

Committee Name:

# Senate Committee – Universities, Housing & Government Operations (SC-UHGO)

**Appointments**

01hr\_SC-UHGO\_Appt\_pt00

**Committee Hearings**

01hr\_SC-UHGO\_CH\_pt00

**Committee Reports**

01hr\_SC-UHGO\_CR\_pt00

## Clearinghouse Rules

01hr\_SC-UHGO\_CRrule\_01-133

**Executive Sessions**

01hr\_SC-UHGO\_ES\_pt00

**Hearing Records**

01hr\_ab0000

01hr\_sb0000

**Misc.**

01hr\_SC-UHGO\_Misc\_pt00

**Record of Committee Proceedings**

01hr\_SC-UHGO\_RCP\_pt00



# Mark Meyer

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State Senator • 32nd Senate District

May 15, 2002

TO: Members, Senate Committee on Universities, Housing and Government Operations

FROM: Senator Mark Meyer

RE: **Clearinghouse Rule 01-133** relating to auditing standards, standards for accounting and review services, and standards for attestation engagements.

Submitted by the Department of Regulation and Licensing.

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The above attached Clearinghouse Rule has been re-referred to the Senate Committee on Universities, Housing, and Government Operations pursuant s. 227.19 (4) (b) 4., Stats.,. The reason for the re-referral was that the Accounting Examining Board made a germane modification following the committee's initial review period. That modification is attached along with the DORL cover letter dated May 9, 2002.

The committee's review period ends on June 13, 2002. If you are interested in requesting a hearing on this rule, please contact my office by **May 31, 2002**.



WISCONSIN DEPARTMENT OF  
REGULATION & LICENSING

Scott McCallum  
Governor  
Oscar Herrera  
Secretary

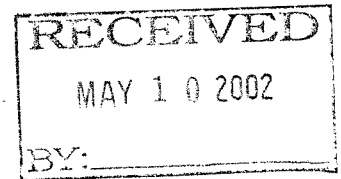


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May 9, 2002

Mr. Donald Schneider  
Senate Chief Clerk  
119 Martin Luther King Jr., Boulevard  
Madison WI 53702

How Ops



RE: Request to Modify Clearinghouse Rule 01-133

Dear Mr. Schneider:

This letter is a request to make a germane modification to Clearinghouse Rule 01-133, a proposed order of the Accounting Examining Board adopting rules relating to auditing standards.

Rule 01-133 adopts professional accounting standards established by the American Institute of Certified Accountants (AICPA). The modification requested is to change the standards adopted from those published June 1, 2000 to those published June 1, 2001. Other than the publication date, no changes to Rule 01-133 are requested.

The Specific standards adopted are the *Statements on Auditing Standards* issued by the Auditing Standards Board of the American Institute of Certified Public Accountants, the *Standards For Accounting and Review Services* issued by the Accounting and Review Services Committee of the American Institute of Certified Public Accountants, and the *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 proposed rule-making order was submitted to you on January 15, 2002, for referral to the appropriate standing committee. This request is made under s. 227.19 (4) (b) 4., Stats., to make a germane modification to the proposed rules. A Report to the Legislature is attached with a copy of the amended rule-making order.

The reason for this modification is that revised standards were published during the period of legislative review and final consideration of the rule by the Accounting Examining Board. At the March 22, 2002 Accounting Examining Board meeting, a motion was made and carried unanimously to change the date of the statements to the most recent standards of the AICPA and resubmit the amended rule to the standing committees. This modification incorporates the most recent standards of the AICPA and is consistent with the mandate of the legislature in sec. 3606pj of 2001 Wisconsin Act 16 creating Wis. Stat. § 442.01.

The proposed rule, with the germane modification, is being resubmitted to you for committee review. I understand that with this request the committee review period will begin again.

Sincerely,

A handwritten signature in cursive script, appearing to read "William L. Dusso". The signature is written in dark ink and is positioned above the printed name.

William L. Dusso  
General Counsel

STATE OF WISCONSIN  
ACCOUNTING EXAMINING BOARD

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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)

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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.

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ANALYSIS

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

Statutes interpreted: s. 442.01 (1), Wis. Stats.

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 s. 442.01, Wis. Stats., as created by 2001 Wisconsin Act 16.

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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, 2001 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 incorporated by reference into this section.

(2) The statements on standards for accounting and review services issued as of June 1, 2001 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 incorporated by reference into this section.

(3) The statement on standards for attestation engagements issued as of June 1, 2001, 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 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.

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(END OF TEXT OF RULE)

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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.

## 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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**STATE OF WISCONSIN  
ACCOUNTING EXAMINING BOARD**

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**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.)**

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**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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