

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)~~ (4).
- 9 (d) Has complied with the experience requirements of
10 subsection ~~(4)~~ (5).

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SB 1149 as amended June 3, 1998

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1 (2) Except as otherwise provided in ~~this~~ subsection (3),
2 before sitting for the examination required under subsection
3 ~~(3)~~ (4), THE FOLLOWING APPLY:

4 (A) UNTIL JULY 1, 2003, an applicant for a certificate as a
5 certified public accountant shall have completed at least a cur-
6 riculum required for a baccalaureate degree with a concentration
7 in accounting at an educational institution approved by the
8 board.

9 (B) AFTER JULY 1, 2003, AN APPLICANT FOR A CERTIFICATE AS A
10 CERTIFIED PUBLIC ACCOUNTANT SHALL HAVE COMPLETED AT LEAST 150
11 SEMESTER HOURS OF COLLEGE EDUCATION INCLUDING A BACCALAUREATE
12 DEGREE OR HIGHER DEGREE WITH A CONCENTRATION IN ACCOUNTING AT AN
13 EDUCATIONAL INSTITUTION APPROVED BY THE BOARD.

14 (3) ~~An~~ UNTIL JULY 1, 2003, AN applicant for a certificate as
a certified public
15 accountant shall be considered to have fulfilled the educational
16 requirements of ~~this~~ subsection (2)(A) if he or she is scheduled
17 to receive his or her baccalaureate degree with a concentration
18 in accounting from an educational institution approved by the
19 board, within 30 days after the date of the examination required
20 under subsection ~~(3)~~ (4), as certified by the chief academic
21 officer of the educational institution. If an applicant fails to
22 fulfill the educational requirements of the educational institu-
23 tion within 30 days of the examination, then the board shall not
24 credit the examination results to the applicant.

25 (4) ~~(3)~~ An applicant for a certificate as a certified
26 public accountant shall pass an examination in accounting,
27 auditing, and other related subjects, acceptable to the

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1 department and the board, that is given reciprocal status in the
2 plurality of states as compared to other examinations.

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

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

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

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

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

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

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

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

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

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

16 (6) ~~(5) An~~ UNTIL JULY 1, 2003, AN individual who has done
17 both of the following is considered to have received the equiva-
18 lent of 1 year of qualifying experience under subsection ~~(4)~~
19 (5):

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

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

24 (7) ~~(6) An~~ UNTIL JULY 1, 2003, AN individual who has done
25 all of the following is considered to have received the equiva-
26 lent of 2 years of qualifying experience under subsection ~~(4)~~
27 (5):

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1 (a) Has earned a graduate degree in accounting or its
2 equivalent at an educational institution approved by the board
3 and has completed a curriculum in public accounting as prescribed
4 in rules promulgated by the director.

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

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