

TITLE 10. OKLAHOMA ACCOUNTANCY BOARD

CHAPTER 15. LICENSURE AND REGULATION OF ACCOUNTANCY

SUBCHAPTER 3. REQUIREMENTS TO PRACTICE PUBLIC ACCOUNTANCY

10:15-3-3. License as a public accountant [REVOKED]

A license may be issued to a qualified applicant only after:

- ~~(1) The examination has been satisfactorily completed;~~
- ~~(2) Evidence, by means established in Title 59, Section 15.9 of the Act, is obtained to substantiate that the applicant is of good moral character;~~
- ~~(3) Documentation has been provided that the licensure applicant has a total of Eighteen hundred (1,800) hours of part time or full time work experience in accounting as described in Title 59, Section 15.9.E of the Act. Work experience must have been obtained within the four (4) years immediately prior to filing the application for certification. This requirement may be satisfied through work experience in government, industry, academia, or public practice. Acceptable work experience includes accounting, attest, tax, and related services. Approved documentation of experience must be provided in a format prescribed by the Board. If the work experience is denied, the applicant may file a written request with the Board for a review of the denial. The applicant shall have the burden of demonstrating to the Board that the requirements under this section have been met. Any evidence submitted by the applicant shall be in documentary form, and~~
- ~~(4) Evidence of successful completion of the AICPA ethics examination or its equivalent as determined by the Board has been provided.~~

SUBCHAPTER 18. COMPUTER-BASED EXAMINATION

10:15-18-3. Retake and granting of credit requirements

(a) A grade of seventy-five (75) in each required test section shall be the minimum passing grade for purposes of granting credit.

(b) A candidate may take the required test sections individually and in any order. Credit for any test section(s) passed shall be valid for eighteen months from the date the candidate took that test section, without having to attain a minimum score on any failed test section(s) and without regard to whether the candidate has taken other test sections.

~~(1) A CPA candidate must pass all four test sections of the AICPA Uniform CPA Examination within a rolling eighteen-month period, which begins on the date that the first test section(s) passed is taken. In the event all four test sections of the AICPA Uniform CPA Examination are not passed within the rolling eighteen-month period, credit for any test section(s) passed outside the eighteen-month period will expire and that/those test section(s) must be retaken.~~

~~(2) A PA candidate must pass the Financial Accounting and Reporting (FAR), Auditing and Attestation (AUD), and Regulation (REG) sections of the AICPA Uniform CPA Examination within a rolling eighteen-month period, which begins on the date that the first test section(s) passed is taken. In the event all three test sections of the PA Examination are not passed within the rolling eighteen-month period, credit for any test section(s) passed outside the eighteen-month period will expire and that/those test section(s) must be retaken.~~

(c) A candidate shall be deemed to have passed the CPA examination once the candidate holds at the same time valid credit for passing each of the four test sections of the examination within the rolling eighteen month period. For purposes of this section, credit for passing a test section of the computer-based examination is valid from the actual date of the testing event for that test section, regardless of the date the candidate actually receives notice of the passing grade.

~~(d) A candidate shall be deemed to have passed the PA examination once the candidate holds at the same time valid credit for passing each of the three test sections of the examination within the rolling eighteen month period. For purposes of this section, credit for passing a test section of the computer-based examination is valid from the actual date of the testing event for that test section, regardless of the date the candidate actually receives notice of the passing grade.~~

10:15-18-8. Content of examinations

The examination for certification as a certified public accountant shall be the AICPA Uniform Certified Public Accountant Examination. ~~The examination for licensing as a public accountant shall be parts of the AICPA Uniform Certified Public Accountant Examination.~~

10:15-18-9. Notification of grade

Each candidate shall be advised of the grade earned in each test section for which the candidate was examined. The names of candidates who have been granted credit for all test sections of the CPA ~~and PA~~ examination will be made public after the grades have been certified in accordance with Board policy.

SUBCHAPTER 21. RECIPROCITY

10:15-21-1. Application for certificate ~~or license~~

(a) An applicant seeking to obtain an Oklahoma reciprocal certificate ~~or license~~, who holds a valid certificate ~~or license~~ pursuant to the laws of another jurisdiction shall provide the Board with:

- (1) written proof of test scores received on all examinations from the examining jurisdiction;
- (2) written information that the applicant met or currently meets all Oklahoma requirements for eligibility as provided by statute, §15.13, Title 59, Oklahoma Statutes and these rules;
- (3) a current certificate of good standing from the jurisdiction who issued the certificate ~~or license~~ upon which the reciprocal certificate ~~or license~~ is based;
- (4) written proof of having met all Oklahoma continuing professional educational requirements for those applicants seeking a permit to practice public accounting;
- (5) evidence of successful completion of the AICPA ethics examination or its equivalent as determined by the Board; and
- (6) evidence, by means established in Section 15.9 of the Act, is obtained to substantiate that the applicant is of good ~~moral~~ character.

(b) The application for a reciprocal certificate ~~or license~~ shall be filed within one hundred twenty (120) days of employment with a public accounting firm located in this state or engaging in the practice of public accounting in Oklahoma.

(c) An application for a reciprocal certificate ~~or license~~, in a format prescribed by the Board, will not be considered filed until the application, all required documents as proof that the applicant has satisfied the eligibility requirements, and fees are received by the Board.

(d) The filed application of an active duty military personnel or their spouse shall be processed expeditiously and the requested certificate ~~or license~~ shall be issued within thirty (30) days, assuming the eligibility requirements are met. In addition, pursuant to the Military Service Occupation, Education, and Credentialing Act, the reciprocal application fee shall be waived for an active duty military personnel or their spouse.

10:15-21-3. Evaluation of qualifications

Evaluation and approval or denial of the application for a reciprocal certificate ~~or license~~ shall be performed by the Executive Director or his or her designee.

10:15-21-6. Payment of fee

Each application for a reciprocal certificate ~~or license~~ shall be accompanied by all applicable fees.

SUBCHAPTER 25. PERMITS

10:15-25-2. Dates of issuance and expiration

(a) Permits renewed on a timely basis shall bear a date of issue of ~~July 1~~ the first day of the month after the registrant's birth month for individuals and ~~June~~ July 1 for firms except sole proprietorships. All other permits, except for (d) and (e) below, shall bear a date of issue based on the date the acceptable application for a permit is received in the Board office.

(b) Except for sole proprietorships, firm permits renewed on a timely basis shall bear a date of issuance of July 1 and shall expire on the following June 30.

(c) Sole proprietorship firm permits shall bear the same date of issuance and expiration as the sole proprietor's individual permit.

(d) When the Board has granted an extension, the date of issuance will be determined on a case by case basis.

(e) If an application for a permit which has been returned to the holder for correction or completion of information is returned to the Board in an acceptable format within thirty (30) calendar days of the first denial, the permit shall bear the date on which the permit application was first received in the office of the Board. Failure to resubmit an acceptable application within the thirty-day period shall cause the permit to be dated with the date the acceptable application is received in the Board office.

(f) Effective January 1, 2010, individual permits renewed on a timely basis shall bear the date of the first day of the month immediately following the individuals' birth months and shall expire the following year on the last day of the individuals' birth months.

10:15-25-3. Individual permit

(a) Any registrant engaged in the practice of public accounting, regardless of whether such services are rendered for compensation, must have a permit, except for a licensed attorney providing tax services who does not display the certificate or license and does

not have any reference thereto on professional stationery, business cards, or printed or electronic format. However, for purposes of this section, an individual may not be considered to be in the practice of public accounting if the individual performs an incidental amount of non-compensated services for immediate family members. An individual who meets the definition of retired or inactive status as defined in the Code or the Act is not considered to be in the practice of public accounting. In order to obtain a permit, an individual must have a valid certificate or license, be properly registered, pay all applicable fees, and comply with the continuing education requirements.

(b) The application for renewal of a permit shall be filed with the Board in a format prescribed by the Board prior to the expiration of the permit.

(c) At the time the application for a permit is filed, the registrant shall attest to compliance with the continuing education requirement for the applicable compliance period as specified by the Board.

(d) An application for a permit may be filed at any time during the year by a registrant who is entering or reentering the practice of public accounting. Such registrant shall attest to compliance with the applicable continuing education requirement.

(e) The fees to obtain a permit to practice shall accompany the application. The fees for the renewal of permits are set forth in Subchapter 27. However, pursuant to the Military Service Occupation, Education and Credentialing Act, the first year permit fee shall be waived for an active duty military personnel or their spouse.

~~(f) Effective January 1, 2010, the issue dates and expiration dates for individual permits to practice public accounting, as provided in this subchapter, shall be adjusted according to the schedule provided for in 10:15-25-3(g) below.~~

~~(g) The Board shall provide a schedule of expiration dates and prorated fees for purposes of transitioning into the new staggered annual renewal dates.~~

SUBCHAPTER 30. CONTINUING PROFESSIONAL EDUCATION

10:15-30-2. Required CPE for issuance of an original permit

Certificate and license holders applying for their first permit to practice public accounting must report a minimum of forty (40) hours of CPE earned within the previous calendar year or within 365 days immediately preceding the date of the application and shall also provide evidence of the successful completion of the AICPA Ethics Examination or its equivalent as determined by the Board before a permit will be issued. If the ethics examination course is to be counted toward the CPE required for the permit, it must have been completed during the same period as the remaining CPE reported to obtain the permit. Any ethics course meeting the requirements for issuance of an original permit: must have been passed with a score of 90% or above.

~~(1) must be one course which has been recommended for at least eight (8) hours of CPE credit by the course provider; and~~

~~(2) must have been passed with a score of 90% or above.~~

10:15-30-3. Required CPE for issuance of a lapsed permit

Certificate and license holders previously holding a permit to practice public accounting must report a minimum of forty (40) hours of CPE earned within the previous calendar year or within 365 days immediately preceding the date of the application and shall also

provide evidence of the successful completion of the AICPA Ethics Examination or its equivalent as determined by the Board before a permit will be issued. If the ethics examination course is to be counted toward the CPE required for the permit, it must have been completed during the same period as the remaining CPE reported to obtain the permit. Any ethics course meeting the requirements for the renewal of a lapsed permit: must have been passed with a score of 90% or above.

- ~~(1) — must be one course which has been recommended for at least eight (8) hours of CPE credit by the course provider; and~~
- ~~(2) — must have been passed with a score of 90% or above.~~

10:15-30-5. Reporting and documentation by certificate and license holders

(a) Certificate and license holders not otherwise exempt must complete one hundred twenty (120) hours of qualifying CPE within a rolling three (3) calendar year period. A certificate or license holder's rolling three (3) calendar year period begins January 1 in the year the certificate or license holder was required to earn CPE. A minimum of twenty (20) hours of acceptable CPE, shall be completed each calendar year. Effective January 1, 2009, four hours of professional ethics must be completed within each rolling three (3) calendar year period.

(b) Each certificate or license holder shall annually report CPE for the preceding calendar year or claim an exemption to the CPE requirement for the preceding calendar year. This reporting shall take place in conjunction with the filing of the certificate or license holder's annual registration renewal based on the certificate or license holder's birth month. ~~The Board shall provide a schedule for purposes of transitioning to the new staggered annual birth month renewal/reporting dates.~~

(c) The professional ethics requirement as mandated in this section may be met by courses from other licensed professional disciplines that relate directly to the practice of public accounting, such as law or securities and may be met by courses on ethical codes in jurisdictions other than Oklahoma.

(d) CPE hours claimed for credit may be claimed only for the compliance period in which the course was completed and credit granted.

(e) Each letter or certificate of completion shall include the date of completion of the seminar or course as evidenced by:

- (1) Date the in-attendance course was completed;
- (2) Date a self-study course was completed and evidenced by the date of certified mailing or date of facsimile transmission to the program sponsor;
- (3) Date an internet self-study course is transmitted to the program sponsor.

(f) At the time of completing each course, or within sixty (60) days thereafter, the certificate or license holder shall obtain a letter or certificate attesting to completion of the course from the sponsor of the course. Such letters or certificates shall be retained for a period of five (5) years after the end of the calendar year in which the program is completed and shall include the specific information set forth in the Board's CPE Standards in 10:15-32-6(a).

(g) Participants in CPE programs shall also retain descriptive material for five (5) years which reflects the content of a course in the event the participant is requested by the Board to substantiate the course content. Examples of such descriptive materials might include:

- (1) course descriptions;
 - (2) course outlines; and
 - (3) course objectives.
- (h) If a certificate or license holder's main area of employment is industry and the certificate or license holder holds a permit to practice, at least seventy-two (72) hours of the one hundred twenty (120) hour requirement within a rolling three (3) calendar year period of the qualifying CPE completed by the certificate or license holder shall be in subjects related to the practice of public accounting and shall earn a minimum of eight (8) hours in the areas of taxation, accounting or assurance per calendar year.
- (i) Effective January 1, 2011, if a certificate or license holder is actively involved in the supervision or review of compilation engagements for third party reliance, the certificate or license holder must complete a minimum of four (4) credits of CPE in the subject area of compilation engagements in each calendar year. This requirement shall be waived if:
- (1) the certificate or license holder works for a public accounting firm currently enrolled in a peer review program with an approved sponsoring organization; or
 - (2) the certificate or license holder is a sole proprietorship currently enrolled in a peer review program with an approved sponsoring organization.

SUBCHAPTER 33. PEER REVIEW

10:15-33-4. Enrollment and participation

- (a) Participation in the program is required of each firm holding a permit from the Board that performs any services which require a peer review as provided in Section 15.30 of the Oklahoma Accountancy Act.
- (b) Firm enrollment is required as follows:
- (1) An existing firm required to participate under subsection (a) shall enroll in the peer review program of an approved sponsoring organization within one (1) year from the performance of services that require a peer review. The firm shall adopt the peer review due date assigned by the sponsoring organization, and must notify the Board of the date within thirty (30) days of its assignment. In addition, the firm shall schedule and begin an additional peer review within three (3) years of the previous peer review due date, or earlier as may be required by the sponsoring organization. It is the responsibility of the firm to anticipate its needs for peer review services in sufficient time to enable the reviewer to complete the peer review by the assigned review due date.
 - (2) An existing firm that subsequently begins providing services as set forth in subsection (a) shall notify the Board of the change in status within thirty (30) days and provide the Board with enrollment information within twelve (12) months of the date the services were first provided and have a peer review within eighteen (18) months of the year end of the engagement performed. This provision shall also apply to any new firm that provides the services set forth in subsection (a).
- (c) In the event that a firm is merged, otherwise combined, dissolved, or separated, the sponsoring organization shall determine which firm is considered the succeeding firm. Any dispute of the sponsoring organization's determination shall be resolved by the Board. The succeeding firm shall retain its peer review status and the peer review due date.

~~(d) Any firm having a permit suspended, that held a permit from the Board at the time it provided any service requiring a peer review must enroll in a Board approved peer review program as provided in subsection 10:15-33-4(a) or submit a peer review report as provided in subsection 10:15-33-6(a).~~

~~(ed) The Board will accept extensions granted by the sponsoring organization to complete a peer review, provided the Board is notified by the firm within thirty (30) days of the date that an extension is granted.~~

~~(f) A firm that has been rejected by a sponsoring organization for whatever reason shall notify the Board of:~~

~~(1) Name of sponsoring organization rejecting the enrollment;~~

~~(2) Reasons for the rejection;~~

~~(3) Name of subsequently selected sponsoring organization.~~

~~(g) A firm choosing to change to another sponsoring organization may do so only once a final acceptance letter has been issued indicating that all outstanding corrective actions have been completed and outstanding fees paid.~~

10:15-33-7. Peer review oversight committee

(a) The Board shall appoint a Peer Review Oversight Committee for the purpose of:

(1) Monitoring sponsoring organizations to provide reasonable assurance that peer reviews are being conducted and reported on in accordance with peer review minimum standards;

(2) Reviewing the policies and procedures of sponsoring organization applicants as to their conformity with the peer review minimum standards; and

(3) Reporting to the Board on the conclusions and recommendations reached as a result of performing functions in paragraphs (A) and (B) of this subsection.

(b) The Peer Review Oversight Committee shall consist of three (3) members nominated by the Chair and approved by the Board, none of whom is a current member of the Board. Subsequent committee members shall serve three (3) year terms. Compensation, if any, of Peer Review Oversight Committee members shall be set annually by the Board, ~~not to exceed One Hundred Fifty Dollars (\$150.00) per hour.~~ Each member of the Peer Review Oversight Committee must be active in the practice of public accounting at a supervisory level or above in the accounting or auditing function while serving on the committee or any employee involved at a supervisory level or above in an audit function of a state or local government. The member or member's firm must be enrolled in an approved practice/monitoring program and have received an unmodified or pass report on its most recently completed peer review. A majority of the committee members must satisfy the qualifications required of system peer review team captains as established and reported in the AICPA Standards for Performing and Reporting on Peer Reviews.

(1) No more than one Peer Review Oversight Committee member may be from the same firm.

(2) A Peer Review Oversight Committee member may not concurrently serve as a member of the AICPA's or any state's CPA society ethics or peer review committee.

(3) A Peer Review Oversight Committee member may not participate in any discussion or have any vote with respect to a reviewed firm when the committee

member lacks independence or has a conflict of interest. The Board may appoint alternate committee member(s) to serve in these situations.

- (c) Information concerning a specific firm or reviewer obtained by the Peer Review Oversight Committee during oversight activities shall be confidential, and the firm's or reviewer's identity shall not be reported to the Board. Reports submitted to the Board will not contain information concerning specific registrants, firms or reviewers.
- (d) As determined by the Board, the Peer Review Oversight Committee shall make periodic recommendations to the Board, but not less than annually, as to the continuing qualifications of each sponsoring organization as an approved sponsoring organization.
- (e) The Peer Review Oversight Committee may:
 - (1) Establish and perform procedures for ensuring that reviews are performed and reported on in accordance with the AICPA Standards for Performing and Reporting on Peer Reviews or other standards as approved by the Board and the rules promulgated herein by the Board;
 - (2) Review remedial and correction actions prescribed that address the deficiencies in the reviewed firm's system of quality control policies and procedures;
 - (3) Monitor the prescribed remedial and corrective actions to determine compliance by the reviewed firm;
 - (4) Establish a report acceptance process, which facilitates the exchange of viewpoints among committee members and sponsoring organization; and
 - (5) Communicate to the Board on a recurring basis:
 - (A) Problems experienced by the enrolled registrants in their systems of quality control as noted in the peer reviews conducted by the sponsoring organization;
 - (B) Problems experienced in the implementation of the peer review program; and
 - (C) A summary of the historical results of the peer review program.
- (f) Committee members shall become disqualified to serve on Peer Review Oversight Committee if any of the provisions that qualify the committee member no longer exist or by majority vote of the Board.

SUBCHAPTER 43. ATTEST ENGAGEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

10:15-43-2. Evaluation of registrants [REVOKED]

~~Evaluation of qualifications and approval of registrations shall be performed by the Board or its designee.~~