

HOUSE SUBSTITUTE FOR
SENATE BILL NO. 1149

A bill to amend 1980 PA 299, entitled
"Occupational code,"
by amending section 725 (MCL 339.725), as added by 1997 PA 10.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

- 1 Sec. 725. (1) The department shall issue a certificate as a
2 certified public accountant to an individual who meets all of the
3 following requirements:
- 4 (a) Is of good moral character.
- 5 (b) Has complied with the education requirements of subsec-
6 tion (2).
- 7 (c) Has passed an examination meeting the requirements of
8 subsection (3).
- 9 (d) Has complied with the experience requirements of
10 subsection (4).

SB1149, As Passed House, September 24, 1998

Senate Bill No. 1149

2

1 (E) AFTER JULY 1, 2003, SHALL HAVE COMPLETED AT LEAST 150
2 SEMESTER HOURS OF COLLEGE EDUCATION, INCLUDING A BACCALAUREATE
3 DEGREE OR HIGHER DEGREE WITH A CONCENTRATION IN ACCOUNTING, AT AN
4 EDUCATIONAL INSTITUTION APPROVED BY THE BOARD.

5 (2) Except as otherwise provided in this subsection, ~~before~~
6 ~~sitting for the examination required under subsection (3), an~~
7 ~~applicant for a certificate as a certified public accountant~~
8 ~~shall have~~ AN INDIVIDUAL WHO HAS completed ~~at least~~ a curricu-
9 lum required for a baccalaureate degree with a concentration in
10 accounting at an educational institution approved by the board
11 MAY SIT FOR THE EXAMINATION REQUIRED UNDER SUBSECTION (3). An
12 ~~applicant for a certificate as a certified public accountant~~
13 INDIVIDUAL shall be considered to have fulfilled the educational
14 requirements of this subsection if he or she is scheduled to
15 receive his or her baccalaureate degree with a concentration in
16 accounting from an educational institution approved by the board,
17 within 30 days after the date of the examination required under
18 subsection (3), as certified by the chief academic officer of the
19 educational institution. If an ~~applicant~~ INDIVIDUAL fails to
20 fulfill the educational requirements of the educational institu-
21 tion within 30 days of the examination, then the board shall not
22 credit the examination results to the applicant.

23 (3) An applicant for a certificate as a certified public
24 accountant shall pass an examination in accounting, auditing, and
25 other related subjects, acceptable to the department and the
26 board, that is given reciprocal status in the plurality of states
27 as compared to other examinations.

SB1149, As Passed House, September 24, 1998

Senate Bill No. 1149

3

1 (4) Subject to subsections (5) and (6) AND UNTIL JULY 1,
2 2003, an applicant for a certificate as a certified public
3 accountant shall have 2 years of qualifying experience AND, AFTER
4 JULY 1, 2003, AN APPLICANT FOR A CERTIFICATE AS A CERTIFIED
5 PUBLIC ACCOUNTANT SHALL HAVE 1 YEAR OF QUALIFYING EXPERIENCE
6 under the direction and supervision of a licensed certified
7 public accountant of this or another state in either of the
8 following:

9 (a) The practice of public accounting with experience
10 obtained in 1 financial audit and in all of the following areas
11 which may be performed under the direction and supervision of a
12 licensed certified public accountant while the applicant was
13 meeting the education requirements of subsection (2):

14 (i) The application of a variety of auditing procedures and
15 techniques to the usual and customary financial transactions
16 recorded in accounting records.

17 (ii) The preparation of working papers covering the examina-
18 tion of the accounts usually found in accounting records for
19 audit, review, and compilation.

20 (iii) The participation in the planning of the program of
21 work including the selection of the procedures to be followed for
22 audit, review, and compilation.

23 (iv) The participation in the preparation of reports,
24 including written explanations and comments on the findings of
25 the examinations and on the content of the accounting records.

26 (v) The participation in the preparation and analysis of
27 financial statements together with explanations and notes.

SB1149, As Passed House, September 24, 1998

Senate Bill No. 1149

4

1 (b) The practice of public accounting with a governmental
2 agency involving either of the following:

3 (i) The auditing of the books and accounts or financial
4 activities of persons engaged in 3 or more distinct lines of com-
5 mercial or industrial business in accordance with generally
6 accepted auditing standards or generally accepted government
7 auditing standards.

8 (ii) The auditing of the books and accounts of financial
9 activities of 3 or more distinct governmental agencies or inde-
10 pendent organizational units other than an employer of the appli-
11 cant in accordance with generally accepted auditing standards or
12 generally accepted government auditing standards, and in which
13 the results of the auditing are reported to a third party.

14 (5) ~~An~~ UNTIL JULY 1, 2003, AN individual who has done both
15 of the following is considered to have received the equivalent of
16 1 year of qualifying experience under subsection (4):

17 (a) Has earned a graduate degree in accounting or its equiv-
18 alent at an educational institution approved by the board.

19 (b) Has completed a curriculum in public accounting as pre-
20 scribed in rules promulgated by the director.

21 (6) ~~An~~ UNTIL JULY 1, 2003, AN individual who has done all
22 of the following is considered to have received the equivalent of
23 2 years of qualifying experience under subsection (4):

24 (a) Has earned a graduate degree in accounting or its equiv-
25 alent at an educational institution approved by the board and has
26 completed a curriculum in public accounting as prescribed in
27 rules promulgated by the director.

SB1149, As Passed House, September 24, 1998

Senate Bill No. 1149

5

1 (b) Has completed at least 2 years as a full-time instructor
2 of accounting in subjects above the elementary level prescribed
3 in rules promulgated by the director.

4 (7) In complying with the requirement of subsection (4) that
5 an applicant shall have performed 1 financial audit, an applicant
6 may submit an audit performed under the direction and supervision
7 of a licensed certified public accountant who is not the
8 applicant's employer or an audit performed while the applicant
9 was meeting the educational requirements of subsection (2).