

Accy 3,4,6

Filed January 6, 1976
10:40 am G. L. Carlson

CERTIFICATE

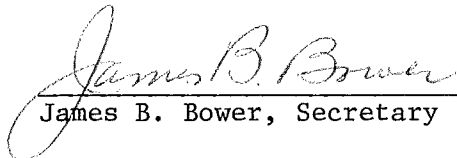
STATE OF WISCONSIN)
DEPARTMENT OF REGULATION AND LICENSING) SS
ACCOUNTING EXAMINING BOARD)

TO ALL TO WHOM THESE PRESENTS SHALL COME, GREETINGS:

I, James B. Bower, Secretary of the Accounting Examining Board, Department of Regulation and Licensing, and custodian of the official records of said board, do hereby certify that the annexed rules and regulations and amendments to rules and regulations relating to accounting, were duly approved and adopted by this board on December 13, 1975.

I further certify that said copy has been compared by me with the original on file in this board and that the same is a true copy thereof, and of the whole of such original.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed the official seal of the board at 201 East Washington Avenue in the city of Madison, this 31st day of December A.D. 1975.


James B. Bower, Secretary

ORDER OF THE ACCOUNTING EXAMINING BOARD
ADOPTING, AMENDING AND REPEALING RULES

Pursuant to authority vested in the Accounting Examining Board, Department of Regulation and Licensing, by section 15.08(5), Wis. Stats., the Accounting Examining Board hereby repeals, amends and adopts rules as follows:

Section Chapter Accy 3.03 of the WISCONSIN ADMINISTRATIVE CODE is repealed.

Sections Chapter Accy 3.04, 3.05, 3.06, and 3.07 of the WISCONSIN ADMINISTRATIVE CODE are renumbered to read Accy 3.03, 3.04, 3.05 and 3.06 respectively.

Sections Chapter Accy 3.03(1), (4) and (6) of the WISCONSIN ADMINISTRATIVE CODE are repealed.

Sections Accy 3.03(1) and (4) of the WISCONSIN ADMINISTRATIVE CODE are recreated to read:

Accy 3.03 Examination and re-examination. (1) A candidate who presents himself for the examination for the first time and who passes at least 2 subjects, and whose grade on each of the remaining subjects is 50 or more, shall be conditionally credited with the subjects in which he has received a passing grade, and may upon application present himself for re-examination, in the subject or subjects in which he failed, at any 3 of the 6 semi-annual examinations next following the examination at which he qualifies, provided, however, that if a candidate passes 3 subjects he shall be conditionally credited with the subjects passed, his grade in the remaining subject notwithstanding.

(4) A candidate who at his first examination or at any re-examination passes 2 subjects, but whose grade on any of the remaining subjects is less than 50, will not receive conditional credit for the subjects passed, and will be required

to write all subjects as a new candidate. To add a subject or subjects not passed to the subjects for which conditional credit has been established, a candidate must write all parts not passed, receive a grade of at least 75 on the part or parts rewritten and to be added, and have a grade of 50 or more on any part remaining to be passed.

Sections Chapter Accy 4.02, 4.06 and 4.07 of the WISCONSIN ADMINISTRATIVE CODE are repealed.

Section Chapter Accy 4.02 of the WISCONSIN ADMINISTRATIVE CODE is recreated to read:

Accy 4.02 Individual and firm registration. All Wisconsin resident partners, stockholders and others with an equity interest in a firm of public accountants or certified public accountants must be registered as individuals. In addition, all resident firms with which they are associated must be registered except as noted in Accy 4.03, Wis. Adm. Code.

Section Chapter Accy 4.06 of the WISCONSIN ADMINISTRATIVE CODE is recreated to read:

Accy 4.06 Firms without office in this state. Firms without a bona fide office in this state may apply for registration if all partners, stockholders and others with an equity interest in the firm from the office responsible for the Wisconsin engagement or engagements have Wisconsin certified public accountant certificates and are properly registered to practice in Wisconsin. All other nonresident partners, stockholders and others with an equity interest in the firm must have certified public accountant certificates in good standing and be licensed to practice in the state of their resident office.

Section Chapter Accy 4.07 of the WISCONSIN ADMINISTRATIVE CODE is recreated to read:

Accy 4.07 Reporting of nonresident partners. Firms with a bona fide office in this state are not required to register nonresident partners, stockholders or others with an equity interest in the firm, but these must be reported in writing to the board at the time of annual registration and must be holders of certified public accountant certificates in good standing and be licensed to practice from the state or other state jurisdiction of their resident office.

Section Chapter Accy 4.09 of the WISCONSIN ADMINISTRATIVE CODE is adopted to read:

Accy 4.09 Firms with a bona fide office in Wisconsin but no resident partner or stockholder. Firms with a bona fide Wisconsin office, as defined in Accy 1.502(2)(c)4, but with no Wisconsin resident partner or stockholder, may be registered to practice in Wisconsin. Firms so registered must have designated one or more partners or stockholders from the out-of-state office responsible for the practice from the bona fide Wisconsin office, as the managing partner(s) or stockholder(s) for the Wisconsin practice. Partners or stockholders designated must be registered properly to practice in Wisconsin. All other nonresident partners, stockholders and others with an equity interest in the firm must hold certified public accountant certificates in good standing and be licensed to practice in the state of their resident office.

Section Chapter Accy 4.10 of the WISCONSIN ADMINISTRATIVE CODE is adopted to read:

Accy 4.10 Registration of service corporations. (1) A service corporation, being a separate entity in its own right, must be registered as a firm if it is to practice in Wisconsin.

(2) All stockholders of a service corporation registered to practice in Wisconsin must also be registered to practice as individuals.

(3) Service corporations registered to practice must be in compliance with

Wisconsin Statutes 180.99. This includes proper registration with the Secretary of State and the Register of Deeds for the county in which the firm is located or has its principal office, and the filing of the required annual report.

(4) The corporate name of a service corporation cannot be misleading by including a designation such as "and Company" or "and Associates" when there is only one stockholder.

(5) In accordance with Wisconsin Statutes 180.99(7), a service corporation with only one stockholder may have only one director, who shall be the stockholder and who shall serve both as president and treasurer. Other officers in this situation need not be certified public accountants or public accountants registered in Wisconsin, but such other officers cannot be stockholders. Such other officers must be reported at the time of annual registration, and the Board informed within 30 days after any change in status.

Section Chapter Accy 6, Good Moral Character, of the WISCONSIN ADMINISTRATIVE CODE is adopted to read:

Accy 6.01 Purpose. Only persons who are of good moral character shall be admitted to write the certified public accountant examination, be granted a certified public accountant certificate or be licensed to practice as a certified public accountant. The purpose of this chapter is to define and explain the meaning of good moral character and the considerations for a Board decision in finding that a person has good moral character.

Accy 6.02 Relationship to ethics. The rules of Conduct for a certified public accountant require that a person be independent and have integrity and objectivity. Rules of Conduct further prohibit acts discreditable to the profession. This means that a certified public accountant shall not knowingly misrepresent facts nor subordinate his or her judgment to others. It assumes a strength of character and fitness that justify a good reputation and a belief that the person will deal with the public fairly and honestly and is trustworthy and effective.

Accy 6.03 Conviction for a crime. (1) In determining whether a person with a criminal conviction, either a felony or misdemeanor, lacks good moral character, the Board will consider the following:

(a) The relationship between criminal history and the work of a certified public accountant. Considered will be the nature of the crime and the ability, capacity and fitness to perform the duties and discharge adequately the responsibilities of a certified public accountant.

(b) Mitigating circumstances considered would be factors such as the seriousness of the crime, the age of the person at the time the crime was committed, whether the offense was an isolated or repeated violation, the social conditions which may have contributed to the offense, and the other circumstances under which the crime occurred.

(c) Evidence of rehabilitation. Considered, for example, will be release orders from a correctional institution, compliance with the terms and conditions of probation or parole, and good conduct. The successful participation in work-release or on-the-job training in the employment of a practicing certified public accountant, and educational and employment programs shall be given special consideration. Also considered will be employment history, letters of reference from persons who have been in contact with the person since his release from prison, and other evidence of rehabilitation that the person may wish to present. The length of time that has elapsed since the crime was committed without any subsequent convictions or evidence of unfitness and the probability of being able to serve the public with integrity and objectivity will be considered.

Accy 6.04 Review. Persons found lacking in good moral character and in fitness for writing the certified public accountant examination, being granted a certified public accountant certificate or for a license to practice as a certified public accountant shall be entitled to a review. Review includes an opportunity for a hearing before the board on written request and with reasonable notice.

Evidence may be presented and representation be through an attorney. Transcripts of hearings will not normally be made unless requested in advance. A reasonable compensatory fee shall be charged to persons requesting a transcript.

A statement of the reason or reasons for denial of the opportunity to write the certified public accountant examination or to receive or retain the certified public accountant certificate or to be licensed to practice shall be provided by the Board if requested in writing.

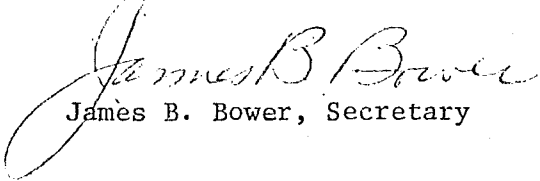
Accy 6.05 Pardons. In determining whether a person with a full pardon from the governor has good moral character, the board will not consider the crime or events for which the full pardon was granted, or the situation or events that are directly related thereto.

Accy 6.06 Judgment. Sound judgment and discretion must be exercised in determining whether a person is of good moral character. Each case must be investigated with care and judged fairly on its merits. In making a decision, the board must be prudent, humane, and be convinced that the individual permitted to write the certified public accountant examination, receive a certified public accountant certificate, or to be licensed to practice as a certified public accountant can be expected to practice ethically (See Accy 6.02 and Chapter Accy 1) and in the public interest.

The rules, amendments, and repeals contained herein shall take effect on March 1, 1976, pursuant to authority granted by section 227.026(1)(b).

Dated: *December 31, 1975*

ACCOUNTING EXAMINING BOARD


James B. Bower, Secretary

CERTIFICATE

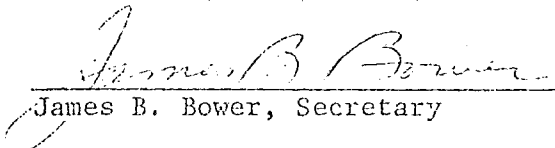
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ACCOUNTING EXAMINING BOARD

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