

1105.5400 REPORT TO BOARD.

A. Within 30 days of receipt of the letter described in subitem (2), each firm shall submit, or have submitted on its behalf, the following material to the board:

- (1) a copy of the report issued by the reviewer, including any response from the firm that addresses deficiencies or significant deficiencies contained in the report;
- (2) the final letter of acceptance from the report acceptance body; and
- (3) any agreements to correct deficiencies that have been entered into between the firm and the report acceptance body.

The board shall review and consider this material in its decision to issue a permit to the firm.

Failure to file the required material by the required date is cause for discipline against the firm's permit.

In the case where the report acceptance body and the firm have entered into an agreement to correct deficiencies, failure by the firm to abide by that agreement is grounds for discipline against the firm's permit and the certificates of the managers in charge of the firm's offices maintained in this state.

Except as specified in part 1105.4800, a written report, including any responses by the firm attached to the report, on all inspections conducted by the Public Company Accounting Oversight Board submitted within 30 days of receipt to the board shall meet the requirements of this part.

Nothing in this part requires a firm to submit the Public Company Accounting Oversight Board inspections report to the board if a peer review encompassing the firm's public company attest client practice has been conducted and submitted to the board according to parts 1105.4600 to 1105.5500 or according to standards adopted by the AICPA or the Public Company Accounting Oversight Board within the previous three years.

B. In addition to any agreement made between the report acceptance body and the firm, the board may:

- (1) require that a partner, member, manager, shareholder, or employee of the firm complete continuing education in the areas of deficiency in addition to the continuing professional education hours required in part 1105.3000;
- (2) require that the firm maintain a minimum library of source materials designed to provide the firm with the resources necessary to cure the deficiencies noted; and
- (3) impose any other discipline authorized by Minnesota Statutes, section 326A.08.

C. In connection with the submission required by item A, the firm shall specifically notify the board if it has had two or more consecutive quality reviews of its nonpublic company attest or compilation client practice that resulted in the firm receiving a report that was other than pass. A firm's review shall result in one of three findings:

- (1) pass;
- (2) pass with deficiencies; or
- (3) fail.

Statutory Authority: *MS s 197.4552; 326.18; 326A.02*

History: *27 SR 1425; 28 SR 1636; 30 SR 422; 33 SR 476; 38 SR 1367; 40 SR 953*

Published Electronically: *February 15, 2016*