMATE

1. The anticipated fiscal effect on the fiscal liability and revenues of any local unit of government of the proposed rule is: \$0.00.

2. The projected anticipated state fiscal effect during the current biennium of the proposed rule is: \$0.00.

3. The projected net annualized fiscal impact on state funds of the proposed rule is: \$0.00.

INITIAL REGULATORY FLEXIBILITY ANALYSIS

These proposed rules will be reviewed by the department through its Small Business Review Advisory Committee to determine whether there will be an economic impact on a substantial number of small businesses, as defined in s. 227.114 (1) (a), Stats.

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11/14/01

**STATE OF WISCONSIN
ACCOUNTING EXAMINING BOARD**

**IN THE MATTER OF RULE-MAKING : PROPOSED ORDER OF THE
PROCEEDINGS BEFORE THE : ACCOUNTING EXAMINING BOARD
ACCOUNTING EXAMINING BOARD : ADOPTING RULES
: (CLEARINGHOUSE RULE 01-133)**

TO: Senator Judy Robson, Senate Co-Chairperson
Joint Committee for the Review of Administrative Rules
Room 15 South, State Capitol
Madison, Wisconsin 53702

PLEASE TAKE NOTICE that the ACCOUNTING EXAMINING BOARD is submitting in final draft form rules relating to auditing standards, standards for accounting and review services, and standards for attestation engagements.

Please stamp or sign a copy of this letter to acknowledge receipt. If you have any questions concerning the final draft form or desire additional information, please contact Pamela Haack at 266-0495.

**STATE OF WISCONSIN
ACCOUNTING EXAMINING BOARD**

**IN THE MATTER OF RULE-MAKING : REPORT TO THE LEGISLATURE
PROCEEDINGS BEFORE THE : ON CLEARINGHOUSE RULE 01-133
ACCOUNTING EXAMINING BOARD : (s. 227.19 (3), Stats.)**

I. THE PROPOSED RULE:

The proposed rule, including the analysis and text, is attached.

II. REFERENCE TO APPLICABLE FORMS:

No new or revised forms are required by these rules.

III. FISCAL ESTIMATES:

These rules will have no significant impact upon state or local units of government.

IV. STATEMENT EXPLAINING NEED:

In this proposed rule-making order the Accounting Examining Board proposes to, by reference, all of the following:

- (a) The statements on auditing standards issued by the Auditing Standards Board of the American Institute of Certified Public Accountants.
- (b) The statements on standards for accounting and review services issued by the Accounting and Review Services Committee of the American Institute of Certified Public Accountants.
- (c) The statements on standards for attestation engagements issued by the Auditing Standards Board, the Accounting and Review Services Committee, and the Consulting Services Executive Committee of the American Institute of Certified Public Accountants.

The board is required to adopt these standards under Wis. Stat. s. 442.001 as created by 2001 Wisconsin Act 16.

V. NOTICE OF PUBLIC HEARING:

A public hearing was held on December 14, 2001. There were no appearances at the public hearing, nor were any written comments received.

VI. RESPONSE TO LEGISLATIVE COUNCIL STAFF RECOMMENDATIONS:

All of the recommendations suggested in the Clearinghouse Report were accepted in whole.

VII. FINAL REGULATORY FLEXIBILITY ANALYSIS:

The proposed rules will have no significant economic impact on small businesses, as defined in s. 227.114 (1) (a), Stats.

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STATE OF WISCONSIN
ACCOUNTING EXAMINING BOARD

IN THE MATTER OF RULE-MAKING : PROPOSED ORDER OF THE
PROCEEDINGS BEFORE THE : ACCOUNTING EXAMINING BOARD
ACCOUNTING EXAMINING BOARD : ADOPTING RULES
: (CLEARINGHOUSE RULE 01-133)

PROPOSED ORDER

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Analysis prepared by the Department of Regulation and Licensing.

ANALYSIS

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Frank Probst, Chairperson
Accounting Examining Board

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\$0.00.

FINAL REGULATORY FLEXIBILITY ANALYSIS

These rules will have no significant economic impact on a substantial number of small businesses, as defined in s. 227.114 (1) (a), Stats.

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