

CR 92-210

**CERTIFICATE**

**STATE OF WISCONSIN**

**DEPARTMENT OF REGULATION AND LICENSING**

**TO ALL TO WHOM THESE PRESENTS SHALL COME, GREETINGS:**

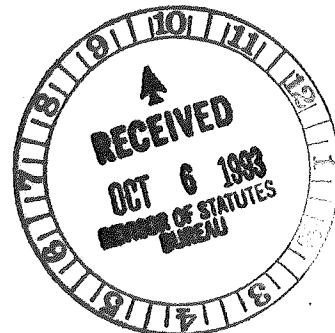
**I, Patricia H. Reuter, Director, Bureau of Business and Design Professions in the Wisconsin Department of Regulation and Licensing and custodian of the official records of the Accounting Examining Board, do hereby certify that the annexed rules were duly approved and adopted by the Accounting Examining Board on the 1st day of October, 1993.**

**I further certify that said copy has been compared by me with the original on file in this office 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 1400 East Washington Avenue, Madison, Wisconsin this 1st day of October, 1993.**



**Patricia H. Reuter, Director  
Bureau of Business and Design  
Professions  
Department of Regulation and  
Licensing**



12-1-93

STATE OF WISCONSIN  
ACCOUNTING EXAMINING BOARD

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IN THE MATTER OF RULE-MAKING	:	ORDER OF THE
PROCEEDINGS BEFORE THE	:	ACCOUNTING EXAMINING BOARD
ACCOUNTING EXAMINING BOARD	:	ADOPTING RULES
	:	(CLEARINGHOUSE RULE 92-210)

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ORDER

An order of the Accounting Examining Board to repeal and recreate chapter Accy 3 relating to examinations for certified public accountants.

Analysis prepared by the Department of Regulation and Licensing.

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ANALYSIS

Statutes authorizing promulgation: ss. 15.08 (5) (b), 227.11 (2) and 442.04 (5), Stats.

Statutes interpreted: ss. 442.04 and 442.05, Stats.

This proposed order of the Accounting Examining Board relates to the two examinations which must be successfully completed in order to become a certified public accountant in this state. The first is a national examination, referred to as the "Certified Public Accountant Examination," which is given by the American Institute of Certified Public Accountants (AICPA). The second is the Professional Ethics Examination, which is an open book examination regarding the specific laws of Wisconsin and is mailed to candidates for completion and return.

This proposed rule is necessitated by changes in the format of the certified public accountant examination which will be instituted by the AICPA, commencing in May, 1994. The proposal also adopts a specific section regarding the administration of the professional ethics examination, which is not present in the current rule. Finally, chapter Accy 3 has been repealed and recreated in order to more efficiently enhance needed restructuring and titling of various currently existing provisions.

Section Accy 3.01 sets forth the statutory authority under which the rules are adopted.

Section Accy 3.02 specifies the two examinations which a candidate must successfully pass.

Section Accy 3.03 reflects the fact that the certified public accountant examination consists of four sections and that a candidate must receive a grade of 75 or higher upon each section of the examination to achieve a passing grade. A note has been added to provide the current names of the four sections, as well as the new names effective with the May, 1994 examination.

Section Accy 3.04 retains the current requirements for having obtained appropriate education prior to writing the certified public accountant examination, and for having completed accounting work experience prior to receiving a CPA certificate.

Section Accy 3.05 restates the current process for applying to write the certified public accountant examination.

Section Accy 3.06 recreates the current conditions under which a candidate, who does not pass all four sections of the certified public accountant examination upon the first attempt, may be permitted to retake only those sections not previously passed.

Section Accy 3.07 is a transitional rule pertaining to candidates who pass a section or sections of the certified public accountant examination prior to the change in name for each section in May, 1994. This provision will permit a candidate to receive credit for those sections passed prior to May 1994 upon subsequent examinations.

Section Accy 3.08 recreates the provision under which the board will accept the examination scores a candidate received in another state.

Section Accy 3.09 restates the board's current provision regarding instances of cheating upon the certified public accountant examination.

Section Accy 3.10 creates a rule regarding the professional ethics examination. This provision requires candidates to successfully pass an open book examination on the statutes and rules regarding the practice of public accounting in Wisconsin. The passing grade is established as 80. A candidate failing the examination is not permitted reexamination for 30 days after an initial failure, or for 90 days following any reexamination failure.

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TEXT OF RULE

SECTION 1. Chapter Accy 3 is repealed and recreated to read:

CHAPTER ACCY 3

EXAMINATIONS (title)

Accy 3.01 AUTHORITY. The rules in this chapter are adopted pursuant to the authority in ss. 15.08 (5) (b), 227.11 (2) and 442.04 (5), Stats.

Accy 3.02 EXAMINATIONS. A candidate for a certified public accountant certificate shall successfully pass the certified public accountant examination set forth in s. Accy 3.03 and the professional ethics examination set forth in s. Accy 3.10.

Accy 3.03 CERTIFIED PUBLIC ACCOUNTANT EXAMINATION. (1) The subjects covering the discipline of accounting in the certified public accountant examination shall be as provided in the 4 sections of the board of examiners of the American institute of certified public accountants uniform certified public accountant examination. The passing grade on each section is 75 or higher.

Note: The 4 sections of the examination are Accounting Practice (Part I and Part II), Accounting Theory, Auditing, and Business Law. Commencing with the examination to be given in May, 1994, the 4 sections of the examination will be Accounting and Reporting, Financial Accounting and Reporting, Auditing, and Business Law and Professional Responsibilities.

(2) Examinations shall be graded by the board of examiners of the American institute of certified public accountants advisory grading service.

Accy 3.04 EDUCATION AND EXPERIENCE. (1) A candidate for the certified public accountant examination shall meet the education requirements under ss. Accy 7.02 and 7.03.

(2) Candidates for the certified public accountant certificate shall meet the experience requirements specified in ch. Accy 5.

Accy 3.05 EXAMINATION APPLICATION. (1) A candidate for the certified public accountant examination shall apply on an application form provided by the board. Applications must be complete, signed by the candidate, and be supported by the following:

(a) The appropriate fee specified in s. 440.05, Stats.

(b) Identification photograph properly notarized.

(c) A statement by the candidate that the education required by ss. Accy 7.02 and 7.03 has been completed.

(2) The board shall notify a candidate of the examination site when the completed application has been accepted by the board.

(3) An otherwise qualified applicant who has completed educational requirements may write the first examination held after the candidate's graduation but no certified public accountant certificate may be issued until all other requirements are met.

Accy 3.06 REEXAMINATION. (1) If on the first examination a candidate passes all 4 sections or on reexamination the candidate passes the sections which were failed or for which credit was not received, the candidate shall be eligible for the certified public accountant certificate, provided the educational requirements specified in ch. Accy 7 and the experience requirements specified in ch. Accy 5 are met.

(2) A candidate who does not receive a grade of at least 75 upon each of the 4 sections on the first examination may retake the examination as follows:

(a) If the candidate passes 3 sections on the first examination, but fails 1 section, the candidate may retake the failed section at any 2 of the following 4 examination dates. If the candidate fails to pass the remaining section within the next 4 examination dates, the candidate shall retake the entire examination.

(b) If the candidate passes 2 sections on the first examination and receives a grade of 50 or more upon both failed sections, the candidate may retake the remaining failed sections at any 2 of the following 4 examination dates.

1. If upon retaking the 2 failed sections the candidate receives a grade of 75 or more upon one section but fails the other section with a grade of 50 or more, the candidate shall be credited with having passed one section and shall be permitted to retake the failed section. If the candidate fails the remaining section at the retake, the candidate shall retake the entire examination.

2. If upon retaking the 2 failed sections the candidate receives a grade of 75 or more upon one section but fails to obtain a grade of 50 or more upon the other section, or fails to receive a 75 upon either section, the candidate shall not be credited with having passed either section. If the candidate fails to pass both sections at the retake, the candidate shall retake the entire examination.

3. If upon retaking the 2 failed sections the candidate fails to receive a grade of 75 upon either section but obtains a grade of 50 or more upon both sections, the candidate shall be permitted to retake the failed sections. If the candidate fails to receive a grade of 75 on both sections at the retake, the candidate shall retake the entire examination.

(c) If the candidate passes 2 sections on the first examination but receives a grade of less than 50 upon either or both failed sections, the candidate shall retake the entire examination.

(d) If the candidate passes only one section on the first examination, the candidate shall retake the entire examination.

(3) A candidate who is absent from writing the examination due to service in the armed forces of the United States government and for 6 months thereafter will not be regarded as being absent when evidence of the relevant service in the armed forces is established with the board.

Accy 3.07 TRANSITION RULES. A candidate who successfully passes at least one but not all of the required subjects on the certified public accountant examination given before May 1, 1994, shall be given conditional credit under s. Accy 3.06 as follows:

(1) A candidate passing the accounting practice sections shall be given conditional credit for the accounting and reporting section.

(2) A candidate passing the accounting theory section shall be given conditional credit for the financial accounting and reporting section.

(3) A candidate passing the auditing section shall be given conditional credit for the auditing section.

(4) A candidate passing the business law section shall be given conditional credit for the business law and professional responsibilities section.

Accy 3.08 EXAMINATION GRADES OF OTHER STATES. A candidate for the C.P.A. certificate who becomes domiciled in this state, and who has acquired examination passing credits under the uniform examination of another state, may apply for acceptance of those credits by this state, toward fulfillment of the requirements for a C.P.A. certificate in this state. The board may accept such credits if the candidate could have otherwise qualified as a candidate in this state.

Accy 3.09 CHEATING ON EXAMINATION. (1) Cheating on the certified public accountant examination is a serious breach of integrity and indicates a lack of good professional character. Cheating on an examination includes, but is not limited to:

(a) Communications concerning an examination being written between candidates inside or outside of the examination room, or copying another's answers.

(b) Communications concerning an examination being written with accomplices outside of the examination room.

(c) Substitution by a candidate of another person to sit in the examination room for the candidate and write one or more of the examination questions or papers for the candidate.

(d) Reference to "crib notes," test books or other materials inside or outside the examination room during periods examinations are being written.

(2) Penalties imposed by the board for cheating on the examination shall be related to the seriousness of the offense. Cheating which was planned in advance is the most serious offense. Penalties may include the entering of a failing grade on all sections written for the examinations in which cheating occurred and suspension of the right to write the next scheduled examination after the examination in which cheating occurred or to the entering of a failing grade on all sections written for the examinations in which cheating occurred and suspension of the right to write for as many as the next 6 scheduled examinations after the examination in which cheating occurred. Time within which conditional credit previously earned for passing part of the examination may be extended by board action in situations where penalties are levied, and by as long as the period of suspension.

(3) If more than one candidate is involved in a connected offense of cheating on an examination, each candidate knowingly involved in the cheating is subject to penalties.

(4) Other jurisdictions to which a candidate may apply to write the certified public accountant examination during a period of suspension of the right to write shall be notified of the penalty levied in Wisconsin.

Accy 3.10 PROFESSIONAL ETHICS EXAMINATION. (1) A candidate for a certified public accountant certificate shall successfully pass an open book professional ethics examination on statutes and rules governing the practice of public accounting in Wisconsin.

(2) The passing grade on the professional ethics examination is 80.

(3) A candidate who fails to achieve a passing score on the professional ethics examination is not eligible for reexamination for 30 days following notification of the failure. A candidate who fails to achieve a passing score upon reexamination is not eligible for another reexamination for 90 days following notification of the reexamination failure.

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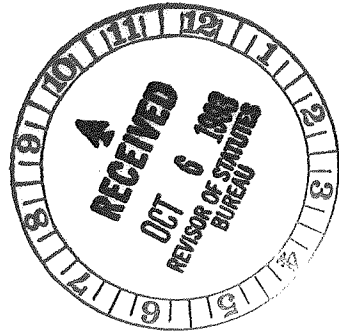
(END OF TEXT OF RULE)

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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.

Dated: October 1, 1993

Agency Joe Barlock  
Chairperson  
Accounting Examining Board



**CORRESPONDENCE/MEMORANDUM**

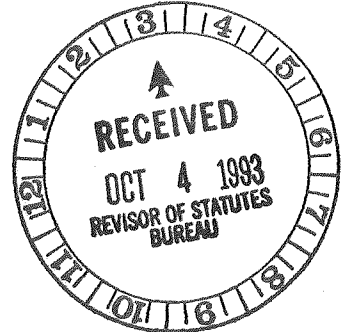
**STATE OF WISCONSIN**

**DATE:** October 4, 1993

**TO:** Gary Poulson  
Assistant Revisor of Statutes

**FROM:** Pamela Haack, Administrative Assistant  
Department of Regulation and Licensing

**SUBJECT:** Final Rulemaking Order



**Agency: ACCOUNTING EXAMINING BOARD**

**Clearinghouse Rule: 92-210**

Attached is a copy and a certified copy of a final order adopting rules.  
Would you please publish these rules in the code.

Please stamp or sign a copy of this letter to acknowledge receipt.

Thank you.