

TITLE 4: ECONOMIC RESOURCES
DIVISION 3: BUSINESSES AND PROFESSIONS

§ 3402. CNMI Board of Accountancy.

(a) There is hereby created the CNMI Board of Accountancy, which shall have responsibility for the administration and enforcement of this Act. The Board shall consist of five members, appointed by the Governor, all of whom shall be residents of the CNMI. All of such members shall be holders of currently valid certificates issued under section 3422 of this Act (except that original Board members will be holders of a certificate as certified public accountants issued after examination under the law of any other state) the majority of whom are practicing public accountancy. The term of each member of the Board shall be four years; except that, of the members first to be appointed, two shall hold office for one year, two for two years, and one for three years from the effective date of this Act, the term of each to be designated by the Governor. Vacancies occurring during a term shall be filled by appointment by the Governor for the unexpired term. Board members have a duty to maintain their status as holders of certificates under section 3422 of this Act.

(b) The Board shall elect annually from among its members a chairman and such other officers as the Board may determine to be appropriate. The Board shall meet at such times and places as may be fixed by the Board. Meetings of the Board shall be open to the public except in so far as they are concerned with investigations under section 3431 of this Act and except as may be necessary to protect information that is required to be kept confidential by Board rules or by the laws of the CNMI. A majority of the Board members then in office shall constitute a quorum at any meeting duly called. The Board shall have a seal that shall be judicially noticed. The Board shall retain or arrange for the retention of all applications and all documents under oath that are filed with the Board and also records of its proceedings, and it shall maintain a registry of the names and addresses of all licensees under this Act. In any proceeding in court, civil or criminal, arising out of or founded upon any provision of this Act, copies of any of said records certified as true copies under the seal of the Board shall be admissible in evidence as tending to prove the contents of said records.

(c) Each member of the Board shall be reimbursed for the member's actual and necessary expenses incurred in the discharge of the member's official duties.

(d) All moneys collected by the Board from fees authorized to be charged by this Act shall be received and accounted for by the Board and shall be deposited in the CNMI General Fund to the credit of the Board. Appropriation shall be made for the expenses of administering the provisions of this Act, which may include, but shall not be limited to, the costs of conducting investigations and of taking testimony and procuring the attendance of witnesses before the Board or its committees; all legal proceedings taken under this Act for the enforcement thereof; and educational programs for the benefit of the public and licensees and their employees.

(e) The Board shall file an annual report of its activities with the Governor and the legislature, which report shall include a statement of all receipts and disbursements and a listing of all current licensees under this Act. The Board shall

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mail a copy of the annual report to any person requesting it and paying a reasonable charge therefor.

(f) The Board may employ an executive director who must hold a certificate as defined in section 3401(b) this Act and such other personnel as it deems necessary in its administration and enforcement of this Act. It may appoint such committees or persons, to advise or assist it in such administration and enforcement, as it may see fit. It may retain its own counsel to advise and assist it in addition to such advice and assistance as is provided by the Attorney General of the CNMI.

(g) The Board shall have the power to take all action that is necessary and proper to effectuate the purposes of this Act, including the power to sue and be sued in its official name as an agency of the CNMI; to issue subpoenas to compel the attendance of witnesses and the production of documents; to administer oaths; to take testimony and to receive evidence concerning all matters within its jurisdiction. In case of disobedience of a subpoena, the Board may invoke the aid of any court of the CNMI in requiring the attendance and testimony of witnesses and the production of documentary evidence. The Board, its members, and its agents shall be immune from personal liability for actions taken in good faith in the discharge of the Board's responsibilities, and the CNMI shall hold the Board, its members, and its agents harmless from all costs, damages, and attorneys' fees arising from claims and suits against them with respect to matters to which such immunity applies.

(h) The Board may adopt by regulation rules governing its administration and enforcement of this Act and the conduct of licensees, including but not limited to:

- (1) Rules governing the Board's meetings and the conduct of its business;
- (2) Rules of procedure governing the conduct of investigations and hearings by the Board;
- (3) Rules specifying the educational and experience qualifications required for the issuance of certificates under section 3422 of this Act and the continuing professional education required for renewal of certificates under section 3422;
- (4) Rules of professional conduct directed to controlling the quality and probity of the practice of public accountancy by licensees, and dealing among other things with independence, integrity, and objectivity; competence and technical standards; responsibilities to the public; and responsibilities to clients;
- (5) Rules specifying actions and circumstance that shall be deemed to constitute holding oneself out as a licensee in connection with practice of public accountancy within the meaning of section 3401(g);
- (6) Rules governing the manner and circumstances of use of the titles "certified public accountant" and "CPA";
- (7) Rules regarding quality reviews that may be required to be performed under provisions of this Act; and
- (8) Such other Articles as the Board may deem necessary or appropriate for implementing the provisions and the purposes of this Act.

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(i) The Administrative Procedure Act (1 CMC § 9101 et seq.) shall govern the publication of all rules and regulations adopted under subsection (h) of this section or any other provision of this Act.

Source: PL 13-52, § 4, modified.

Commission Comment: The Commission made conforming changes to the above subsection pursuant to 1 CMC § 3806. See the comment to 4 CMC § 3401 regarding PL 13-52.