

# **OKLAHOMA ACCOUNTANCY ACT**

**TITLE 59 OKLAHOMA STATUTES  
SECTIONS 15.1 THROUGH 15.38**

**AMENDMENTS EFFECTIVE JULY 1, 2019  
AMENDMENTS EFFECTIVE NOVEMBER 1, 2019**



## **OKLAHOMA ADMINISTRATIVE CODE**

**TITLE 10**

**AMENDMENTS EFFECTIVE SEPTEMBER 11, 2020**

**OKLAHOMA ACCOUNTANCY BOARD**

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**REVISED 2020**

# OKLAHOMA ACCOUNTANCY ACT

## INDEX MOST FREQUENTLY ACCESSED PROVISIONS

**Act: Oklahoma Accountancy Act**

**Code: Title 10. Oklahoma Administrative Code**

	<b>Act</b>	<b>Page</b>	<b>Code</b>	<b>Page</b>
Attest Engagements in Accordance with Gov't Auditing Standards			10:15-43	170
Initial Certificate/Licensing Issuance	15.9	27	10:15-3-2	77
Ethics Exam Requirement	15.9(F)	28	10:15-3-2	78
Experience Requirement	15.9(E)	28	10:15-3-2	77
Change Status/Address	15.14(G)	42		
CPE	15.35	59	10:15-30	116
Ethics Requirement			10:15-30-5(c)	117
Exceptions			10:15-30-8	120
Records Retention			10:15-30-5(g)	118
Re-entering Active Status			10:15-30-9	123
CPE Program Standards			10:15-32	125
Permit Issuance			10:15-30-2	116
Program Measurement			10:15-32-5	136
Definitions – General	15.1A	4	10:1-1-2	63
Definitions – Peer Review			10:15-33-2	142
Definitions - Practice of Public Accounting	15.14A(34)	10		
Enforcement Procedures			10:15-37	153
Acts Subject to Penalty	15.14B	44		
Convictions/Pleas			10:15-37-11	161
Filing Formal Complaint			10:15-37-5	156
Hearing/Penalties/Fines	15.23	52		
Examination	15.10	30		
Application			10:15-18-1	82
Cheating			10:15-18-15	91
Credit			10:15-18-3	83
Education	15.8	25	10:15-18-4	85

## OKLAHOMA ACCOUNTANCY ACT

Failure to Sit			10:15-18-14	91
Security and Irregularities			10:15-18-16	93
Fees	Various		10:15-27	110
Firms	15.15A	46		
Change in Firm	15.15A(C)	46		
D/B/A			10:15-39-8.1	167
Names			10:15-39-8.1	166
Designated Manager	15.15B	49		
Revoke/Suspend Firms	15.16	51		
Service Provided by Unregistered Firm	15.15C	51		
Internet Practice			10:15-20	94
Military Waiver	15.38	61	10:15-23-7	100
Mobility	15.12A	33	10:15-22	99
Peer Review	15.30	58	10:15-33	141
Penalties	15.24	53		
Permit				
Individual	15.14A	42	10:15-25-3	105
Firm	15.15A	46	10:15-25-4	107
Practice Privileges	15.12A	33	10:15-22	99
Professional Conduct Rules			10:15-39	164
Reciprocity	15.13	36	10:15-21	95
Foreign	15.13A	39	10:15-21-7	98
Registration				
Individuals	15.14	40	10:15-23-1	99
Firms	15.15	44	10:15-23-2	101
Reinstatement –Individual	15.24	53	10:15-35	152
SE-Substantial Equivalency	15.12A	33	10:15-22	98
Transition to Public Practice			10:15-25-5	107
Use of Titles or Abbreviations	15.11	30		
Written Communications			10:15-39-8.2	168

# OKLAHOMA ACCOUNTANCY ACT

[59 Oklahoma Statutes, Sections 15.1 through 15.38]

## **Section 15.1. Short title-Declaration of policy**

Section 15.1 et seq. of this title shall be known and may be cited as the “Oklahoma Accountancy Act”.

In order to protect the citizens of this state, the Legislature hereby declares that it is the policy of this state, and the purpose of this act, to promote the reliability of information that is used for guidance in financial transactions or for accounting for or assessing the financial status or performance of commercial, noncommercial and governmental enterprises. The public interest requires that persons professing special competence in accountancy or offering assurance as to the reliability or fairness of presentation of such information shall have demonstrated their qualifications to do so, that persons who have not demonstrated and maintained such qualifications, not be permitted to represent themselves as having such special competence or to offer such assurance, that the conduct of registrants as having special competence in accountancy be regulated in all aspects of their professional work, that a public authority competent to prescribe and assess the qualifications and to regulate the conduct of registrants be established, and that the use of titles that have a capacity or tendency to deceive the public as to the status or competence of the persons using such titles be prohibited.

## **Section 15.1A. Definitions**

As used in the Oklahoma Accountancy Act:

1. **“Accountancy”** means the profession or practice of accounting;
2. **“AICPA”** means the American Institute of Certified Public Accountants;

## OKLAHOMA ACCOUNTANCY ACT

3. **“Applicant”** means an individual or entity that has made application to the Board for a certificate, license, or permit and said application has not been approved;
4. **“Assurance”** means independent professional services that improve the quality of information, or its context, for decision makers;
5. **“Attest”** means providing the following financial statement services:
  - a. any audit or other engagement to be performed in accordance with the Statements on Auditing Standards (SAS),
  - b. any review of a financial statement to be performed in accordance with the Statements on Standards for Accounting and Review Services (SSARS),
  - c. any report performed in accordance with the Statements on Standards for Attestation Engagements (SSAE), and
  - d. any engagement to be performed in accordance with the Auditing Standards of the Public Company Accounting Oversight Board (PCAOB).

The statements on standards specified in this definition shall be adopted by reference by the Board pursuant to rulemaking and shall be those developed for general application by recognized national accountancy organizations, such as the AICPA, IFAC and the PCAOB;

6. **“Audit”** can only be performed by an individual or entity who is registered with the Board and holding a valid permit issued pursuant to the Oklahoma Accountancy Act, or an individual granted practice privileges under Section 15.12A of this title, and means a systematic investigation or appraisal of

## OKLAHOMA ACCOUNTANCY ACT

information, procedures, or operations performed in accordance with generally accepted auditing standards in the United States, for the purpose of determining conformity with established criteria and communicating the results to interested parties;

7. “**Board**” means the Oklahoma Accountancy Board;

8. “**Candidate**” means an individual who has been qualified and approved by the Board to take an examination for a certificate or license;

9. “**Certificate**” means the Oklahoma document issued by the Board to a candidate upon successful completion of the certified public accountant examination designating the holder as a certified public accountant pursuant to the laws of Oklahoma. “Certificate” shall also mean the Oklahoma document issued by reciprocity to an individual who has previously been certified in another jurisdiction;

10. “**Certified public accountant**” means any person who has received a certificate from the Board or other jurisdictions;

11. “**Client**” means the individual or entity which retains a registrant, an individual granted practice privileges under Section 15.12A of this title, or a firm exempt from the permit and registration requirements under Section 15.15C of this title to perform professional services;

12. “**Compilation**” when used with reference to financial statements, means presenting information in the form of financial statements which is the representation of management or owners without undertaking to express any assurance on the statements;

13. “**CPA**” or “**C.P.A.**” means certified public accountant;

14. “**Designated manager**” means the Oklahoma certified public accountant or public accountant appointed by the firm partners or shareholders to be responsible for the administration of the office;

## OKLAHOMA ACCOUNTANCY ACT

15. **“Designee”** means the National Association of State Boards of Accountancy (NASBA) or other entities so designated by the Board;

16. **“Entity”** means an organization whether for profit or not, recognized by the State of Oklahoma to conduct business;

17. **“Examination”** means the test sections of Auditing and Attestation, Business Environment and Concepts, Financial Accounting and Reporting and Regulation or their successors, administered, supervised, and graded by, or at the direction of, the Board or other jurisdiction that is required for a certificate as a certified public accountant or a license as a public accountant;

18. **“Executive director”** means the chief administrative officer of the Board;

19. **“Financial statements”** means statements and footnotes related thereto that undertake to present an actual or anticipated financial position as of a point in time, or results of operations, cash flow, or changes in financial position for a period of time, in conformity with generally accepted accounting principles or another comprehensive basis of accounting. The term does not include incidental financial data included in management advisory service reports to support recommendations to a client; nor does it include tax returns and supporting schedules;

20. **“Firm”** means an entity that is either a sole proprietorship, partnership, professional limited liability company, professional limited liability partnership, limited liability partnership or professional corporation, or any other professional form of organization organized under the laws of the State of Oklahoma or the laws of another jurisdiction and issued a permit in accordance with Section 15.15A of this title or exempt from the permit requirement under Section 15.15C of this title, including individual partners or shareholders, that is engaged in accountancy;

## OKLAHOMA ACCOUNTANCY ACT

21. **“Holding out”** means any representation by an individual that he or she holds a certificate or license and a valid permit, or by an entity that it holds a valid permit. Any such representation is presumed to invite the public to rely upon the professional skills implied by the certificate or license and valid permit in connection with the services or products offered;

22. **“Home office”** means the location specified by the client as the address to which a service described in Section 15.12A of this title is directed;

23. **“IFAC”** means the International Federation of Accountants;

24. **“Individual”** means a human being;

25. **“Jurisdiction”** means any state or territory of the United States and the District of Columbia;

26. **“License”** means the Oklahoma document issued by the Board to a candidate upon successful completion of the public accountant examination designating the holder as a public accountant pursuant to the laws of Oklahoma. “License” shall also mean the Oklahoma document issued by the Board by reciprocity to a public accountant who has previously been licensed by examination in another jurisdiction;

27. **“Management advisory services”**, also known as “management consulting services”, “management services”, “business advisory services” or other similar designation, hereinafter collectively referred to as “MAS”, means the function of providing advice and/or technical assistance, performed in accordance with standards for MAS engagements and MAS consultations such as those issued by the American Institute of Certified Public Accountants, where the primary purpose is to help the client improve the use of its capabilities and resources to achieve its objectives including but not limited to:

## OKLAHOMA ACCOUNTANCY ACT

- a. counseling management in analysis, planning, organizing, operating, risk management and controlling functions,
- b. conducting special studies, preparing recommendations, proposing plans and programs, and providing advice and technical assistance in their implementation,
- c. reviewing and suggesting improvement of policies, procedures, systems, methods, and organization relationships, and
- d. introducing new ideas, concepts, and methods to management.

MAS shall not include recommendations and comments prepared as a direct result of observations made while performing an audit, review, or compilation of financial statements or while providing tax services, including tax consultations;

28. **“NASBA”** means the National Association of State Boards of Accountancy;

29. **“PA”** or **“P.A.”** means public accountant;

30. **“Partnership”** means a contractual relationship based upon a written, oral, or implied agreement between two or more individuals who combine their resources and activities in a joint enterprise and share in varying degrees and by specific agreement in the management and in the profits or losses. A partnership may be general or limited as the laws of this state define those terms;

31. **“PCAOB”** means the Public Company Accounting Oversight Board;

32. **“Peer Review”** means a review performed pursuant to a set of peer review rules established by the Board. The term “peer review” also encompasses the term “quality review”;

33. **“Permit”** means the written authority granted annually by the Board to individuals or firms to practice public accounting

## OKLAHOMA ACCOUNTANCY ACT

in Oklahoma, which is issued pursuant to the Oklahoma Accountancy Act;

34. a. “Practice of public accounting”, also known as “practice public accounting”, “practice” and “practice accounting”, refers to the activities of a registrant, an individual granted practice privileges under Section 15.12A of this title, or a firm exempt from the permit and registration requirements under Section 15.15C of this title in reference to accountancy. An individual or firm shall be deemed to be engaged in the practice of public accounting if the individual or firm holds itself out to the public in any manner as one skilled in the knowledge, science, and practice of accounting and auditing, taxation and management advisory services and is qualified to render such professional services as a certified public accountant or public accountant, and performs the following:
- (1) maintains an office for the transaction of business as a certified public accountant or public accountant,
  - (2) offers to prospective clients to perform or who does perform on behalf of clients professional services that involve or require an audit, verification, investigation, certification, presentation, or review of financial transactions and accounting records or an attestation concerning any other written assertion,

## OKLAHOMA ACCOUNTANCY ACT

- (3) prepares or certifies for clients reports on audits or investigations of books or records of account, balance sheets, and other financial, accounting and related schedules, exhibits, statements, or reports which are to be used for publication or for the purpose of obtaining credit, or for filing with a court of law or with any governmental agency, or for any other purpose,
- (4) generally or incidentally to the work described herein, renders professional services to clients in any or all matters relating to accounting procedure and to the recording, presentation, or certification of financial information or data,
- (5) keeps books, or prepares trial balances, financial statements, or reports, all as a part of bookkeeping services for clients,
- (6) prepares or signs as the tax preparer, tax returns for clients, consults with clients on tax matters, conducts studies for clients on tax matters and prepares reports for clients on tax matters, unless the services are uncompensated and are limited solely to the registrant's, or the registrant's spouse's lineal and collateral heirs,
- (7) prepares personal financial or investment plans or provides to clients products or services of others in implementation of

## OKLAHOMA ACCOUNTANCY ACT

- personal financial or investment plans,  
or
- (8) provides management advisory services to clients.
- b. Except for an individual granted practice privileges under Section 15.12A of this title or a firm exempt from the permit and registration requirements under Section 15.15C of this title, an individual or firm not holding a certificate, license or permit shall not be deemed to be engaged in the practice of public accounting if the individual or firm does not hold itself out, solicit, or advertise for clients using the certified public accountant or public accountant designation and engages only in the following services:
- (1) keeps books, or prepares trial balances, financial statements, or reports, provided such instruments do not use the terms “audit”, “audited”, “exam”, “examined”, “review” or “reviewed” or are not exhibited as having been prepared by a certified public accountant or public accountant. Except for an individual granted practice privileges under Section 15.12A of this title or a firm exempt from the permit and registration requirements under Section 15.15C of this title, nonregistrants may use the following disclaimer language in connection

## OKLAHOMA ACCOUNTANCY ACT

with financial statements and be in compliance with the Oklahoma Accountancy Act: “I (we) have not audited, examined or reviewed the accompanying financial statements and accordingly do not express an opinion or any other form of assurance on them.”,

- (2) prepares or signs as the tax preparer, tax returns for clients, consults with clients on tax matters, conducts studies for clients on tax matters and prepares reports for clients on tax matters,
  - (3) prepares personal financial or investment plans or provides to clients products or services of others in implementation of personal financial or investment plans, or
  - (4) provides management advisory services to clients.
- c. Only permit holders, individuals granted practice privileges under Section 15.12A of this title, or firms exempt from the permit and registration requirements under Section 15.15C of this title may render or offer to render any attest service, as defined herein, or issue a report on financial statements which purport to be in compliance with the Statements on Standards for Accounting and Review Services (SSARS). This restriction shall not prohibit any act of a public official

## OKLAHOMA ACCOUNTANCY ACT

or public employee in the performance of that person's duties. This restriction shall not be construed to prohibit the performance by any unlicensed individual of other services as set out in subparagraph b of this paragraph.

- d. A person is not deemed to be practicing public accounting within the meaning of this section solely by displaying an Oklahoma CPA certificate or a PA license in an office, identifying himself or herself as a CPA or PA on letterhead or business cards, or identifying himself or herself as a CPA or PA. However, the designation of CPA or PA on such letterheads, business cards, public signs, advertisements, publications directed to clients or potential clients, or financial or tax documents of a client constitutes the practice of public accounting and requires a permit, practice privileges under Section 15.12A of this title, or an exemption from the permit and registration requirements under Section 15.15C of this title;

35. **“Preissuance review”** means a review performed pursuant to a set of procedures that include review of engagement document, report, and clients' financial statements in order to permit the reviewer to assess compliance with all applicable professional standards;

36. **“Principal place of business”** means the office location designated by the licensee for the purposes of substantial equivalency and reciprocity;

37. **“Professional corporation”** means a corporation organized pursuant to the laws of this state;

## OKLAHOMA ACCOUNTANCY ACT

38. “**Professional**” means arising out of or related to the specialized knowledge or skills associated with CPAs or PAs;

39. “**Public accountant**” means any individual who has received a license from the Board;

40. “**Public interest**” means the collective well-being of the community of people and institutions the profession serves;

41. “**Qualification applicant**” means an individual who has made application to the Board to qualify to become a candidate for examination;

42. “**Registrant**” means a CPA, PA, or firm composed of certified public accountants or public accountants or combination of both currently registered with the Board pursuant to the authority of the Oklahoma Accountancy Act;

43. “**Report**”, when used with reference to financial statements, or specified elements, accounts or items of a financial statement, means an opinion, report or other form of language that states or implies assurance as to the reliability of any financial statements, or specified elements, accounts or items of a financial statement, and that also includes or is accompanied by any statement or implication that the person or firm issuing it has special knowledge or competence in accounting or auditing. Such a statement or implication of special knowledge or competence may arise from use by the issuer of the report of names or titles indicating that the person or firm is an accountant or auditor, or from the language of the report itself. The term “report” includes any form of language which disclaims an opinion when such form of language is conventionally understood to imply any positive assurance as to the reliability of the financial statements referred to and/or special competence on the part of the person or firm issuing such language; and it includes any other form of language that is conventionally understood to imply such assurance and/or such special knowledge or competence. This definition is not intended

## OKLAHOMA ACCOUNTANCY ACT

to include a report on financial statements prepared by a person not holding a certificate or license or not granted practice privileges under Section 15.12A of this title. However, such report shall not refer to “audit”, “audited”, “exam”, “examined”, “review” or “reviewed”, nor use the language “in accordance with standards established by the American Institute of Certified Public Accountants” or successor of said entity, or governmental agency approved by the Board, except for the Internal Revenue Service. Except for an individual granted practice privileges under Section 15.12A of this title or a firm exempt from the permit and registration requirements under Section 15.15C of this title, nonregistrants may use the following disclaimer language in connection with financial statements not to be in violation of the Oklahoma Accountancy Act: “I (we) have not audited, examined, or reviewed the accompanying financial statements and accordingly do not express an opinion or any other form of assurance on them.”;

44. **“Representation”** means any oral or written communication including but not limited to the use of title or legends on letterheads, business cards, office doors, advertisements, and listings conveying the fact that an individual or entity holds a certificate, license or permit;

45. **“Review”**, when used with reference to financial statements, means a registrant or an individual granted practice privileges under Section 15.12A of this title, or a firm exempt from the permit and registration requirements under Section 15.15C of this title performing inquiry and analytical procedures that provide the registrant with a reasonable basis for expressing limited assurance that there are no material modifications that should be made to the statements in order for them to be in conformity with generally accepted accounting principles or, if applicable, with another comprehensive basis of accounting; and

## OKLAHOMA ACCOUNTANCY ACT

46. “**Substantial equivalency**” is a determination by the Oklahoma Accountancy Board or its designee that:

- a. the education, examination and experience requirements contained in the statutes and administrative rules of another jurisdiction are comparable to, or exceed, the education, examination and experience requirements contained in the AICPA/NASBA Uniform Accountancy Act, or
- b. that an individual certified public accountant’s or public accountant’s education, examination and experience qualifications are comparable to or exceed the education, examination and experience requirements contained in the Oklahoma Accountancy Act and rules of the Board.

In ascertaining substantial equivalency as used in the Oklahoma Accountancy Act, the Board or its designee shall take into account the qualifications without regard to the sequence in which experience, education, or examination requirements were attained.

### **Section 15.2. Oklahoma Accountancy Board-Membership-Qualifications-Terms**

A. There is hereby re-created, to continue until July 1, 2020, in accordance with the provisions of the Oklahoma Sunset Law, the Oklahoma Accountancy Board. The Oklahoma Accountancy Board shall have the responsibility for administering and enforcing the Oklahoma Accountancy Act. The Oklahoma Accountancy Board shall be composed of seven (7) members, who shall have professional or practical experience in the use of accounting services and financial matters, so as to be qualified to make

## OKLAHOMA ACCOUNTANCY ACT

judgments about the qualifications and conduct of persons and firms subject to regulation under the Oklahoma Accountancy Act to be appointed by the Governor and confirmed by the Senate. The number of registrant members shall not be more than six, not including a firm, who shall serve terms of five (5) years. No member who has served two successive complete terms shall be eligible for reappointment, but an appointment to fill an unexpired term shall not be considered a complete term for this purpose. The public member shall serve coterminously with the Governor appointing the public member.

B. One member shall be either a public accountant licensed and holding a permit pursuant to the provisions of the Oklahoma Accountancy Act, or a person with professional or practical experience in the use of accounting services and financial matters and who shall have met the educational requirements to qualify as a candidate for examination for the license of public accountant as provided in subsection B of Section 15.8 of this title. A list of qualified persons shall be compiled and submitted to the Governor by the Oklahoma Society of Public Accountants, or successor organization from time to time as appointment of the Board member is required to be made. A list of three names shall be submitted for each single appointment from which the Governor may make the appointment.

C. Five members shall be certified public accountants holding certificates and four shall hold permits issued pursuant to the provisions of the Oklahoma Accountancy Act, at least four of whom shall have been engaged in the practice of public accounting as a certified public accountant continuously for not less than five (5) out of the last fifteen (15) years immediately preceding their appointments. A list of qualified persons shall be compiled and submitted to the Governor by the Oklahoma Society of Certified Public Accountants from time to time as appointments of the

## OKLAHOMA ACCOUNTANCY ACT

certified public accountant Board members are required. A list of three names shall be submitted for each single appointment from which the Governor may make the appointment.

D. One member shall be a public member who is not a certified public accountant or licensed public accountant. The public member shall be appointed by the Governor to a term coterminous with the Governor. The public member shall serve at the pleasure of the Governor.

E. Upon the expiration of the term of office, a member shall continue to serve until a qualified successor has been appointed. Confirmation by the Senate is required during the next regular session of the Oklahoma Senate for the member to continue to serve.

### **Section 15.3. Vacancies-Disqualification-Removal**

A. Vacancies on the Board due to death, resignation, or removal as defined in subsections C and D of this section occurring during a term shall be filled by the Governor for the unexpired portion of said term in a manner as provided for appointments to the Board. Members filling the remainder of a term of a member who has died, resigned, or been removed shall assume office immediately upon appointment by the Governor and shall serve until confirmation or denial of confirmation by the Senate.

B. A member of the Board shall become disqualified from serving if that member:

1. Is a registrant member whose certificate, license, or permit pursuant to the laws of this state has become void or has been revoked or suspended;

2. Is a registrant member or public member who has moved from this state;

## OKLAHOMA ACCOUNTANCY ACT

3. Has been convicted, pled guilty or nolo contendere to a felony pursuant to the laws of the United States or any jurisdiction;

4. Has become medically incapacitated as determined in writing by a medical doctor upon request by the Board; or

5. Has been absent from three meetings, or is absent for more than one-half (1/2) the number of minutes for which a meeting is conducted of three meetings as determined by the Board during any twelve-month period, unless such absence is determined to be unavoidable in the opinion of a majority of the remaining members.

C. Removal pursuant to the provisions of this section shall be accomplished by a majority vote of the remaining members. Upon said vote, a written notification shall be sent to the Governor setting out the dates of absences or other grounds for removal and the fact of the disqualification of the member. Upon receipt of the written notification, the Governor shall appoint another member in the manner provided for appointments to the Board.

D. The Governor may, after a hearing conducted in accordance with the provisions of the Administrative Procedures Act, remove any member of the Board for misconduct regarding responsibilities and duties of the member, incompetence, or neglect of duty. Removal pursuant to the provisions of this subsection shall occur upon the Governor filing a written statement of findings after the hearing as to the reasons and basis for removal of the member with the Secretary of the Board.

### **Section 15.4. Officers—Meetings—Duties**

A. The Oklahoma Accountancy Board shall elect from its membership a chair, a vice-chair and a secretary. The officers of the Board shall be elected each May, to take office on July 1 following the election, and shall hold office for a term of one (1) year.

## OKLAHOMA ACCOUNTANCY ACT

B. The chair shall preside at all meetings of the Board, call special meetings of the Board as are necessary, sign all certificates and licenses and perform such other duties as the Board shall direct.

C. The vice-chair shall exercise the powers of and perform the duties of the chair in the absence or disability of the chair, and perform such other duties as the Board shall direct.

D. The secretary shall preside at any meeting in the absence of the chair and vice-chair, validate minutes of all of the meetings of the Board, in the manner prescribed in the rules of the Board, supervise the maintenance of the records of the Board, including the register of individuals and firms authorized to practice public accounting in this state, and a record of all examination grades. The secretary shall perform such other duties as the Board shall direct.

E. At any regular or special meeting at which none of the officers are in attendance, the members of the Board in attendance shall elect a member to preside at that meeting.

### **Section 15.5. Quorum-Seal-Records-Staff-Expenditures-Rules and regulations-Delegation of authority**

A. The Oklahoma Accountancy Board shall be responsible for the administration and enforcement of the Oklahoma Accountancy Act. A majority of the Board shall constitute a quorum for the transaction of business.

B. In addition to the other duties imposed on the Board by law, the Board shall:

1. Have a seal that shall be judicially noticed and shall be affixed to all certificates and licenses, and such other documents as the Board deems appropriate;

2. Keep correct records of all official proceedings including minutes of meetings, applications and related documents of

## OKLAHOMA ACCOUNTANCY ACT

applicants, registry of the names and addresses of registrants, official documents filed in any hearings conducted by the Board and in any proceeding in any court arising out of any provision of the Oklahoma Accountancy Act or the rules and regulations adopted by the Board. Copies of said records certified by the secretary under the seal of the Board shall, if material, be admissible in evidence;

3. Employ such executive staff as may be necessary to implement and administer the Oklahoma Accountancy Act, to fix and pay their salaries or fees. Such executive staff shall include an Executive Director, Deputy Director and legal counsel. The Board shall have the authority to employ other staff and contract with or hire special prosecutors, investigators, expert witnesses, hearing examiners and clerical personnel in furtherance of its duties under the Oklahoma Accountancy Act;

4. Lease office space and pay the rent thereon, purchase office equipment and supplies, and make such other expenditures as are necessary for the administration and enforcement of the provisions of the Oklahoma Accountancy Act;

5. Pay the costs of such research programs in accounting and other subjects as in the determination of the Board would be beneficial to registrants; and

6. Adopt rules and regulations for the implementation of the provisions of the Oklahoma Accountancy Act in accordance with the procedures prescribed in the Administrative Procedures Act.

C. The Board may delegate to the executive director the authority to employ other staff and clerical personnel.

**Section 15.6. Repealed by Laws 1985, c. 178, § 81, operative July 1, 1985**

## OKLAHOMA ACCOUNTANCY ACT

### **Section 15.6A. Confidentiality of investigations-Use as evidence-Disclosure of information**

A. The Oklahoma Accountancy Board, its employees, independent contractors, appointed committee members or other agents shall keep confidential all information obtained during an investigation into allegations of violations of the Oklahoma Accountancy Act, including any review or investigation made to determine whether to allow an applicant to take an examination, or whether the Board shall grant a certificate, license, or permit. All information obtained in the course of conducting a peer review, including peer review reports provided to the Board by a registrant, examinations and test scores shall also be held confidential by the Board, its employees and independent contractors.

B. To ensure the confidentiality of such information for the protection of the affected individual or entity, the information obtained shall not be deemed to be a “record” as that term is defined in the Oklahoma Open Records Act.

C. Rules adopted to implement the provisions of this subsection shall assure the privacy of the information obtained. Such rules shall include but not be limited to:

1. Assuring availability of the information for inspection by the individual or entity affected or their designated representatives during the normal business hours of the Board;

2. A method for obtaining a written release for the affected individual or entity to allow inspection of their confidential records to the public at large; and

3. A method for making available to the public all final written orders of the Board concerning an individual or entity.

D. Information obtained by the Board or any of its agents as set out in subsection A of this section shall be considered competent evidence in a court of competent jurisdiction only in matters directly related to actions of the Board and the affected

## OKLAHOMA ACCOUNTANCY ACT

individual or entity as a result of the Board obtaining the information. Such information shall not be admissible as evidence in any other type of civil or criminal action.

E. The Board may disclose information concerning investigations into allegations of violations of the Oklahoma Accountancy Act under this section to another governmental, regulatory, or law enforcement agency engaged in an enforcement action. The provisions of this subsection shall not apply to information concerning whether to allow an applicant to take an examination, peer review or test scores.

### **Section 15.7. Disbursement of fees and monies**

All fees and other monies except the fines as provided in Section 15.24 of this title received by the Board pursuant to the provisions of the Oklahoma Accountancy Act shall be expended solely for effectuating the purposes of the Oklahoma Accountancy Act and shall be deposited to the credit of the Board with the Oklahoma State Treasurer. After the close of each fiscal year the Board shall file with the Governor a report of all fees charged, collected and received and all disbursements during the previous fiscal year. The Board shall pay into the General Revenue Fund of the state ten percent (10%) of all annual registration fees so charged, collected and received, and no other portion shall ever revert to the General Revenue Fund or any other fund of the state.

All salaries, fees, and other expenses incurred by the Board in the performance of the duties imposed by the provisions of the Oklahoma Accountancy Act shall be paid from the Board's Revolving Fund and none of said expenses shall be a charge against the general funds of this state.

### **Section 15.8. Application to take examination-Format-Fees-Qualifications**

## OKLAHOMA ACCOUNTANCY ACT

A. A qualification applicant to qualify as a candidate for examination shall file an application for qualification in a format approved by the Oklahoma Accountancy Board. The fee for the qualification application shall be determined by the Board and shall not exceed Three Hundred Dollars (\$300.00). Every qualification applicant to qualify as a candidate for the certificate of certified public accountant or license of public accountant, shall submit to a national criminal history record search, must be a resident of this state immediately prior to making application and, except as otherwise provided in this section, shall meet the education and experience requirements provided in this section. The costs associated with the national criminal history records search shall be paid by the applicant.

B. On or after July 1, 1999, every qualification applicant to qualify as a candidate for examination for the license of public accountant shall have graduated from an accredited four-year college or university with a major in accounting or with a nonaccounting major supplemented by what the Oklahoma Accountancy Board determines to be the equivalent of an accounting major of any four-year college or university in this state or any other four-year college or university recognized by the Board. Such major in accounting or nonaccounting major shall include satisfactory completion of forty-eight (48) semester hours, or the equivalent thereof, in accounting and related subjects. At least thirty (30) semester hours, or the equivalent thereof, of said forty-eight (48) semester hours, shall be in accounting courses, at least one of which shall be in auditing. The remainder of said forty-eight (48) semester hours, or the equivalent thereof, shall be in said related subjects, which shall be in any or all of the subjects of economics, statistics, business law, finance, business management, marketing, business communication, financial

## OKLAHOMA ACCOUNTANCY ACT

information systems or computer science or the equivalent of such subjects as determined by the Board.

C. On or after July 1, 2003, every qualification applicant to qualify as a candidate for examination for the certificate of certified public accountant shall have at least one hundred fifty (150) semester hours, or the equivalent thereof, of college education including a baccalaureate or higher degree conferred by a college or university acceptable to the Board from an accredited four-year college or university in this state or any other accredited four-year college or university recognized by the Board. A minimum of seventy-six (76) semester hours must be earned at the upper-division level of college or above or the equivalent thereof as determined by the Board; this education requirement shall have been completed prior to submitting an application to the Board; the total educational program of the applicant for examination shall include an accounting concentration or its equivalent as determined acceptable by the Board which shall include not less than thirty (30) semester hours, or the equivalent thereof, in accounting courses above principles of accounting or introductory accounting, with at least one course in auditing or assurance; the remaining accounting courses shall be selected from financial accounting, accounting theory, cost/managerial accounting, federal income tax, governmental, not-for-profit accounting, accounting information systems, accounting history and other accounting electives; at least nine (9) semester hours shall be from any or all of the subjects of economics, statistics, business law, finance, business management, marketing, business communication, risk management, insurance, management information systems or computer science at the upper-division level of college or above or the equivalent of such subjects as determined by the Board; all the remaining semester hours, if any, shall be elective but shall be at the upper-division level of college or above.

## OKLAHOMA ACCOUNTANCY ACT

D. The costs associated with the national criminal history record check shall be paid by the applicant.

### **Section 15.9. Issuance of certificates or licenses**

A. Upon payment of appropriate fees, the Oklahoma Accountancy Board shall grant a certificate or license to any individual of good character who meets the applicable education, experience and testing requirements provided for in this section and in Sections 15.8 and 15.10 of this title. For purposes of this subsection, good character means an individual who does not have a history of dishonest acts as demonstrated by documented evidence and has not been convicted, pled guilty, or pled nolo contendere to a felony charge. The Board may refuse to grant a certificate or license to an applicant for failure to satisfy the requirement of good character. The Board shall provide to the denied applicant written notification specifying grounds for denial of a certificate or license including failure to meet the good character criterion. Appeal of the action of the Board may be made in accordance with the provisions of the Administrative Procedures Act.

B. The Board shall issue certificates as certified public accountants to those applicants who have met the qualifications required by the provisions of the Oklahoma Accountancy Act and the applicable rules of the Board, and have passed an examination in accounting, auditing and related subjects as the Board determines appropriate with such grades that satisfy the Board that each applicant is competent to practice as a certified public accountant.

C. The Board shall, upon request, issue licenses as public accountants only to those applicants who shall have qualified and complied with the provisions of this act and the rules of the Board, and shall have passed an examination in accounting, auditing, and

## OKLAHOMA ACCOUNTANCY ACT

other related subjects not to exceed seventy-five percent (75%) of the CPA Examination subjects with such grades that satisfy the Board that each applicant is competent to practice as a public accountant. The subjects examined shall be covered by the same examination, and grading thereon for passing, as those used by the Board to test candidates for the certified public accountant's certificate.

D. The Board may make use of all or any part of the Uniform Certified Public Accountant's Examination and any organization that assists in providing the examination.

E. An applicant for initial issuance of a certificate or license under this section shall show that the applicant has had one (1) year of experience. Experience shall be defined by the Board by rule and shall include providing a type of service or advice involving the use of accounting, attest, compilation, management advisory, financial advisory, tax or consulting skills, and be satisfied through work experience in government, industry, academia or public practice, all of which shall be verified by a certificate or license holder or an individual approved by the Board. Upon completion of the requirements of Section 15.8 of this title, a qualified applicant for the examination may take the certified public accountant or public accountant examination prior to earning the experience required in this subsection, but shall not be issued a certificate until the experience requirement has been met.

F. On or after July 1, 2005, every applicant for the certificate of certified public accountant or license of public accountant shall provide evidence of successful completion of an ethics examination prescribed by the Board.

G. Every applicant for the certificate of certified public accountant or license of public accountant shall submit to a national criminal history record check. The costs associated with

## OKLAHOMA ACCOUNTANCY ACT

the national criminal history record check shall be paid by the applicant.

H. An individual applying for a certificate as a certified public accountant must make application for the certificate within five (5) years of the date the Board notifies the candidate that the candidate has successfully passed all sections of the C.P.A. Examination. If the candidate fails to make application for the certificate within five (5) years, the candidate must provide documentation showing he or she has completed at least one hundred twenty (120) hours of qualifying continuing public accountancy education completed within the three-year period immediately preceding the date the individual applies for certification. The Board shall establish rules whereby time limits set for application pursuant to this provision may, upon written application to the Board, be waived or reduced if the candidate is called to active military service or becomes incapacitated as a result of illness or injury or for such other good causes as determined by the Board on a case-by-case basis.

I. An individual applying for a license as a public accountant must make application for the license within five (5) years of the date the Board notifies the candidate that the candidate has successfully passed all sections of the PA Examination. If the candidate fails to make application for the license within five (5) years, the candidate must provide documentation showing he or she has completed at least one hundred twenty (120) hours of qualifying continuing public accountancy education completed within the three-year period immediately preceding the date the individual applies for licensure. The Board shall establish rules whereby time limits set for application pursuant to this provision may, upon written application to the Board, be waived or reduced if the candidate is called to active military service or becomes

## OKLAHOMA ACCOUNTANCY ACT

incapacitated as a result of illness or injury or for such other good causes as determined by the Board on a case-by-case basis.

### **Section 15.10. Examinations**

A. The Board shall provide an examination for candidates to obtain a certificate or license as accountants at least once each year. Additional examinations may be held at such times and places as the Board may deem advisable.

B. Each candidate allowed to sit at the examination shall file a written application on a form prescribed by the Board.

C. In addition to the requirement of confidentiality of examination results, the Board shall take such action as necessary to assure the confidentiality of the examination prior to their being administered to candidates.

### **Section 15.10A. Examination and test fees**

Each candidate shall pay fees, to be determined by the Oklahoma Accountancy Board, not to exceed One Thousand Dollars (\$1,000.00) for each examination.

An application fee, payable to the Board, shall be paid by the candidate at the time the application for the examination is filed. The application fee shall be nonrefundable. Also, each candidate shall pay test fees to the organizations designated by the Board to provide a computer-based examination. In no event shall the total fees paid by a candidate for each examination exceed One Thousand Dollars (\$1,000.00).

### **Section 15.11. Use of titles or abbreviations**

A. No individual, other than as described in subparagraph d of paragraph 34 of Section 15.1A of this title, shall assume or use the title or designation "Certified Public Accountant" or the abbreviation "C.P.A." or any other title, designation, words, letters,

## OKLAHOMA ACCOUNTANCY ACT

abbreviation, sign, card, or device tending to indicate or represent that such individual is a certified public accountant, unless such individual has received a certificate as a certified public accountant and holds a valid permit issued pursuant to the provisions of the Oklahoma Accountancy Act or is granted practice privileges under Section 15.15C of this title. All offices in this state for the practice of public accounting by such individual shall be maintained and registered as required by the Oklahoma Accountancy Act.

B. No entity shall assume or use the title or designation “Certified Public Accountant” or the abbreviation “C.P.A.” or any other title, designation, words, letters, abbreviation, sign, card or device tending to indicate or represent that such entity is composed of certified public accountants unless such entity is registered as a firm of certified public accountants and holds a valid permit issued pursuant to the provisions of the Oklahoma Accountancy Act or is exempt from the registration and permit requirements under Section 15.15C of this title. All offices in this state for the practice of public accounting by such entity shall be maintained and registered as required by the Oklahoma Accountancy Act.

C. No individual, other than as described in subparagraph d of paragraph 34 of Section 15.1A of this title, shall assume or use the title or designation “Public Accountant” or the abbreviation “P.A.” or any other title, designation, words, letters, abbreviation, sign, card, or device tending to indicate or represent that such individual is a public accountant, unless such individual is licensed as a public accountant, or is a certified public accountant and holds a valid permit issued pursuant to the provisions of the Oklahoma Accountancy Act. All offices in this state for the practice of public accounting by such individual shall be maintained and registered as required by the Oklahoma Accountancy Act.

D. No entity shall assume or use the title or designation “Public Accountant” or any other title, designation, words, letters,

## OKLAHOMA ACCOUNTANCY ACT

abbreviation, sign, card, or device tending to indicate or represent that such entity is composed of public accountants, unless such entity is registered as a firm of public accountants and holds a valid permit issued pursuant to the provisions of the Oklahoma Accountancy Act. All offices in this state for the practice of public accounting by such entity shall be maintained and registered as required by the Oklahoma Accountancy Act.

E. No individual or entity shall assume or use the title or designation “Certified Accountant”, “Chartered Accountant”, “Enrolled Accountant”, “Licensed Accountant”, “Registered Accountant” or any other title or designation which could be confused with “Certified Public Accountant” or “Public Accountant”, or any of the abbreviations “CA”, “EA”, except as it relates to the term “enrolled agent” as defined by the Internal Revenue Service, “RA”, or “LA”, or similar abbreviations which could be confused with “CPA” or “PA”; provided, however, that anyone who holds a valid permit and whose offices in this state for the practice of public accounting are maintained and registered as required by the Oklahoma Accountancy Act or is granted practice privileges under Section 15.12A of this title may hold oneself out to the public as an “Accountant” or “Auditor”.

F. No individual or entity not holding a valid permit, not granted practice privileges under Section 15.12A of this title, or not exempt from the permit requirement under Section 15.15C of this title shall hold oneself or itself out to the public as an “Accountant” or “Auditor” by use of either or both of such words on any sign, card, letterhead, or in any advertisement or directory, without specifically indicating that such individual or entity does not hold such a permit. The provisions of this subsection shall not be construed to prohibit any officer, employee, partner or principal of any entity from describing oneself by the position, title or office one holds in such organization; nor shall this subsection prohibit

## OKLAHOMA ACCOUNTANCY ACT

any act of public official or public employee in the performance of the duties as such.

G. Any individual or entity who is registered with the Board but does not hold a valid permit issued pursuant to the Oklahoma Accountancy Act may not issue a report on financial statements of any other person, firm, organization recognized by the State of Oklahoma, or governmental unit. This prohibition does not apply to an officer, partner, or employee of any firm or organization affixing a signature to any statement or report in reference to the financial affairs of such firm or organization with any wording designating the position, title, or office that is held therein; nor prohibit any act of a public official or employee in the performance of the duties as such.

### **Section 15.12. Employees and assistants without certification or permit**

An individual who is not a certified public accountant or public accountant in any jurisdiction may serve as an employee of a firm composed of certified public accountants or public accountants holding a valid permit. Such employee or assistant shall not issue any accounting or financial statements over the employee's or assistant's name.

### **Section 15.12A. Holders of certificate or license from another state-Consent to jurisdiction-Compliance with Board rules-State licensees practicing in another state**

1. An individual whose principal place of business is not in this state and who holds a valid certificate or license as a Certified Public Accountant or Public Accountant from any jurisdiction which the Oklahoma Accountancy Board's designee has verified to be in substantial equivalence to the certified public accountant and public accountant licensure requirements of the AICPA/NASBA

## OKLAHOMA ACCOUNTANCY ACT

Uniform Accountancy Act shall be presumed to have qualifications substantially equivalent to this state's requirements and shall have all the privileges of certificate and license holders of this state without the need to obtain a certificate, license or permit required under Sections 15.9, 15.13, 15.14A, 15.15 and 15.15A of this title. An individual who offers or renders professional services, whether in person or by mail, telephone or electronic means, under this section shall be granted practice privileges in this state and no notice, fee or submission shall be provided by any such individual. Such an individual shall be subject to the requirements in paragraph 3 of this subsection.

2. An individual whose principal place of business is not in this state who holds a valid certificate or license as a Certified Public Accountant or Public Accountant from any jurisdiction which the Oklahoma Accountancy Board's designee has not verified to be in substantial equivalence to the Certified Public Accountant licensure requirements of the AICPA/NASBA Uniform Accountancy Act shall be presumed to have qualifications substantially equivalent to this state's requirements and shall have all the privileges of certificate and license holders of this state without the need to obtain a certificate, license or permit required under Sections 15.9, 15.13, 15.14A, 15.15 and 15.15A of this title. Any individual who passed the Uniform CPA Examination and holds a valid certificate or license issued by any other state prior to January 1, 2012, may be exempt from the education requirement of the Uniform Accountancy Act for purposes of this paragraph. An individual who offers or renders professional services, whether in person, or by mail, telephone or electronic means, under this section, shall be granted practice privileges in this state and no notice, fee or submission shall be provided by any such individual. Such an individual shall be subject to the requirements in paragraph 3 of this subsection.

## OKLAHOMA ACCOUNTANCY ACT

3. An individual certificate holder or license holder of another jurisdiction exercising the privilege afforded under this section, and any firm which employs that certificate holder or license holder hereby simultaneously consent, as a condition of the granting of this privilege:

- a. to the personal and subject matter jurisdiction and disciplinary authority of the Board,
- b. to comply with the Oklahoma Accountancy Act and the Board's rules,
- c. that in the event the certificate holder or license holder from the jurisdiction of the individual's principal place of business is no longer valid, the individual will cease offering or rendering professional services in this state individually or on behalf of a firm, and
- d. to the appointment of the state board which issued the certificate or license as the agent upon whom process may be served in any action or proceeding by the Board against the certificate or license holder.

4. A certified public accounting or public accounting firm that is licensed and has its primary place of business in another state, does not have an office in this state and does not provide the professional services described in subparagraphs a, b, and c of paragraph 5 of this subsection for a client whose home office is in this state, may practice in this state without a firm license, permit, or notice to the Board if the firm's practice in this state is performed by an individual who is licensed in Oklahoma or who has been granted practice privileges under paragraph 1 or 2 of this subsection.

## OKLAHOMA ACCOUNTANCY ACT

5. An individual who has been granted practice privileges under this section who, for any entity with its home office in this state, performs any of the following services:

- a. any audit or other engagement to be performed in accordance with Statements on Auditing Standards,
- b. any review of a financial statement to be performed in accordance with the Statements on Standards for Accounting and Review Services (SSARS),
- c. any report performed in accordance with Statements on Standards for Attestation Engagements (SSAE), and
- d. any engagement to be performed in accordance with the Auditing Standards of the Public Company Accounting Oversight Board (PCAOB),

may only do so through a firm which has obtained a permit issued under Section 15.15A of this title.

B. A registrant of this state offering or rendering services or using the registrant's CPA or PA title in another jurisdiction shall be subject to disciplinary action in this state for an act committed in another jurisdiction which would subject the certificate or license holder to discipline in that jurisdiction. The Board shall be required to investigate any complaint made by the board of accountancy of another jurisdiction.

### **Section 15.13. Issuance of certificate or license to applicant authorized to practice in other jurisdiction-Reciprocity**

A. The Oklahoma Accountancy Board may issue a certificate or license to an applicant who has been authorized to practice public accounting as a certified public accountant or

## OKLAHOMA ACCOUNTANCY ACT

public accountant pursuant to the laws of any jurisdiction if the applicant passed a test administered for the purpose of authorizing an individual to practice as a certified public accountant or public accountant with grades which were equivalent to passing a test for the same purpose in this state as of the date the applicant originally passed the examination, and said applicant:

1. Meets the requirements for issuance of a certificate or license in this state on the date of making application;

2. Met, on the date the certificate or license was issued by the other jurisdiction, the requirements in effect on that date for issuance of a certificate or license in this state; or

3. Met on the date of becoming a candidate in another jurisdiction, the requirements of becoming a candidate in the State of Oklahoma, except for residency.

B. In the event an applicant does not meet the requirements of subsection A of this section, but has passed a test administered for the purpose of authorizing an individual to practice as a certified public accountant or public accountant with grades which were equivalent to passing a test for the same purpose in this state on the date the applicant passed the examination, the Board may issue a certificate or license to an applicant if such applicant has four (4) years of experience practicing public accounting as a certified public accountant or public accountant pursuant to the laws of any jurisdiction. Such experience must have occurred within the ten (10) years immediately preceding the application. Experience acceptable to satisfy the requirements of this subsection shall be determined by standards established by the Board.

C. An applicant who is seeking a permit to practice under this section must also provide satisfactory documentation to the Board that such applicant has met the continuing professional

## OKLAHOMA ACCOUNTANCY ACT

education requirements, as provided in Section 15.35 of this title, in effect on the date of the application.

D. The Board may issue a certificate or license by reciprocity to the extent required by treaties entered into by the government of the United States.

E. A fee in the amount equal to the registration fee and permit fee, if applicable, plus an administrative fee, the total of which shall not exceed Three Hundred Dollars (\$300.00), shall be paid by an applicant seeking a certificate or license pursuant to the provisions of this section. The total amount shall be established by Board rule.

F. On or after July 1, 2005, an applicant for the certificate of certified public accountant or license of public accountant under this section shall provide evidence of successful completion of an ethics examination prescribed by the Board.

G. As an alternative to the requirements of subsection A, B or C of this section, a certificate holder licensed by another jurisdiction who establishes the certificate holder's principal place of business in this state shall request the issuance of a certificate from the Board prior to establishing such principal place of business. The Board shall issue a certificate to such person who obtains from the NASBA National Qualification Appraisal Service verification that such individual's CPA qualifications are substantially equivalent to the CPA licensure requirements of the AICPA/NASBA Uniform Accountancy Act.

H. An applicant for the certificate of certified public accountant or license of a public accountant under this section shall submit to a national criminal history record check. The costs associated with the national criminal history record check shall be paid by the applicant.

## OKLAHOMA ACCOUNTANCY ACT

### **Section 15.13A. Issuance of certificate or license to applicant authorized to practice in foreign country-Reciprocity**

A. The Board shall issue a certificate to a holder of a substantially equivalent designation issued by a foreign country, provided that:

1. The foreign authority which granted the designation makes similar provision to allow a registrant who holds a valid certificate issued by this state to obtain such foreign authority's comparable designation;

2. The designation:

- a. was duly issued by an authority of a foreign country which regulates the practice of public accounting and has not expired or been revoked or suspended,
- b. entitles the holder to issue reports upon financial statements, and
- c. was issued upon the basis of substantially equivalent educational, examination and experience requirements established by the foreign authority or by law; and

3. The applicant:

- a. received the designation based on educational and examination standards substantially equivalent to those in effect in this state at the time the foreign designation was granted,
- b. completed an experience requirement substantially equivalent to the requirement set out under this act in the foreign country which granted the foreign designation or has completed four (4) years of professional experience in this state, or meets equivalent requirements prescribed by the Board by rule within the ten (10) years immediately preceding the application,

## OKLAHOMA ACCOUNTANCY ACT

- c. passed a uniform qualifying examination in national standards acceptable to the Board, and
- d. is of good character.

An applicant for the certificate of certified public accountant under this section shall submit to a national criminal history record check. The costs associated with the national criminal history record check shall be paid by the applicant.

B. An applicant under subsection A of this section shall in the application list all jurisdictions, foreign and domestic, in which the applicant has applied for or holds a designation to practice public accounting, and each holder of a certificate issued under this subsection shall notify the Board in writing, within thirty (30) days after its occurrence, of any issuance, denial, revocation or suspension of a designation or commencement of disciplinary or enforcement action by any jurisdiction.

### **Section 15.14. Registration-Expiration and renewal-Fee**

A. In addition to obtaining a certificate or license, certified public accountants and public accountants, unless granted practice privileges under Section 15.12A of this title, shall register with the Oklahoma Accountancy Board and pay a registration fee.

B. After the initial registration, renewal of registrations shall be accomplished by registrants in good standing upon filing of the registration and upon payment of the registration fee. Interim registration shall be at full rates.

C. All valid certificates or licenses shall be renewed by the last day of the individuals' birth months. Renewal will be effective for a twelve-month period. The Board shall implement rules for the scheduling of expiration and renewal of certificates and licenses, including the prorating of fees.

D. Not less than thirty (30) calendar days before the expiration of a valid certificate or license, written notice of the

## OKLAHOMA ACCOUNTANCY ACT

expiration date shall be mailed to the individual holding the valid certificate or license at the last-known address of such individual according to the official records of the Board.

E. A certificate or license shall be renewed by payment of a registration renewal fee set by the Board which shall not exceed Two Hundred Dollars (\$200.00) for each two-year period.

1. Upon failure of an individual to pay registration fees on or before the expiration date, the Board shall notify the individual in writing by certified mail to the last known address of the individual, as reflected in the records of the Board, of the individual's failure to comply with the Oklahoma Accountancy Act.

2. A certificate or license granted under authority of the Oklahoma Accountancy Act shall automatically be revoked if the individual fails to pay registration fees within thirty (30) days after the expiration date.

3. Any individual whose certificate or license is canceled, revoked for cause or automatically revoked by this provision may be reinstated by the Board upon payment of:

- a. a fee set by the Board which shall not exceed Three Hundred Dollars (\$300.00) for a renewal within one (1) year of the due date, or
- b. a fee set by the Board which shall not exceed Five Thousand Dollars (\$5,000.00) after one (1) year of the expiration date.

However, an individual whose certificate or license has been revoked for cause for five (5) years or more may not renew the certificate or license. The individual may obtain a new certificate or license by complying with the requirements and procedures, including the examination requirements, for obtaining an original certificate or license. This provision shall not apply to an individual who is licensed to practice in another jurisdiction for the

## OKLAHOMA ACCOUNTANCY ACT

five (5) years immediately preceding their application for reinstatement.

F. The Board shall establish rules whereby the registration fee for certified public accountants and public accountants may, upon written application to the Board, be reduced or waived by the Board for registrants who have retired upon reaching retirement age, or who have attained the age of sixty-five (65) years, or who have become disabled to a degree precluding the continuance of their practice for six (6) months or more prior to the due date of any renewal fee. The Board shall use its discretion in determining conditions required for retirement or disability.

G. All notifications of criminal arrests or charges, disciplinary actions by any other jurisdiction or foreign country, revocation or suspension by enforcement action of any professional credential and all changes of employment or mailing address shall be reported to the Board within thirty (30) calendar days of such changes becoming effective.

H. At the direction of the Board, a register of registrants may be published in any media format the Board considers appropriate for public distribution.

### **Section 15.14A. Permits**

A. Before any individual may practice public accounting or hold himself or herself out as being engaged in the practice of public accounting as a certified public accountant or public accountant in this state, such person shall obtain a permit from the Oklahoma Accountancy Board, unless such person is granted practice privileges under Section 15.12A of this title. Any individual, corporation or partnership or any other entity who provides any of the services defined hereinabove as the "practice of public accounting" without holding a license and permit, or without holding a certificate and permit, shall be assessed a fine

## OKLAHOMA ACCOUNTANCY ACT

not to exceed Ten Thousand Dollars (\$10,000.00) for each separate offense, unless such person is granted practice privileges under Section 15.12A of this title, or such entity is exempt from the permit and registration requirements of Section 15.15C of this title.

B. The Board shall promulgate rules establishing the qualifications for obtaining a permit to practice public accounting in this state. Such rules shall include but not be limited to provisions that:

1. Any individual seeking a permit must have a valid certificate or license;

2. Any individual or entity seeking a permit must be registered pursuant to the provisions of the Oklahoma Accountancy Act;

3. Any individual seeking a permit must meet continuing professional education requirements as set forth by the Oklahoma Accountancy Act and rules promulgated by the Board; and

4. There shall be no examination for obtaining a permit.

C. All such individuals shall, upon application and compliance with the rules establishing qualifications for obtaining a permit and payment of the fees, be granted an annual permit to practice public accounting in this state. All permits issued shall be renewed on the last day of the individual's birth month in conjunction with the registrant's certificate or license renewal. The Board may issue interim permits upon payment of the same fees required for annual permits.

D. Failure to apply for and obtain a permit shall disqualify an individual from practicing public accounting in this state until such time as a valid permit has been obtained.

E. The Board shall charge a fee for each individual permit not to exceed Two Hundred Dollars (\$200.00).

### **Section 15.14B. Acts subject to penalty**

## OKLAHOMA ACCOUNTANCY ACT

After notice and hearing, the Oklahoma Accountancy Board may impose any one or more of the penalties authorized in Section 15.24 of this title on a certified public accountant or a public accountant for any one or more of the following causes:

1. Fraud or deceit in obtaining a certificate, license, practice privilege or permit;

2. Dishonesty, fraud, or gross negligence in accountancy or financially related activities;

3. Conviction, plea of guilty, or plea of nolo contendere of a felony in a court of competent jurisdiction of any state or federal court of the United States if the acts involved would have constituted a felony under the laws of this state;

4. Conviction, plea of guilty, or plea of nolo contendere of any misdemeanor, an element of which is dishonesty or fraud, pursuant to the laws of the United States or any jurisdiction if the acts involved would have constituted a misdemeanor under the laws of this state;

5. Failure to comply with professional standards in the Board's professional code of conduct to the attest and/or compilation competency requirement for those who supervise attest and/or compilation engagements and sign the report on financial statements or other compilation communications with respect to financial statements; and

6. Violation of any of the provisions of the Oklahoma Accountancy Act and rules promulgated for its implementation by the Board.

### **Section 15.15. Registration-Annual fee-Expiration date-Renewal-Interim registration-Revocation and reinstatement**

A. The Oklahoma Accountancy Board, upon application, shall grant or register any firm, including sole proprietorships, seeking to provide public accounting services to the public in this

## OKLAHOMA ACCOUNTANCY ACT

state if such firm demonstrates its qualifications therefore in accordance with this section. All firms, except sole proprietorships with an office in this state, shall pay an annual registration fee not to exceed One Hundred Dollars (\$100.00). The following must register with the Board under this section:

1. Any firm with an office in this state engaged in the practice of public accounting or the practice of attest services as defined in paragraph 5 of Section 15.1A of this title;

2. Any firm with an office in this state that uses the title “CPA”, “PA”, “CPA firm” or “PA firm”; or

3. Any firm that does not have an office in this state but performs services described in subparagraph a, c, or d of paragraph 5 of Section 15.1A of this title for a client having its home office in this state.

B. All such registrations shall expire on June 30 of each year and may be renewed annually for a period of one (1) year by registrants in good standing upon filing the registration and upon payment of the annual fee not later than June 30 of each year.

C. Interim registrations shall be at full rates.

D. Upon failure of a firm to pay registration fees on or before the last day of June, the Board shall notify the firm in writing by certified mail to the last known address of the firm, as reflected in the records of the Board, of the firm’s failure to comply with the Oklahoma Accountancy Act.

E. A registration granted under authority of this section shall automatically be revoked if the firm fails to renew its registration on or before June 30.

F. A firm whose registration is automatically revoked pursuant to this section may be reinstated by the Board upon payment of a fee to be set by the Board which shall not exceed Two Hundred Dollars (\$200.00).

## OKLAHOMA ACCOUNTANCY ACT

G. An individual who has practice privileges under Section 15.12A of this title who performs services for which firm registration is required under this section shall not be required to meet the certificate, license, registration or permit requirements of Section 15.9, 15.13, 15.13A, 15.14 or 15.14A of this title.

### **Section 15.15A. Firm permits**

A. The Oklahoma Accountancy Board, upon application, shall issue a permit to practice public accounting to each firm seeking to provide professional services to the public in this state except that a firm not required to register with the Board under paragraph 4 of subsection A of Section 15.12A of this title shall also not be required to obtain a permit under this section. Renewals of firm permits shall be applied for during the month of May of each year.

B. Applicants for initial firm permits shall provide the Board with the following information:

1. A list of all states in which the firm has applied for or been issued a permit or its equivalent within the five (5) years immediately preceding the date of application;

2. Relevant details as to a denial, revocation, or suspension of a permit or its equivalent of the firm, or any partner or shareholder of the firm in any other state or jurisdiction;

3. Documentary proof that the firm has complied with the requirements of the Oklahoma Office of the Secretary of State applicable to such entities; and

4. Such other information as the Board deems appropriate for demonstrating that the qualifications of the firm are sufficient for the practice of public accounting in this state.

C. The following changes in a firm affecting the offices in this state shall be reported to the Board within thirty (30) calendar days from the date of occurrence:

## OKLAHOMA ACCOUNTANCY ACT

1. Changes in the partners or shareholders of the firm;
2. Changes in the structure of the firm;
3. Change of the designated manager of the firm;
4. Changes in the number or location of offices of the firm;

and

5. Denial, revocation, or suspension of certificates, licenses, permits, or their equivalent to the firm or its partners, shareholders, or employees other than in this state.

D. The Board shall be notified in the event the firm is dissolved. Such notification shall be made within thirty (30) calendar days of the dissolution. The Board shall adopt rules for notice and rules appointing the responsible party to receive such notice for the various types of firms authorized to receive permits. Such notice of dissolution shall contain but not be limited to the following information:

1. A list of all partners and shareholders at the time of dissolution;
2. The location of each office of the firm at the time of dissolution; and
3. The date the dissolution became effective.

E. The Board shall set a fee of not more than Two Hundred Dollars (\$200.00) for each initial or renewal firm permit except for sole proprietorships.

F. Each firm seeking a permit to practice accounting as a CPA firm shall be issued a permit by the Board upon application and payment of appropriate fees. A firm applying for a permit shall provide documentary proof to the Board that:

1. Except as authorized in Section 15.15B of this title, a simple majority of the ownership of the firm, in terms of financial interests and voting rights, belongs to partners or shareholders engaged in the practice of public accounting in the United States and holding a certificate as a certified public accountant in one or

## OKLAHOMA ACCOUNTANCY ACT

more jurisdictions. Although firms may include non-certificate holder owners, the firm and its ownership must comply with rules promulgated by the Board; and

2. Each designated manager of an office in this state is a holder of a valid Oklahoma certificate and permit to practice as a certified public accountant; and

3. All nonlicensed owners are active individual participants in the public accounting firm or affiliated entities, except as authorized in Section 15.15B of this title.

G. Each firm seeking a permit to practice accounting as a PA firm shall be issued a permit by the Board upon application and payment of appropriate fees. A firm applying for a permit shall provide documentary proof to the Board that:

1. Except as authorized in Section 15.15B of this title, a simple majority of the ownership of the firm, in terms of financial interests and voting rights, belongs to partners or shareholders engaged in the practice of public accounting in the United States and holding a license as a public accountant in one or more jurisdictions. Although firms may include non-license holder owners, the firm and its ownership must comply with rules promulgated by the Board; and

2. Each designated manager of an office in this state has received an Oklahoma license and permit to practice as a public accountant or certificate and permit to practice as a certified public accountant; and

3. All nonlicensed owners are active individual participants in the public accounting firm or affiliated entities, except as authorized in Section 15.15B of this title.

H. Any individual licensee who is responsible for supervising attest or compilation services and signs or authorizes someone to sign the accountant's report on the financial statement

## OKLAHOMA ACCOUNTANCY ACT

on behalf of the firm shall meet the competency requirements set out in the professional standards for such services.

I. Any individual licensee who signs or authorizes someone to sign the accountant's report on the financial statements on behalf of the firm shall meet the competency requirements of the prior subsection.

### **Section 15.15B. Designated manager**

A. Except as authorized in subsection B of this section, each office established or maintained in this state for the practice of public accounting shall be under the direct supervision of a designated manager.

1. The designated manager must be the holder of a certificate in order for the title "Certified Public Accountant" or the abbreviation "C.P.A." to be used in connection with such office;

2. The designated manager must be the holder of a certificate or a license in order for the title "Public Accountant" or the abbreviation "P.A." to be used in connection with such office.

B. 1. For the purposes of a sale or transfer of an existing office established or maintained in this state for the practice of public accounting, the office is authorized to continue its accounting practice during the pendency of its sale or transfer to a qualified person or entity. For purposes of this subsection, the term "sale or transfer" means and includes, but is not limited to:

- a. the succession of an office established or maintained in this state for the practice of public accounting by the sale or transfer to another person or entity authorized by law to practice public accounting in this state, or
- b. the succession of an office established or maintained in this state for the practice of public accounting by transfer to a grantor trust upon

## OKLAHOMA ACCOUNTANCY ACT

the death of the holder of a permit to practice public accounting as an interim interest holder before being transferred to qualified individual owners as set out in paragraph F or G of Section 15.15A of this title and only upon the actual review of all client documents by a qualified certified public accountant or public accountant in this state.

2. Upon the death of a sole proprietor, single owner of a firm or a majority stockholder of a firm, notice shall be given to the executive director of the Oklahoma Accountancy Board by letter within fourteen (14) days of the death expressing any intention to sell, transfer or assume responsibility of the office, and declaring the name of the qualified person or entity who has agreed to continue the business or review the client documents during pendency of the sale or transfer.

3. Upon completion of a sale or transfer authorized by this subsection, notice shall be given to the executive director of the Oklahoma Accountancy Board by affidavit within fourteen (14) days of conclusion of the sale or transfer stating the date of completion of the sale or transfer, the name of the designated manager who reviewed client documents or continued the business through completion of the sale or transfer, and the name of the purchaser or transferee that has assumed responsibility for the office, if different from the designated manager.

4. If a sale or transfer cannot be completed within sixty (60) days, the executive director of the Oklahoma Accountancy Board shall be notified monthly until the sale or transfer has been completed.

5. Nothing in this subsection shall prohibit the executive director of the Oklahoma Accountancy Board from seeking an action for injunctive relief or disciplinary action if there is

## OKLAHOMA ACCOUNTANCY ACT

reasonable cause to believe a person is violating the law or administrative rules of the Board.

C. The Board shall promulgate such rules as are necessary to implement the provisions of this section.

### **Section 15.15C. Services provided by unregistered firm**

It shall not be a violation of the Oklahoma Accountancy Act for a firm which is not registered under Section 15.15 of Title 59 of the Oklahoma Statutes and does not hold a valid permit under Section 15.15A of Title 59 of the Oklahoma Statutes and which does not have an office in this state to provide its professional services in this state so long as it complies with the requirements of paragraph 4 of subsection A of Section 15.12A of Title 59 of the Oklahoma Statutes.

### **Section 15.16. Revocation or suspension of registration and permits of firm**

A. After notice and hearing the Board shall revoke the registration and all permits of a firm if at any time it does not have all of the qualifications required for registration pursuant to the provisions of the Oklahoma Accountancy Act.

B. After notice and hearing, the Board may impose any one or more of the penalties authorized in Section 15.24 of this title on a firm for any one or more of the following causes:

1. The revocation or suspension of the certificate or license of any partner or shareholder issued in accordance with the Oklahoma Accountancy Act;

2. Failure to maintain compliance with the requirements for issuance or renewal of the permit of the firm;

## OKLAHOMA ACCOUNTANCY ACT

3. Failure to sign accountants' opinions in the firm name, except in instances in which a governmental agency shall require the signature to be that of an individual;

4. Fraud or deceit by any partner or shareholder in obtaining the firm permit;

5. Except sole proprietorships, failure to file income tax returns in the name of the firm; and

6. Dishonesty, fraud, or gross negligence in the practice of public accounting by any partner, shareholder, or employee of the firm in the name of the firm.

**Sections 15.17, 15.18. Renumbered as Title 59, §§ 15.15B, 15.10A, respectively, by Laws 1992, c. 272, § 34, eff. Sept. 1, 1992**

**Section 15.19. Repealed by Laws 1992, c. 272, § 33, eff. Sept. 1, 1992**

**Section 15.20. Renumbered as Title 59, § 15.14B by Laws 1992 c. 272, § 34, eff. Sept. 1, 1992**

**Section 15.22. Renumbered as Title 59, § 15.14A by Laws 1992, c. 272, § 34, eff. Sept. 1, 1992**

### **Section 15.23. Hearings**

A. The Oklahoma Accountancy Board shall conduct investigations and hearings when it believes a registrant, individual practicing under the provisions of the Oklahoma Accountancy Act, other individual or entity has violated any of the provisions of the Oklahoma Accountancy Act or rules promulgated thereunder wherever or whenever appropriate for the exercise of authority granted to the Board either on its own motion or on the complaint of any person or entity. Such proceedings shall be conducted in accordance with the provisions of the Administrative Procedures Act. The Board shall have all powers granted to administrative agencies for the conduct of individual proceedings; and judicial

## OKLAHOMA ACCOUNTANCY ACT

review thereof shall be in accordance with the provisions of such general laws relating to administrative procedure.

B. At all hearings, the Attorney General of this state, or an Assistant Attorney General, shall represent the Board. If the Attorney General is unable or declines to provide the Board with counsel, the Board is authorized to employ other legal counsel to represent it at a hearing. The counsel who presents the evidence supporting the complaint shall not be the counsel who advises the Board.

### **Section 15.24. Penalties-Reinstatement or termination of suspension**

A. In the event an individual, certified public accountant, public accountant, firm or entity, after proper notice and hearing, is found to have violated one or more provisions of the Oklahoma Accountancy Act, the Board may impose one or more of the following penalties on the offending individual, firm or entity:

1. Revoke any certificate, license, practice privilege or permit issued pursuant to the provisions of the Oklahoma Accountancy Act;

2. Suspend any certificate, license, practice privilege or permit for not more than five (5) years, subject to such terms, conditions, or limitations as deemed appropriate by the Board;

3. Reprimand a registrant, an individual granted practice privileges under Section 15.12A of this title, or a firm exempt from the permit and registration requirements under Section 15.15C of this title;

4. Place a registrant, an individual granted practice privileges under Section 15.12A of this title, or a firm exempt from the permit and registration requirements under Section 15.15C of this title on probation for a specified period of time, which may be shortened or lengthened, as the Board deems appropriate;

## OKLAHOMA ACCOUNTANCY ACT

5. Limit the scope of practice of a registrant, an individual granted practice privileges under Section 15.12A of this title, or a firm exempt from the permit and registration requirements under Section 15.15C of this title;

6. Deny renewal of a permit;

7. Require a preissuance review or accelerated peer review of the registrant subject to such procedures as the Board deems appropriate;

8. Require successful completion of continuing professional educational programs deemed appropriate;

9. Assess a fine not to exceed Ten Thousand Dollars (\$10,000.00) for each separate offense; and

10. Require the registrant, individual or entity to pay all costs incurred by the Board as a result of hearings conducted regarding accountancy actions of the registrant, individual, or entity, including, but not limited to, attorney fees, investigation costs, hearing officer costs, renting of special facilities costs, and court reporter costs.

B. Upon application in writing, the Board may reinstate a certificate, license, practice privilege or permit which has been revoked, or may modify, upon good cause as to why the individual or entity should be reinstated, the suspension of any certificate, license, practice privilege or permit.

C. Before reinstating or terminating the suspension of a certificate, license, practice privilege or permit, or as a condition to such reinstatement or termination, the Board may require the applicant to show successful completion of specified continuing professional education courses.

D. Before reinstating or terminating the suspension of a certificate, license, practice privilege or permit, or as a condition to such reinstatement or termination, the Board may make the reinstatement of a certificate, license, or permit conditional and

## OKLAHOMA ACCOUNTANCY ACT

subject to satisfactory completion of a peer review conducted in such fashion as the Board may specify.

E. Before reinstating or terminating the suspension of a certificate or license or as a condition to such reinstatement or termination, the Board may require the applicant to submit to a national criminal history records search. The costs associated with the national criminal history records search shall be paid by the applicant.

F. The provisions of this section shall not be construed to preclude the Board from entering into any agreement to resolve a complaint prior to a formal hearing or before the Board enters a final order.

G. All monies, excluding costs, collected from civil penalties authorized in this section, such penalties being enforceable in the district courts of this state, shall be deposited with the State Treasurer to be paid into the General Revenue Fund of the state.

### **Section 15.25. Misrepresentation or fraud-Violations of act-Penalty**

Any individual or entity who:

1. Represents himself, herself or itself as having received a certificate, license, or permit and otherwise presents himself, herself or itself to the public as having specialized knowledge or skills associated with CPAs and PAs without having received such certificate, license, or permit; or

2. Continues to use such title or designation after such certificate, license, or permit has been recalled, revoked, surrendered, canceled, or suspended or refuses to surrender such certificate, license, or permit; or

3. Falsely represents himself, herself or itself as being a CPA or licensed as a public accountant, or firm of CPAs or licensed public accountants, or who incorrectly designates the

## OKLAHOMA ACCOUNTANCY ACT

character of the certificate, license or permit which he, she or it holds; or

4. Otherwise violates any of the provisions of the Oklahoma Accountancy Act;

upon conviction shall be deemed guilty of a misdemeanor.

Provided, however, that an individual granted practice privileges under Section 15.12A of this title or a firm exempt from the permit and registration requirements under Section 15.15C of this title may hold out as a CPA or a firm of CPAs, respectively, without violation of this section.

### **Section 15.26. False reports or statements-Penalty**

Any individual holding a certificate or license who knowingly falsifies any report or statement bearing on any attestation, investigation, or audit made by the individual or subject to the individual's direction shall be guilty of a felony, and upon conviction shall be punishable by imprisonment for a period of not more than one (1) year, or by a fine of not more than Twenty-five Thousand Dollars (\$25,000.00) per occurrence, or by both such fine and imprisonment.

### **Section 15.27. Cease and desist order-Fine-Injunction**

A. In addition to any other powers conferred on the Board to impose penalties for violations of the provisions of the Oklahoma Accountancy Act, whenever in the judgment of the Board any individual or entity has engaged in any acts or practices that constitute a violation of the Oklahoma Accountancy Act, the Board may:

1. After notice and hearing, issue a cease and desist order to any individual who should have obtained a certificate, license, practice privilege or permit or to an entity which should have obtained a permit;

## OKLAHOMA ACCOUNTANCY ACT

2. Impose a fine of not more than Ten Thousand Dollars (\$10,000.00) for each violation in the event after the issuance of an order to cease and desist the illegal activity, the individual or entity to whom the order is directed commits any act in violation of the order; and

3. Make application to the appropriate court for an order enjoining such acts or practices, and upon a showing by the Board that such person has engaged in any such acts or practices, an injunction, restraining order, or such other order as may be appropriate shall be granted by such court, without bond.

B. Each day a violation is continuing shall constitute a separate offense.

C. Administrative fines imposed pursuant to this section shall be enforceable in the district courts of this state.

D. Notices and hearings required by this section shall be in accordance with the Administrative Procedures Act.

E. Appeals from orders entered pursuant to this section shall be in accordance with the Administrative Procedures Act.

### **Section 15.28. Prima facie evidence**

The displaying or uttering by an individual or entity not registered in accordance with the Oklahoma Accountancy Act of a card, sign, advertisement, or other printed, engraved, or written instrument or device bearing the name of the individual or entity in conjunction with the words "Certified Public Accountant" or "Public Accountant" or any abbreviation thereof shall be prima facie evidence in any action brought pursuant to the provisions of the Oklahoma Accountancy Act that the individual or entity whose name is so displayed or uttered caused or procured the display or uttering of such card, sign, advertisement or other printed, engraved or written instrument or device, and that such individual or entity is representing himself, herself or itself to be a certified

## OKLAHOMA ACCOUNTANCY ACT

public accountant, public accountant or CPA, PA or entity holding a valid permit.

**Section 15.29. Repealed by Laws 1980, c. 68, § 1, emerg. eff.  
April 10, 1980**

### **Section 15.29A. Unlawful use of titles or abbreviations- Injunction, restraining order, or other order**

Whenever, as a result of an investigation under Section 15.23 of this title or otherwise, the Oklahoma Accountancy Board believes that any person or firm has engaged, or is about to engage, in any acts or practices which constitute or will constitute a violation of Section 15.11 of this title, the Board may make application to the appropriate court for an order enjoining such acts or practices, and upon a showing by the Board that such person or firm has engaged, or is about to engage, in any such acts or practices, an injunction, restraining order, or other order as may be appropriate shall be granted by such court.

### **Section 15.29B. Enforcement actions-Evidence of single act sufficient**

In any action brought under Section 15.24 or 15.27 of this title, evidence of the commission of a single action prohibited by the Oklahoma Accountancy Act shall be sufficient to justify a penalty, injunction, restraining order, or conviction, respectively, without evidence of a general course of conduct.

### **Section 15.30. Peer reviews**

A. As a condition for issuance or renewal of permits, the Board may require applicants who perform attest services, except compilations and those services described in subparagraph d of

## OKLAHOMA ACCOUNTANCY ACT

paragraph 5 of Section 15.1A of this title, to undergo peer reviews conducted not less than once every three (3) years.

B. Peer reviews shall be conducted in such manner and in accordance with such standards as the Board may specify by rule.

C. The rules may provide for a registrant to comply by providing documented proof of a satisfactory peer review conducted for some other purpose which meets the purposes and standards of the Board peer review program within three (3) years preceding the date the Oklahoma peer review is to be conducted.

D. Failure of any registrant to provide full cooperation with the Board or any individual acting at the direction of the Board in performing a peer review shall after notice and a hearing be subject to the penalties provided in the Oklahoma Accountancy Act.

E. The Board by rule may establish a fee in an amount not to exceed One Hundred Dollars (\$100.00) for each peer review required by the Board under this section.

**Section 15.31. Repealed by Laws 1992, c. 272, § 33, eff. Sept. 1, 1992**

**Sections 15.32, 15.33. Renumbered as Title 59, §§ 15.36, 15.37 by Laws 1992, c. 272. § 34, eff. Sept. 1, 1992**

**Section 15.34. Repealed by Laws 1980, c. 68, § 1, emerg. eff. April 10, 1980**

### **Section 15.35. Continuing professional education**

A. In order to assure continuing professional competence of individuals in accountancy, and as a condition for issuance of a certificate or license and/or renewal of a permit to practice, certificate and license holders shall furnish evidence of participation in continuing professional education.

## OKLAHOMA ACCOUNTANCY ACT

B. Continuing professional education compliance periods shall be established by rule.

C. All certificate and license holders shall complete at least one hundred twenty (120) hours of continuing professional education within a three-year period with completion of not less than twenty (20) hours of continuing professional education in any year.

D. The Oklahoma Accountancy Board shall adopt rules and regulations regarding such continuing professional education. Such rules shall include but not be limited to:

1. Requiring reporting of continuing professional education to coincide with the annual permit renewal date;

2. Provisions for exempting retired, inactive and disabled individuals as defined by the Board in the rules from the requirement of continuing professional education; and

3. Adopt standards for determining approved continuing professional education courses.

### **Section 15.36. Persons who may perform assurance services and audits or issue reports**

Any CPA or PA holding a valid permit, or an individual granted practice privileges under Section 15.12A of this title, may perform assurance services, including audit services, and issue a report required by any statute, charter, ordinance, trust or other legal instrument.

### **Section 15.37. Acts and instruments not to provide for audit services by other than registrant holding valid permit**

No ordinance, trust or other legal instrument shall provide for any audit services to be performed other than by a registrant holding a valid permit or an individual granted practice privileges under Section 15.12A of this title.

## OKLAHOMA ACCOUNTANCY ACT

### **Section 15.38. Filing, fee, and continuing professional education requirements waived for license or certificate holder called to active military service**

All filing requirements, fees and the continuing professional education requirements provided in the Oklahoma Accountancy Act shall be waived for any holder of a license or certificate who is called to active military service. The license or certificate holder shall provide the Board a copy of the order to active military service. This waiver shall remain in effect for the duration of the certificate or license holder's active military service. Within sixty (60) days after the discharge from active military service, the license or certificate holder shall provide a copy of the discharge order to the Board.

# OKLAHOMA ADMINISTRATIVE CODE

## OKLAHOMA ACCOUNTANCY BOARD

### Chapter

- 1. Administrative Operations ..... 10:1-1-1
- 10. Rules of General Application [REVOKED]..... 10:10-1-1
- 15. Licensure and Regulation of Accountancy ..... 10:15-1-1

### CHAPTER 1. ADMINISTRATIVE OPERATIONS

#### Section

- 10:1-1-1. Purpose
- 10:1-1-2. Definitions
- 10:1-1-3. Board and staff
- 10:1-1-4. Responsibilities of the Board [REVOKED]
- 10:1-1-4.1. Board office
- 10:1-1-5. Open meetings [REVOKED]
- 10:1-1-6. Procedures regarding inquiries to Board
- 10:1-1-6.1. Furnishing of copies
- 10:1-1-7. Compliance by registrants required [REVOKED]
- 10:1-1-7.1. Recording Board member attendance
- 10:1-1-7.2. Authorization to represent position of the Board
- 10:1-1-7.3. Use of Board seal
- 10:1-1-8. Promulgation, amendment or repeal of rules
- 10:1-1-9. Declaratory rulings
- 10:1-1-10. Confidentiality

**[Authority: 59 O.S., Section 15.5]**

**[Source: Codified 12-2-91]**

#### **10:1-1-1. Purpose**

(a) The Oklahoma Accountancy Act, found in Title 59 of the Oklahoma Statutes, beginning at Section 15.1 has been adopted by the Oklahoma Legislature for the purposes of protecting the public

## OKLAHOMA ADMINISTRATIVE CODE

and to prevent the public from being misled as to competency and ability to provide professional accounting services of an individual or firm offering such services. The Oklahoma Accountancy Board has been created for the purpose of implementing the laws and policies established by the Legislature.

(b) In order to implement policies established by the Legislature regarding the practice of public accounting in Oklahoma and for the administration of the provisions of the Oklahoma Accountancy Act the rules of this Chapter have been adopted by the Board.

### **10:1-1-2. Definitions**

In addition to the terms defined in the Oklahoma Accountancy Act, the following words or terms shall be applied when implementing that Act and, when used in Title 10 shall have the following meaning, unless the context clearly indicates otherwise:

**"Person"** means an entity or an individual.

### **10:1-1-3. Board and staff**

The Board consists of seven (7) members who shall meet at least quarterly or more often as the business of the Board demands. The Board employs a full time staff to perform the administrative functions of the agency. The Board is a state agency and is therefore subject to Oklahoma laws regulating the procedures which must be followed by state agencies.

### **10:1-1-4. Responsibilities of the Board [REVOKED]**

#### **10:1-1-4.1. Board office**

The Board maintains an office in Oklahoma City, Oklahoma. The Board office is open five (5) days a week, Monday through Friday,

## OKLAHOMA ADMINISTRATIVE CODE

during the most appropriate business work hours. The Board office is closed on Saturday and Sunday and state legal holidays as set out in Section 82.1 of Title 25 of the Oklahoma Statutes.

### **10:1-1-5. Open meetings [REVOKED]**

### **10:1-1-6. Procedures regarding inquiries to Board**

Inquiries regarding persons who have been granted or denied a certificate, license, or permit, procedures to obtain a license, certificate, or permit, complaints, suggestions, and general inquiries concerning the Oklahoma Accountancy Act and the rules implementing that Act may be made by calling or writing to the Board at the Board office. Members of the staff respond to questions where appropriate. In the event the inquiry concerns policy, and the Board has not previously made a policy determination applicable to that inquiry, the Board will respond or direct the response to be given by a staff member.

#### **10:1-1-6.1. Furnishing of copies**

(a) Except as specifically exempted as a confidential record, official records of the Oklahoma Accountancy Board are subject to the Oklahoma Open Records Act, Sections 24A.1 through 24A.20 of Title 51 of the Oklahoma Statutes.

(b) Copies of official records which are available to the public may be obtained from the Board office during regular business hours upon payment of a fee to cover the cost of providing copies of the requested records.

### **10:1-1-7. Compliance by registrants required [REVOKED]**

#### **10:1-1-7.1. Recording Board member attendance**

## OKLAHOMA ADMINISTRATIVE CODE

The Executive Director shall keep an attendance record for each Board member. The Board shall take action on each absence of a Board member to determine if it is unavoidable. The minutes of a Board meeting shall reflect the members absent, and the action by the Board on each absence.

### **10:1-1-7.2. Authorization to represent position of the Board**

Upon a majority vote, the Board may authorize one (1) or more of its members or members of the staff to speak for the Board regarding Board policies. Only a Board member or staff members so authorized may speak for the Board. Such authorization, the subject matter, and the vote shall be entered in the minutes.

### **10:1-1-7.3. Use of Board seal**

The seal of the Board shall be used on certificates, licenses, orders of the Board, and any other documents requiring certification by the Board or the signature of one (1) or more members of the Board. The seal shall not be required for correspondence, memoranda, or other similar types of written documents.

### **10:1-1-8. Promulgation, amendment or repeal of rules**

(a) The Board may propose changes to the permanent rules of the Oklahoma Accountancy Board at any time as provided in the Oklahoma Administrative Procedures Act.

(b) Any interested person may petition the Board requesting the promulgation, amendment, or repeal of a rule.

(1) Such requests shall be: in writing; signed by the person submitting the request; state the rule to be reviewed or new rule proposed; and state the reasons in support of the request.

(2) The request shall be submitted to the Board at its

## OKLAHOMA ADMINISTRATIVE CODE

office.

(3) The Board may consider the proposal at its next meeting. It may defer action pending the acquisition of additional information, conduct an investigation, or hold a hearing on the proposal.

(4) The Board shall advise the petitioner of any meeting at which the proposal is to be considered and the final action taken, by the Board, on the proposal.

### **10:1-1-9. Declaratory rulings**

(a) An individual may file a request with the Board for a declaratory ruling with respect to the application or enforcement of a rule or statute.

(1) The request shall be in writing and signed by the individual seeking the ruling.

(2) The request shall state the rule or statute involved.

(3) The request shall contain a concise statement of fact for which the ruling is sought.

(b) The Board may consider the request at the next meeting. In the event the question has been resolved prior to a ruling, the individual filing the request shall be notified of the applicable ruling.

(c) The Board may defer action pending an investigation or hearing.

(d) The Board shall issue a written ruling or provide a written explanation to the individual filing the request as to why a ruling will not be issued.

(e) Unless otherwise specifically stated in the ruling, a ruling issued by the Board pursuant to the provisions of this Section shall constitute a precedent for the purpose of subsequent rulings on the same question until revoked or overruled by either the Board or a court of competent jurisdiction.

# OKLAHOMA ADMINISTRATIVE CODE

(f) Board rulings shall be indexed by the number of the statute or rule which the ruling interprets and shall be available for inspection by members of the public at the Board office.

## **10:1-1-10. Confidentiality**

(a) Confidential information obtained by the Board, as set forth in Section 15.6A of the Oklahoma Accountancy Act shall be unavailable to the general public.

(b) An affected individual or entity who wishes to allow the inspection of the confidential information of that individual or entity by that individual's or entity's designated representative, or the public at large shall sign a release for such information in such form as prescribed and furnished by the Board. Such confidential information shall be made readily available during the normal business hours of the Board.

(c) Minutes of all meetings, public hearings, and other records shall be maintained by the Board as a permanent record subject to public inspection during regular business hours.

(d) All final written orders of the Board shall be maintained in such manner as to be available for public inspection. Such orders shall be available by reference to the name of the individual or entity to which the order is directed.

## **CHAPTER 10. RULES OF GENERAL APPLICATION [REVOKED]**

## **CHAPTER 15. LICENSURE AND REGULATION OF ACCOUNTANCY**

### **Subchapter**

### **Section**

1. General Provisions .....10:15-1-1

## OKLAHOMA ADMINISTRATIVE CODE

3.	Requirements to Practice Public Accountancy .....	10:15-3-1
5.	Examination Procedures [REVOKED] .....	10:15-5-1
7.	Application to Take an Examination [REVOKED] .....	10:15-7-1
9.	Examination Content [REVOKED] .....	10:15-9-1
11.	Grading of Examinations [REVOKED] .....	10:15-11-1
13.	Conditional Credit on Examination [REVOKED] .....	10:15-13-1
15.	Transfer of Examination Credits [REVOKED] ....	10:15-15-1
17.	Procedures Upon Failure to Apply for or Take Examination [REVOKED] .....	10:15-17-1
18.	Computer-Based Examination .....	10:15-18-1
19.	Proctoring of Candidates Taking Examinations [REVOKED] .....	10:15-19-1
20.	Internet Practice Requirements .....	10:15-20-1
21.	Reciprocity .....	10:15-21-1
22.	Substantial Equivalency .....	10:15-22-1
23.	Registration .....	10:15-23-1
24.	Return of Certificate or License .....	10:15-24-1
25.	Permits.....	10:15-25-1
27.	Fees.....	10:15-27-1
29.	Continuing Professional Education [REVOKED] .....	10:15-29-1
30.	Continuing Professional Education .....	10:15-30-1
31.	Standards for Continuing Professional Education [REVOKED] .....	10:15-31-1
32.	Standards for Continuing Professional Education (CPE) Programs .....	10:15-32-1
33.	Peer Review.....	10:15-33-1
35.	Reinstatement .....	10:15-35-1
37.	Enforcement Procedures.....	10:15-37-1
39.	Rules of Professional Conduct .....	10:15-39-1

# OKLAHOMA ADMINISTRATIVE CODE

41.	Child Support Statute .....	10:15-41-1
43.	Audits Performed in Accordance With Government Auditing Standards .....	10:15-43-1

[Authority: 59 O.S., Section 15.5]

[Source: Codified 7-1-93]

## SUBCHAPTER 1. GENERAL PROVISIONS

### Section

10:15-1-1.	Purpose
10:15-1-2.	Definitions

#### **10:15-1-1. Purpose**

(a) The Oklahoma Accountancy Act, found in Title 59 of the Oklahoma Statutes, beginning at Section 15.1 has been adopted by the Oklahoma Legislature for the purposes of protecting the public and to prevent the public from being misled as to competency and ability to provide professional accounting services of an individual or firm offering such services. The Oklahoma Accountancy Board has been created for the purpose of implementing the laws and policies established by the Legislature.

(b) In order to implement the policy established by the Legislature regarding the practice of public accounting in Oklahoma and for the administration of the provisions of the Oklahoma Accountancy Act the rules of this Chapter have been adopted by the Board.

(c) These rules, including the Rules of Professional Conduct, are applicable to candidates for certificates or licenses.

#### **10:15-1-2. Definitions**

In addition to the terms defined in the Oklahoma

## OKLAHOMA ADMINISTRATIVE CODE

Accountancy Act, the following words or terms shall be applied when implementing that Act and, when used in this Chapter shall have the following meaning, unless the context clearly indicates otherwise:

**"Accounting information system (AIS)"** means a subsystem of the management information system within an organization. The accounting information system collects and records financial and related information used to support management decision making and to meet both internal and external financial reporting requirements. An AIS system includes, but is not limited to, the accounting for transactions cycles such as revenues and receivables, purchases and payables, payroll, inventory, cash receipts and cash disbursements, and related data based systems.

**"Act"** means the Oklahoma Accountancy Act, Oklahoma Statutes, Title 59, §§ 15.1 through 15.38, dealing with the practice of public accountancy in Oklahoma.

**"Active"** when used to refer to the status of a registrant, describes an individual who possesses a certificate or license and who has not otherwise been granted "retired" or "inactive" status.

**"Advanced"** means the learning activity level most useful for individuals with mastery of the particular topic. This level focuses on the development of in-depth knowledge, a variety of skills, or a broader range of applications. Advanced level programs are often appropriate for seasoned professionals within organizations; however, they may also be beneficial for other professionals with specialized knowledge in a subject area.

**"Basic"** means the learning activity level most beneficial to registrants new to a skill or an attribute. These individuals are often at the staff or entry level in organizations, although such programs may also benefit a seasoned professional with limited exposure to the area.

## OKLAHOMA ADMINISTRATIVE CODE

**"Code"** means Title 10 of the Oklahoma Administrative Code.

**"Compensation"** means the receipt of any remuneration of any kind for public accounting services, including but not limited to salary, wages, bonuses or receipt of any tangible or intangible thing of value.

**"Continuing Professional Education"** means the set of activities that enables registrants to maintain and improve their professional competence. It is an integral part of the lifelong learning required to provide competent service.

**"CPE"** means continuing professional education.

**"CPE credit"** means fifty minutes of participation in a group, independent study or self-study program. One-half CPE credit increments (equal to 25 minutes) are permitted after the first credit has been earned in a given learning activity.

**"CPE program sponsor"** means the individual or organization responsible for setting learning objectives, developing the program materials to achieve such objectives, offering a program to participants, and maintaining the documentation required by these standards. The term CPE program sponsor may include associations of CPAs or PAs, whether formal or informal, as well as employers who offer in-house programs.

**"Evaluative feedback"** means specific response to incorrect answers to questions in self-study programs. Unique feedback must be provided for each incorrect response, as each one is likely to be wrong for differing reasons.

**"Examining Authority"** means the agency, board or other entity, of the District of Columbia, or any state or territory of the United States, entrusted with the responsibility for the governance, discipline, registration, examination and award of certificates, licenses or conditional credits for certified public accountants or public accountants and the practice of public accountancy in said

## OKLAHOMA ADMINISTRATIVE CODE

jurisdictions.

**"Generally accepted accounting principles"** means the same as Financial Accounting Standards Board (FASB) Accounting Standards Codification Section 105, "Generally Accepted Accounting Principles."

**"Generally accepted auditing standards"** means those standards which are used to measure the quality of the performance of auditing procedures and the objectives to be obtained by their use. Statements on Auditing Standards issued by the American Institute of Certified Public Accountants, Standards for Audit of Government Organizations, Programs, Activities and Functions issued by the Comptroller General of the United States, Standards of the Public Company Accounting Oversight Board (PCAOB) and other pronouncements having similar generally recognized authority, are considered to be interpretations of generally accepted auditing standards, and departures from such pronouncements, where they are applicable, must be justified by those who do not follow them.

**"Group program"** means an educational process designed to permit a participant to learn a given subject through interaction with an instructor and other participants either in a classroom or conference setting or by using the Internet.

**"Immediate family members"** means the registrant's, or his/her spouse's, lineal and collateral heirs.

**"Inactive"** used to refer to the status of a registrant who is exempt from complying with the CPE requirements as provided in Subchapter 10:15-30-8(1)(B),(C),(D), and (E). However, inactive status does not preclude volunteer services for which the inactive registrant receives no direct or indirect compensation so long as the inactive registrant does not sign any documents related to such services as a CPA or PA.

**"Independent study"** means an educational process

## OKLAHOMA ADMINISTRATIVE CODE

designed to permit a participant to learn a given subject under a learning contract with a CPE program sponsor.

**"Instructional methods"** means delivery strategies such as case studies, computer-assisted learning, lectures, group participation, programmed instruction, teleconferencing, use of audiovisual aids, or work groups employed in group, self-study, or independent study programs.

**"Intermediate"** means learning activity level that builds on a basic program, most appropriate for registrants with detailed knowledge in an area. Such persons are often at a mid-level within the organization, with operational and/or supervisory responsibilities.

**"Internet-based programs"** means a learning activity, through a group program or a self-study program, that is designed to permit a participant to learn the given subject matter via the Internet. To qualify as either a group or self-study program, the Internet learning activity must meet the respective standards.

**"Learning activity"** means an educational endeavor that maintains or improves professional competence.

**"Learning contract"** means a written contract signed by an independent study participant and a qualified CPE program sponsor prior to the commencement of the independent study that:

- (A) Specifies the nature of the independent study program and the time frame over which it is to be completed, not to exceed 15 weeks.
- (B) Specifies that the output must be in the form of a written report that will be reviewed by the CPE program sponsor or a qualified person selected by the CPE program sponsor.
- (C) Outlines the maximum CPE credit that will be awarded for the independent study program, but limits credit to actual time spent.

## OKLAHOMA ADMINISTRATIVE CODE

**"Learning objectives"** means specifications on what participants should accomplish in a learning activity. Learning objectives are useful to program developers in deciding appropriate instructional methods and allocating time to various subjects.

**"Learning plans"** means structured processes that help registrants guide their professional development. They are dynamic instruments used to evaluate and document learning and professional competence development. This may be reviewed regularly and modified, as registrants' professional competence needs change. Plans include:

- (A) A self-assessment of the gap between current and needed knowledge, skills, and abilities;
- (B) A set of learning objectives arising from this assessment; and
- (C) Learning activities to be undertaken to fulfill the learning plan.

**"Licensee"** means an individual designated as a CPA, PA, or equivalent designation in another state.

**"Management information system (MIS)"** means a computer or manual system, or a group of systems, within an organization that is responsible for collecting and processing data to ensure that all levels of management have the information needed to plan, organize, and control the operations of the organization and to meet both internal and external reporting requirements.

**"Office"** means a building, room, or series of rooms which are owned, leased, or rented by an individual or firm for the purpose of holding out or carrying out the practice of public accounting.

**"Organization"** includes a corporation, government or governmental subdivision or agency, business trust, estate, trust, partnership, limited liability company, sole proprietorship, an

## OKLAHOMA ADMINISTRATIVE CODE

association, two or more persons having a joint or common interest, an employer of CPAs or PAs, or any other legal or commercial entity.

**"Other professional standards"** means those standards as defined by Statements on Management Advisory Services, Statements on Responsibilities in Tax Practice, Statements on Standards for Accounting and Review Services and Statements of Quality Control Standards, where applicable, issued by the American Institute of Certified Public Accountants.

**"Overview"** means learning activity level that provides a general review of a subject area from a broad perspective. These programs may be appropriate for professionals at all organizational levels.

**"Personal development"** means a field of study that covers such skills as communications, managing the group process, dealing effectively with others, interviewing, counseling, and career planning.

**"Pilot test"** means sampling of at least three independent individuals representative of the intended participants to measure the average completion time to determine the recommended CPE credit for self-study programs.

**"Professional competence"** means having requisite knowledge, skills, and abilities to provide quality services as defined by the technical and ethical standards of the profession. The expertise needed to undertake professional responsibilities and to serve the public interest.

**"Reinforcement feedback"** means specific responses to correct answers to questions in self-study programs. Such feedback restates why the answer selected was correct.

**"Renewal permit"** refers to a permit applied for prior to the expiration of the current permit.

**"Retired"** means a registrant who holds a certificate or

## OKLAHOMA ADMINISTRATIVE CODE

license and verifies to the Board that the registrant is no longer practicing public accounting or employed. However, retired status does not preclude volunteer services for which the retired registrant receives no direct or indirect compensation so long as the retired registrant does not sign any documents related to such services as a CPA or PA.

**"Rolling three (3) calendar year period"** means that active status registrants are required to complete 120 hours of CPE in any three-calendar-year.

**"Self-study program"** means an educational process designed to permit a participant to learn a given subject without major involvement of an instructor. Self-study programs use a pilot test to measure the average completion time from which the recommended CPE credit is determined.

**"Sole Proprietorship"** means an unincorporated business enterprise which is owned entirely by one (1) certificate or license holder.

**"State"** means the District of Columbia, any state, or territory of the United States.

**"Update"** means learning activity level that provides a general review of new developments. This level is for participants with a background in the subject area who desire to keep current.

### SUBCHAPTER 3. REQUIREMENTS TO PRACTICE PUBLIC ACCOUNTANCY

#### Section

- 10:15-3-1. Who may practice public accountancy
- 10:15-3-2. Certificate as a certified public accountant
- 10:15-3-3. License as a public accountant
- 10:15-3-4. Permits to practice
- 10:15-3-5. Exceptions

## OKLAHOMA ADMINISTRATIVE CODE

### **10:15-3-1. Who may practice public accountancy**

Except for qualified individuals practicing under substantial equivalency, public accounting may be practiced in this state only by a registrant which holds a valid permit to practice issued by the Board. Registrants may not practice public accounting through an entity which does not hold a valid permit except under the provisions of 10:15-39-8(a)(2). The Board grants certificates, licenses, or permits to practice to applicants on condition that the registrants comply with the provisions of the Oklahoma Accountancy Act and the rules adopted for the implementation of that Act.

### **10:15-3-2. Certificate as a certified public accountant**

A certificate 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 certification 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,

## OKLAHOMA ADMINISTRATIVE CODE

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.

### **10:15-3-3. License as a public accountant**

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

## OKLAHOMA ADMINISTRATIVE CODE

- (4) Evidence of successful completion of the AICPA ethics examination or its equivalent as determined by the Board has been provided.

### **10:15-3-4. Permits to practice**

In addition to a license or certificate, any registrant practicing public accounting or providing expert witness testimony in any Oklahoma or Federal Court located in Oklahoma shall be required to have a valid permit with exceptions as allowed in 10:15-3-5.

### **10:15-3-5. Exceptions**

(a) An exception to requiring a permit would apply to an Oklahoma CPA or PA who is testifying in his or her capacity as an employee of other than a public accounting firm.

(b) Expert witness testimony from a certified public accountant or public accountant who is credentialed in another jurisdiction other than Oklahoma does not require the individual to obtain an Oklahoma CPA certificate or PA license provided the CPA or PA clearly states to the Court that an Oklahoma CPA certificate, PA license or permit to practice public accounting is not held and the individual identifies the jurisdiction(s) in which the CPA or PA is credentialed.

## **SUBCHAPTER 5. EXAMINATION PROCEDURES [REVOKED]**

### **Section**

- 10:15-5-1. Eligibility to take examination [REVOKED]  
10:15-5-2. Schedule of examinations [REVOKED]  
10:15-5-3. Notice of examinations [REVOKED]  
10:15-5-4. Restrictions [REVOKED]

## **OKLAHOMA ADMINISTRATIVE CODE**

- 10:15-5-5. Prohibited acts regarding the examination process  
[REVOKED]

### **SUBCHAPTER 7. APPLICATION TO TAKE AN EXAMINATION [REVOKED]**

#### **Section**

- 10:15-7-1. Requirements for filing applications [REVOKED]  
10:15-7-2. Educational requirements [REVOKED]  
10:15-7-3. Candidate for reexamination [REVOKED]  
10:15-7-4. Evaluation of application [REVOKED]  
10:15-7-5. Denial of application [REVOKED]  
10:15-7-6. Board review of denied applications [REVOKED]  
10:15-7-7. Payment of fee [REVOKED]

### **SUBCHAPTER 9. EXAMINATION CONTENT [REVOKED]**

#### **Section**

- 10:15-9-1. Content of examinations until May 1, 1994  
[REVOKED]  
10:15-9-2. Content of examinations [REVOKED]  
10:15-9-3. Examination documents [REVOKED]  
10:15-9-4. Confidentiality agreement required [REVOKED]

### **SUBCHAPTER 11. GRADING OF EXAMINATIONS [REVOKED]**

#### **Section**

- 10:15-11-1. Grading service [REVOKED]  
10:15-11-2. Grade requirements [REVOKED]  
10:15-11-3. Successful completion of examination until May 1,

## OKLAHOMA ADMINISTRATIVE CODE

- 1994 [REVOKED]
- 10:15-11-4. Successful completion of examination [REVOKED]
- 10:15-11-5. Inteligibility for reexamination [REVOKED]
- 10:15-11-6. Notification of grade [REVOKED]
- 10:15-11-7. Procedures to request review of the grading process [REVOKED]
- 10:15-11-8. Appeal [REVOKED]
- 10:15-11-9. Destruction of papers [REVOKED]

### SUBCHAPTER 13. CONDITIONAL CREDIT ON EXAMINATION [REVOKED]

#### Section

- 10:15-13-1. Conditional credit for candidates for certificates [REVOKED]
- 10:15-13-2. Conditional credit for candidates for licenses [REVOKED]
- 10:15-13-3. Conversion of conditional credit beginning May 1, 1994 [REVOKED]
- 10:15-13-4. Requests for extension of time [REVOKED]

### SUBCHAPTER 15. TRANSFER OF EXAMINATION CREDITS [REVOKED]

#### Section

- 10:15-15-1. Application for transfer of credits [REVOKED]
- 10:15-15-2. Requirements to qualify for transfer of credits [REVOKED]

### SUBCHAPTER 17. PROCEDURES UPON FAILURE TO APPLY FOR OR TAKE EXAMINATION [REVOKED]

## OKLAHOMA ADMINISTRATIVE CODE

### Section

- 10:15-17-1. Processing fee to retake examination  
[REVOKED]
- 10:15-17-2. Failure to apply to take succeeding examinations  
[REVOKED]
- 10:15-17-3. Reestablishment of eligibility [REVOKED]

## SUBCHAPTER 18. COMPUTER-BASED EXAMINATION

### Section

- 10:15-18-1. Applications for examination
- 10:15-18-2. Time and place of examination
- 10:15-18-3. Retake and granting of credit requirements
- 10:15-18-4. Educational requirements
- 10:15-18-5. Evaluation of application
- 10:15-18-6. Denial of application
- 10:15-18-7. Board review of denied applications
- 10:15-18-8. Content of examinations
- 10:15-18-9. Notification of grade
- 10:15-18-10. Procedures to request review of the grading  
process
- 10:15-18-11. Requests for extension of time
- 10:15-18-12. Application for transfer of credits
- 10:15-18-13. Requirements to qualify for transfer of credits
- 10:15-18-14. Failure to apply to take succeeding examinations
- 10:15-18-15. Cheating
- 10:15-18-16. Security and irregularities

### **10:15-18-1. Applications for examination**

- (a) An application for qualification in a format prescribed by

## OKLAHOMA ADMINISTRATIVE CODE

the Board, will not be considered filed until the application and all required fees as provided by §15.8 of the Act and supporting documents, including but not limited to photographs and official transcripts as proof that the applicant has satisfied the education requirement, are received by the Board.

(b) Evidence, by submission to a national criminal history record search, that the applicant has not committed a criminal offense that would disqualify the applicant from holding a certificate or license.

(c) A candidate's application for examination will not be considered filed until the application in a format prescribed by the Board and the application fee as provided in Subchapter 27 are received by the Board.

(d) Failure of a candidate to furnish all information requested by the Board within the time frame set by the Board shall be grounds for denying such candidate admission to the examination.

(e) Any candidate who gives false information to the Board in order to be eligible to take the examination shall be subject to disciplinary action by the Board.

### **10:15-18-2. Time and place of examination**

Eligible candidates shall be notified of the Notice to Schedule (NTS) as issued by the National Association of State Boards of Accountancy (NASBA). The candidate shall independently contact the test center operator to schedule the time and place for the examination at a test site approved by the Board within a six month period from the date the NTS is issued.

### **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.

## OKLAHOMA ADMINISTRATIVE CODE

(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

## OKLAHOMA ADMINISTRATIVE CODE

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.

### **10:15-18-4. Educational requirements**

(a) A qualification applicant shall show, to the satisfaction of the Board, that the applicant has graduated from an accredited four-year college or university.

(1) As to an applicant whose college credits are reflected in quarter hours, each quarter hour of credit shall be considered as two-thirds (2/3) of one (1) semester hour when determining semester hour credits necessary to qualify for examination or transfer of credits.

(2) When determining eligibility based on educational qualifications, the Board shall consider only educational credit reflected on official transcripts, from an accredited two-year or four-year college or university.

(3) The Board may accept as temporary consideration, an official letter signed and sealed by the registrar's office of any two-year or four-year college or university attesting to the completion of educational qualifications of any qualification applicant, provided that official transcripts are submitted to the Board prior to any score release.

(4) The specific requirement that each applicant shall have completed at least one (1) course in auditing may only be satisfied with an auditing or assurance course taken for

## OKLAHOMA ADMINISTRATIVE CODE

credit from an accredited two-year or four-year college or university. Such course must have a concentration on external auditing standards including but not limited to Statements on Auditing Standards (SAS).

(b) When determining eligibility of a qualification applicant, the Board shall not consider any combination of education and experience.

(c) The Board will also consider a qualification applicant who has graduated from a college or university located outside the United States if an educational evaluation performed by a national credential evaluation service, as approved by the Board, certifies in writing that the applicant's course of study and degree are equivalent to the requirements set forth in Section 15.8 of the Act.

(d) One hundred fifty (150) semester hours or its equivalent of collegiate education is required to qualify for any examination as set forth in Section 15.8.C. of the Oklahoma Accountancy Act. Any MIS or AIS course, or derivative thereof, as defined in 10:15-1-2, used by the applicant to qualify must have a substantial relationship, either direct or indirect, to the accounting profession. However, only AIS courses will qualify for the core accounting courses as required in Section 15-8.C.

(e) Any candidate who has qualified to take the examination on the basis of education prior to July 1, 2003, is not subject to subparagraph (d) of this subsection.

### **10:15-18-5. Evaluation of application**

Evaluation of qualifications and approval of applications to take an examination or for transfer of credits shall be performed by the Executive Director, or his/her designee, subject to the limitations set forth in Subchapter 10:15-37-11.

### **10:15-18-6. Denial of application**

## OKLAHOMA ADMINISTRATIVE CODE

(a) Any qualification applicant or candidate who has not met the applicable qualifications and/or whose application has been denied shall be notified in writing. The written notice shall include the reason(s) for the denial.

(b) If an application is denied, the qualification applicant or candidate may file a written request with the Board for a review of the denial. The qualification applicant or candidate shall have the burden of demonstrating to the Board that the qualifications required by the Oklahoma Accountancy Act and the rules implementing the Act have been met. Any evidence submitted by the qualification applicant or candidate shall be in documentary form.

### **10:15-18-7. Board review of denied applications**

(a) The Board shall consider all requests for review of denied applications.

(b) The issues considered for review shall include, but not be limited to, the statutory eligibility requirements and rules upon which the denial of the application was based.

(c) The qualification applicant or candidate who has requested the review shall be notified in writing of the Board's decision. If the denial is sustained by the Board, the written notice shall include the reason(s) for sustaining the denial.

(d) If the denial of the application is sustained, and the qualification applicant or candidate is not satisfied with the decision of the Board, the qualification applicant or candidate may request in writing a public hearing before the Board. Such request shall be granted only if the qualification applicant or candidate can provide additional information to the Board which was not previously available to the Board at the time of the initial evaluation, review, or denial. Any additional evidence shall be in documentary form. If any additional evidence is to be presented

## OKLAHOMA ADMINISTRATIVE CODE

by oral testimony, a written synopsis of that oral evidence shall accompany the request for a public hearing.

(e) If the Board grants a public hearing to the qualification applicant or candidate, the hearing may be held in conjunction with the next regular meeting of the Board or at a special meeting of the Board.

### **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.

### **10:15-18-10. Procedures to request review of the grading process**

(a) A candidate may request a review or appeal of non-passing examination scores with the appropriate review or appeal organization.

(b) The cost of the review or appeal shall be paid by the candidate.

### **10:15-18-11. Requests for extension of time**

(a) A candidate may apply for an extension of the time limits set by this Subchapter if the candidate is called to active military

## OKLAHOMA ADMINISTRATIVE CODE

service or becomes incapacitated as a result of illness or injury.

(b) The candidate shall file a written request with the Board for an extension after receiving the call to active military service and shall furnish a copy of the orders to active military service or furnish written evidence of incapacitation or injury.

(c) Within sixty (60) calendar days after the candidate is discharged from active military service, the candidate shall furnish the Board with copies of the discharge orders. The candidate shall then be required to take one (1) test section for which the candidate is eligible within the next six (6) months following the candidate's discharge from military service or rehabilitation from incapacitation or injury.

(d) The candidate shall file a written request with the Board for an extension should serious illness or injury incapacitate the candidate to the extent that the illness or injury prevents the candidate from examination testing. The candidate shall furnish a copy of an original and signed diagnosis directly related to the injury or illness from a licensed, qualified physician. The professional must provide a precise statement setting forth the determination that the illness or injury precludes the candidate from testing and the time period involved. The Board will follow federal Health Insurance Portability and Accountability Act (HIPAA) guidelines.

### **10:15-18-12. Application for transfer of credits**

(a) An individual who has taken the AICPA Uniform Certified Public Accountant Examination in any jurisdiction may apply to the Board for the transfer of credits granted.

(b) The application shall be in such format as the Board prescribes.

(c) The applicant shall submit written verification of the valid credits from the examining authority responsible for administering

## OKLAHOMA ADMINISTRATIVE CODE

the examination at which such credits were earned.

(d) The applicant shall meet all other eligibility requirements established to take the examination in Oklahoma at the time of filing the application.

### **10:15-18-13. Requirements to qualify for transfer of credits**

(a) Upon the filing of an application to transfer credits on the AICPA Uniform Certified Public Accountant Examination, the Board shall accept and transfer such credits, if, at the time the application to transfer credits is filed with the Board, the applicant has met the following requirements:

(1) The credits were earned by the applicant while taking an examination administered by the examining authority responsible for conducting such examinations pursuant to the laws of any jurisdiction.

(2) The applicant was examined and passed all subjects of the AICPA Uniform Certified Public Accountant Examination in the same manner as required for Oklahoma candidates.

(3) All credits were earned pursuant to Rule 10:15-18-3 immediately preceding the date the application to transfer credits is filed with the Board.

(b) In the case of an applicant for examination who has met all eligibility requirements and seeks to transfer credits, the acceptance of such credits by the Board shall result in the applicant being approved to take the examination in the subjects for which no credit was transferred.

(c) In the case of an applicant for a certificate who has met all requirements as provided in §15.9 and seeks to transfer the four (4) credits, the acceptance of such credits by the Board shall result in the issuance of a certificate to the applicant.

(d) In the case of an applicant for a license who has met all

## OKLAHOMA ADMINISTRATIVE CODE

requirements as provided in §15.9 and seeks to transfer the three (3) credits, the acceptance of such credits by the Board shall result in the issuance of a license to the applicant.

### **10:15-18-14. Failure to apply to take succeeding examinations**

If a candidate fails to sit for a test section for eighteen (18) months after approval, or fails to sit for one (1) test section for an eighteen (18) month period, that individual shall no longer be considered a candidate and must reapply as a qualification applicant and meet the qualification requirements in effect at the time of making application.

### **10:15-18-15. Cheating**

(a) Cheating by a candidate in applying for, taking or subsequent to the examination will invalidate any score earned by the candidate on any or all test sections of the examination and may warrant summary expulsion from the test site and disqualification from taking the examination for a specified period of time or indefinitely.

(b) For purposes of this subsection, the following actions or attempted activities, among others, may be considered cheating:

- (1) Falsifying or misrepresenting educational credentials or other information required for admission to the examination;
- (2) Communication between candidates inside or outside the test site or copying another candidate's answers while the examination is in progress;
- (3) Communication with others inside or outside the test site while the examination is in progress;
- (4) Substitution of another person to sit in the test site in the stead of a candidate;
- (5) Reference to crib sheets, textbooks or other material

## OKLAHOMA ADMINISTRATIVE CODE

or electronic media (other than that provided to the candidate as part of the examination) inside or outside the test site while the examination is in progress;

(6) Violating the nondisclosure prohibitions of the examination or aiding or abetting another in doing so, or otherwise participating in the collection of test items for use, redistribution or sale;

(7) Retaking or attempting to retake a test section by an individual holding a valid certificate or by a candidate who has unexpired credit for having already passed the same test section, unless the individual has been directed to retake a test section pursuant to Board order or unless the individual has been expressly authorized by the Board to participate in a “secret shopper” program.

(c) In any case where it appears that cheating has occurred or is occurring, the Board or its representatives may either summarily expel the candidate involved from the examination or move the candidate to a position in the test center away from other examinees where the candidate can be watched more closely.

(d) In any case where the Board believes that it has evidence that a candidate has cheated on the examination, including those cases where the candidate has been expelled from the examination, the Board shall conduct an investigation and may conduct a hearing consistent with the requirements of the Administrative Procedures Act following the examination session for the purpose of determining whether or not there was cheating and, if so, what remedy should be applied. In such proceedings, the Board’s decision shall include, but not be limited to:

(1) Whether the candidate shall be given credit for any portion of the examination completed in that session; and

(2) Whether the candidate shall be barred from taking the examination and, if so, for what period of time.

## OKLAHOMA ADMINISTRATIVE CODE

(e) If the candidate is allowed to continue taking the examination, the Board may:

- (1) Admonish the candidate;
- (2) Require the candidate be seated in a segregated location for the rest of the examination;
- (3) Keep a record of the candidate's seat location and identifying information, and the names and identifying information of the candidates in close proximity of the candidate; and
- (4) Notify NASBA, the AICPA and the test center of the circumstances so that the candidate may be more closely monitored in future examinations.

(f) In any case in which a candidate is refused credit granted for any test section of an examination taken, disqualified from taking any test section, or barred from taking the examination in the future, the Board may provide the findings and actions taken to any other jurisdiction to which the candidate may apply for the examination.

### **10:15-18-16. Security and irregularities**

Notwithstanding any other provisions under these rules, the Board may postpone scheduled examinations, the release of scores, or the issuance of certificates due to:

- (1) A breach of examination security;
- (2) Unauthorized acquisition or disclosure of the contents of an examination;
- (3) Suspected or actual negligence, errors, omissions, or irregularities in conducting an examination; or
- (4) For any other reasonable cause or unforeseen circumstance.

## **SUBCHAPTER 19. PROCTORING OF CANDIDATES**

# OKLAHOMA ADMINISTRATIVE CODE

## TAKING EXAMINATIONS [REVOKED]

### Section

- 10:15-19-1. Request for Board proctoring service [REVOKED]
- 10:15-19-2. Payment of fee [REVOKED]
- 10:15-19-3. Limitations and restrictions on proctored examinations [REVOKED]
- 10:15-19-4. Oklahoma candidates taking examination in other states [REVOKED]

## SUBCHAPTER 20. INTERNET PRACTICE REQUIREMENTS

### Section

- 10:15-20-1 Requirements regarding practice or solicitation of an engagement via electronic means

#### **10:15-20-1 Requirements regarding practice or solicitation of an engagement via electronic means**

(a) An individual offering or rendering professional accounting services to Oklahoma clients from a Website or any electronic means shall disclose, via any such Website or any electronic means, the individual's principal jurisdiction of licensure, license number and an address as a means for regulators and the public to contact the individual regarding complaints, questions or regulatory compliance.

(b) A firm offering or rendering professional accounting services to Oklahoma clients from a Website or any electronic means shall provide on the Website's homepage or electronic medium, a name, an address, and the principal jurisdiction of licensure as a means for regulators and the public to contact a

# OKLAHOMA ADMINISTRATIVE CODE

responsible licensee in charge at the firm regarding complaints, questions, or regulatory compliance.

## SUBCHAPTER 21. RECIPROCITY

### Section

- 10:15-21-1. Application for certificate or license
- 10:15-21-2. Basis for reciprocal certificate or license  
[REVOKED]
- 10:15-21-3. Evaluation of qualifications
- 10:15-21-4. Denial of application
- 10:15-21-5. Review of applications by Board
- 10:15-21-6. Payment of fee
- 10:15-21-7. International 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;

## OKLAHOMA ADMINISTRATIVE CODE

(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.

### **10:15-21-2. Basis for reciprocal certificate or license [REVOKED]**

### **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.

### **10:15-21-4. Denial of application**

## OKLAHOMA ADMINISTRATIVE CODE

(a) Any applicant who has not met the applicable qualifications and whose application has been denied shall be notified in writing. The written notice shall include the reason(s) for the denial of the application for reciprocity.

(b) If an application 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 qualifications required by the Oklahoma Accountancy Act and by the rules implementing that Act have been met. Any evidence submitted by the applicant with the written request shall be in documentary form.

### **10:15-21-5. Review of applications by Board**

(a) The Board shall consider all requests for review of denied applications for reciprocity.

(b) The issues considered for review shall include but not be limited to, the statutory eligibility requirements and rules upon which the denial of the application was based.

(c) The applicant who has requested the review shall be notified in writing of the decision by the Board. If the denial is sustained by the Board, the written notice shall include the reason(s) for sustaining the denial.

(d) If the denial of an application is sustained, and the applicant is not satisfied with the decision of the Board, an applicant may request, in writing, a public hearing before the Board. Such request shall be granted only if the applicant can provide additional information to the Board which was not previously available to either the Executive Director, his or her designee, or the Board at the time of the initial evaluation or review. Any additional evidence shall be in documentary form. If any additional evidence is to be presented by oral testimony, a written synopsis of that oral evidence shall accompany the request

## OKLAHOMA ADMINISTRATIVE CODE

for a public hearing.

(e) If the Board grants a public hearing to the applicant, the hearing may be held in conjunction with the next regular meeting of the Board or at a special meeting of the Board.

### **10:15-21-6. Payment of fee**

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

### **10:15-21-7. International reciprocity**

In addition to the requirements found in Rule 10:15-21-1, the Board may rely on the International Qualifications Appraisal Board for evaluation of foreign credential equivalency for a foreign reciprocal certificate. Such foreign applicant shall report any investigations undertaken, or sanctions imposed, by a foreign credentialing body against the applicant's foreign credential. Suspension or revocation of, or refusal to renew, the applicant's foreign accounting credential by the foreign credentialing body, or conviction of a felony or any crime involving dishonesty or fraud under the laws of a foreign country may be evidence of conduct reflecting adversely upon the foreign reciprocal certificate holder's fitness to retain the certificate and may be a basis for Board action. The Board shall notify the appropriate foreign credentialing authorities of any sanctions imposed against the foreign reciprocal certificate holder. The Board may participate in joint investigations with foreign credentialing bodies and rely on evidence supplied by such bodies in disciplinary hearings.

## **SUBCHAPTER 22. SUBSTANTIAL EQUIVALENCY**

### **Section**

10:15-22-1. Notification [REVOKED]

## OKLAHOMA ADMINISTRATIVE CODE

10:15-22-2. Sole proprietorship firm permit

**10:15-22-1. Notification [REVOKED]**

**10:15-22-2. Sole proprietorship firm permit**

A qualified non-resident sole proprietorship seeking practice privileges in this state to perform attest services shall be required to register the firm and obtain a permit to practice public accounting within thirty (30) days after the firm knowingly avails itself of the laws of this state by accepting an attest engagement.

### SUBCHAPTER 23. REGISTRATION

#### Section

10:15-23-1. Registration of individuals

10:15-23-2. Registration of firms

10:15-23-2.1 Non-CPA owners of public accounting firms or affiliated entities

10:15-23-3. Amendments to registrant status

**10:15-23-1. Registration of individuals**

(a) All individuals shall register annually by the last day of the individuals' birth months as provided in Section 15.14 of the Oklahoma Accountancy Act and shall file a registration statement with the Board in a format prescribed by the Board. The certificate or license shall be considered lapsed after the last day of the birth month.

(b) All registration statements shall be accompanied by a registration fee.

(1) In the case of a registrant who has reached the age of sixty-five (65), the registration fee shall be reduced, as provided in Subchapter 27.

## OKLAHOMA ADMINISTRATIVE CODE

(2) In the case of a registrant who is disabled beyond gainful employment, as provided in Section 15.14 of the Oklahoma Accountancy Act, the registration fee may be waived for the period of disability.

(3) In the case of a registrant who is retired as defined in Subchapter 1, the registration fee shall be waived.

(4) Pursuant to the Military Service Occupation, Education and Credentialing Act, the first year registration fee shall be waived for an active duty military personnel or their spouse.

(5) All requests for a reduction or waiver of the registration fee shall be addressed to the Board, in writing.

(6) The Board shall use its discretion in determining the conditions required for disability.

(c) In addition to the registration fee paid by an individual, there shall be a fee for registering after the last day of the renewal month but within twelve (12) months after the lapse date of the certificate or license.

(d) In addition to the registration fee paid by an individual, there shall be a fee for registering later than twelve (12) months following the lapse date of the certificate or license.

(e) Evaluation of qualifications and approval of registrations filed by individuals shall be performed by the Executive Director or his/her designee, subject to the review and supervision of the Board.

(f) Denial of individual registrations shall be by the Board.

(g) During the period when a certificate or license is suspended by the Board, the suspended registrant shall be required to file annually with the Board an informational report in a format prescribed by the Board. No fee shall be required with such filing.

(h) Renewal forms delivered to the Board office via carrier service with a postmark or ship date on or before the set expiration

## OKLAHOMA ADMINISTRATIVE CODE

date as provided in this subsection shall be deemed timely filed.

### **10:15-23-2. Registration of firms**

(a) On or before June 30 of each year all firms of certified public accountants and all firms of public accountants qualified to register shall file a registration statement with the Board in a format prescribed by the Board.

(b) The registration statement filed on behalf of a firm of certified public accountants shall be made by a partner or shareholder.

(c) The statement filed on behalf of a firm of public accountants shall be made by a partner or shareholder.

(d) Evaluation of qualifications and approval of registrations filed by firms shall be performed by the Executive Director or his/her designee, subject to the review and supervision of the Board.

(e) Denial of firm registrations shall be by the Board.

(f) Except for sole proprietorships, all registration statements filed on behalf of a firm shall be accompanied by an annual registration fee and the applicable permit fee for the firm, as provided in Subchapter 27.

(g) Firm filings delivered to the Board office via carrier service with a postmark or ship date on or before June 30 shall be deemed timely filed.

#### **10:15-23-2.1. Non-CPA owners of public accounting firms or affiliated entities**

(a) A firm which includes non-CPA owners may not qualify for a firm registration and permit unless every non-CPA owner of the firm:

- (1) is an individual;
- (2) is actively providing personal services in the nature

## OKLAHOMA ADMINISTRATIVE CODE

of management of some portion of the firm's business interest or performing services for clients of the firm or an affiliated entity;

(3) is of good character as defined in Section 15.9 of the Act;

(4) is not a suspended or revoked CPA or PA;

(5) who is a resident of Oklahoma is registered with the Board in the same manner as a CPA under Section 15:14 of the Oklahoma Accountancy Act on a form prescribed by the Board.

(b) Each of the non-CPA owners who are residents of Oklahoma must:

(1) be in compliance with Oklahoma tax laws;

(2) provide evidence of the successful completion (90% or better), within the past 365 days prior to initial registration, of the AICPA Ethics Examination or its equivalent as determined by the Board;

(3) comply with the Rules of Professional Conduct as set out in 10:15-39-1;

(4) hold a baccalaureate or graduate degree conferred by a college or university, or equivalent education as determined by the Board;

(5) maintain any professional designation held by the individual in good standing with the appropriate organization or regulatory body that is identified or used in an advertisement, letterhead, business card, or other firm-related communication;

(6) maintain continuing education in accordance with Section 10:15-32-1, provided credit shall be given for any other professional CPE or equivalent professional continuing education earned;

(7) submit to a national criminal history record check.

## OKLAHOMA ADMINISTRATIVE CODE

The costs associated with the record check shall be paid by the non-CPA owner.

- (c) A “Non-CPA Owner” includes any individual who has any financial interest in the firm or any voting rights in the firm.

### **10:15-23-3. Amendments to registrant status**

(a) Should a registrant's CPA certificate or PA license be revoked for failure to register under the provisions of Section 15.14.F.2 of the Act and the Board later learns the registrant was deceased prior to the administrative revocation, the registrant's status will be changed from revoked to deceased provided documentation stating the registrant is deceased is received by the Board.

(b) Should a disabled registrant's CPA certificate or PA license be revoked for failure to register under the provisions of Section 15.14.F.2 of the Act and the Board later learns the registrant was incapacitated at the time of the administrative revocation, the registrant's status may be changed from revoked to disabled provided documentation is received by the Board verifying the registrant was incapacitated and unable to file the appropriate registration form prior to the revocation.

## **SUBCHAPTER 24. RETURN OF CERTIFICATE OR LICENSE**

### **Section**

- 10:15-24-1. Voluntary surrender of certificate or license  
10:15-24-2. Deceased registrants

### **10:15-24-1. Voluntary surrender of certificate or license**

(a) Upon voluntary surrender of a certificate or license, the registrant shall not be required to return the certificate or license

## OKLAHOMA ADMINISTRATIVE CODE

into the custody of the Board if:

(1) The registrant has retired from all types of employment regulated by the Oklahoma Accountancy Board regardless of the registrant's age; and

(2) The Board's records indicate that no enforcement actions have been taken against the registrant within the last ten (10) years.

(b) If the registrant has not retired from all types of employment regulated by the Oklahoma Accountancy Board and no longer wishes to hold an Oklahoma certificate or license, the certificate or license shall be returned to the Board.

### **10:15-24-2. Deceased registrants**

Upon notification that the registrant is deceased, no request for the return of the certificate or license shall be made.

## **SUBCHAPTER 25. PERMITS**

### **Section**

10:15-25-1. Term of permit

10:15-25-2. Date of issue

10:15-25-3. Individual permit

10:15-25-4. Firm permits

10:15-25-5. Transitional period for individuals entering and re-entering public practice

### **10:15-25-1. Term of permit**

Each permit shall have a maximum term of one (1) year unless extended by the Board.

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

(a) Permits renewed on a timely basis shall bear a date of issue

## OKLAHOMA ADMINISTRATIVE CODE

of July 1 for individuals and June 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

## OKLAHOMA ADMINISTRATIVE CODE

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

## OKLAHOMA ADMINISTRATIVE CODE

annual renewal dates.

### **10:15-25-4. Firm permits**

- (a) Each firm permit shall have a maximum term of one (1) year unless extended by the Board and shall expire on June 30 following the date of issuance.
- (b) The application for renewal of a firm permit shall be filed with the Board in a format prescribed by the Board prior to the expiration of the permit currently held.
- (c) Each firm with an office located in Oklahoma applying for a permit to practice as a certified public accountant firm or as a public accountant firm shall submit a written affidavit signed by an owner, partner, member or shareholder demonstrating compliance with the requirements set out in Section 15.15A of the Oklahoma Accountancy Act and attesting that each partner, shareholder, owner, member and certified or licensed employee of the firm serving Oklahoma clients holds a valid individual permit or enters the state under the provisions of Section 15.12A of the Act, or is a non-CPA owner as provided for in 10:15-23-2.1.
- (d) A firm is required to hold a valid permit if that firm is serving Oklahoma clients—from outside this state only if such firm is providing services under the provision of Section 15.12A.A.5 of the Act.
- (e) Each firm required to hold a permit shall pay the applicable fee.

### **10:15-25-5. Transitional period for individuals entering and re-entering public practice**

- (a) A registrant who immediately gives written notice to the Board upon changing to public accounting status from nonpublic status may be granted a period of sixty (60) days from the date the registrant begins the practice of public accounting in which to

## OKLAHOMA ADMINISTRATIVE CODE

complete the continuing education credit required for issuance of the permit. Such courses shall comply with the criteria set forth in Subchapter 30. The procedure for administering the code is as follows:

(1) The registrant shall furnish a letter if self employed or from the employer, if employed, attesting to the beginning date of the registrant's self employment or employment, and shall furnish a list of courses in which the registrant has enrolled during the 60-day period. The list should include course title, name of sponsor, CPE credits to be awarded, and approximate date course is to be completed.

(2) Upon receipt of the written notification, the Executive Director or his/her designee shall review the request for sufficiency of information and shall ascertain whether the registrant is to be granted the transitional CPE compliance period.

(3) The registrant shall be notified by letter within five (5) working days whether the transitional period has been granted. Such letter shall grant permission for the registrant to practice public accounting, without penalty, for the sixty (60) day transitional period or shall state the specific reason why the transitional period was not granted. A copy of the letter notifying the registrant that the transitional period was not granted will also be mailed to the registrant's employer, if employed.

(b) If a registrant is unable to qualify for the permit within the sixty (60) days provided for herein, the registrant may apply in writing one time to the Board for an additional thirty (30) day period in which to qualify for the permit. The procedure for doing so is as follows:

(1) The written petition shall set forth the reason(s) for

## OKLAHOMA ADMINISTRATIVE CODE

the registrant's inability to satisfy the CPE requirement within the sixty (60) days previously granted. The petition shall set forth the precise manner in which the registrant will satisfy the requirement for the issuance of a permit if the additional thirty (30) days is granted.

(2) Upon receipt of the petition from the self employed registrant or the employer, the Executive Director or his/her designee shall decide whether the registrant is to be granted the additional thirty (30) days in which to comply.

(3) If granted, the thirty (30) day period shall commence following the last day of the sixty (60) day period. The registrant and the employer, if applicable, shall be notified by the Board within five (5) working days following the Board's receipt of the employer's petition.

(4) If the additional thirty (30) day period is denied, the registrant and the employer, if applicable, will be informed in writing of the specific reason(s) for the denial within five (5) working days following receipt of the petition.

(5) Upon denial of the additional thirty (30) day period, the registrant and the employer, if applicable, will be notified in writing that the registrant must cease practicing public accounting until such time as the registrant has been issued the permit.

(c) Approval by the Board of such request(s) shall authorize the registrant to practice public accounting during the time period(s) referred to in this Subchapter.

### SUBCHAPTER 27. FEES

#### Section

10:15-27-1. Initial application to take CPA examination  
[REVOKED]

## OKLAHOMA ADMINISTRATIVE CODE

- 10:15-27-2. Initial application to take PA examination  
[REVOKED]
- 10:15-27-3. Reexamination [REVOKED]
- 10:15-27-3.1. Qualification and examination fees
- 10:15-27-4. Examination processing fee [REVOKED]
- 10:15-27-5. Transfer of credits
- 10:15-27-6. Out of state candidates [REVOKED]
- 10:15-27-7. Reciprocal application [REVOKED]
- 10:15-27-7.1. Substantial equivalence [REVOKED]
- 10:15-27-7.2. Reciprocal application
- 10:15-27-8. Registration
- 10:15-27-9. Permit
- 10:15-27-9.1. Proration of fees for transition to birth month  
renewals [REVOKED]
- 10:15-27-10. Reinstatement
- 10:15-27-11. Duplicate certificate or license
- 10:15-27-12. Copies
- 10:15-27-13. Portal convenience fee [REVOKED]
- 10:15-27-14. Peer review fee
- 10:16-27-15. Fee waiver low-income individual
- 10:17-27-16. Initial determination of eligibility

**10:15-27-1. Initial application to take CPA examination  
[REVOKED]**

**10:15-27-2. Initial application to take PA examination  
[REVOKED]**

**10:15-27-3. Reexamination [REVOKED]**

**10:15-27-3.1. Qualification and examination fees**

Qualification applicants and candidates shall, for each

## OKLAHOMA ADMINISTRATIVE CODE

application filed with the Board, pay a Seventy-five Dollar (\$75.00) fee and shall be responsible for all fees charged by the American Institute of Certified Public Accountants, National Association of State Boards of Accountancy (NASBA), and test delivery service provider which are payable to NASBA prior to scheduling the examination.

### **10:15-27-4. Examination processing fee [REVOKED]**

### **10:15-27-5. Transfer of credits**

The application fee required with an application to transfer credits shall be One Hundred Forty-five Dollars (\$145.00).

### **10:15-27-6. Out of state candidates [REVOKED]**

### **10:15-27-7. Reciprocal application [REVOKED]**

#### **10:15-27-7.1. Substantial equivalence [REVOKED]**

#### **10:15-27-7.2. Reciprocal application**

Each reciprocal application shall be accompanied by an administrative fee of One Hundred Forty-five Dollars (\$145.00).

### **10:15-27-8. Registration**

(a) The annual registration fee for an individual renewing the certificate or license will be Seventy-five Dollars (\$75.00), or Fifty Dollars (\$50.00) for registrants age sixty-five (65) or older, and is due by the last day of the registrant's birth month.

(1) In addition to the registration fee there shall be a fee for registering after the last day of the individuals' birth months, but within twelve (12) months after the lapse date of the certificate or license, of Seventy-five Dollars

## OKLAHOMA ADMINISTRATIVE CODE

(\$75.00) or for an individual who has reached the age of sixty-five (65), the fee shall be Fifty Dollars (\$50.00).

(2) In addition to the registration fee, there shall be a fee for registering later than twelve (12) months following the lapse date of the certificate or license, of One Hundred Twenty-five Dollars (\$125.00) or for an individual who has reached the age of sixty-five (65), the fee shall be Seventy-five Dollars (\$75.00).

(b) The registration fee for a firm, except a sole proprietorship, of certified public accountants or public accountants shall be Seventy-five Dollars (\$75.00) per year.

### **10:15-27-9. Permit**

(a) The fee for an individual permit which is not a renewal permit shall be One Hundred Twenty-five Dollars (\$125.00).

(b) The fee to renew an individual permit shall be One Hundred Twenty-five Dollars (\$125.00) which will be renewable by the last day of the individuals' birth months.

(c) A fee of One Hundred Twenty-five Dollars (\$125.00) shall be paid at the time a firm, except a sole proprietorship, which provides public accounting services to Oklahoma clients applies for a permit.

### **10:15-27-9.1. Proration of fees for transition to birth month renewals [REVOKED]**

### **10:15-27-10. Reinstatement**

The application fee required with an application for reinstatement within the first year of the revocation or cancelled date shall be One Hundred Twenty-five Dollars (\$125.00). The fee required with an application for reinstatement after a year from the revocation or cancelled date shall be equal to the accumulated

## OKLAHOMA ADMINISTRATIVE CODE

registration and permit fees the individual would have paid had the individual been registered during the cancelled or revoked period, not to exceed Five Thousand Dollars (\$5,000.00). The fee shall be calculated using the registration and permit fee amounts in place in the year of reinstatement. In the event that a reinstatement application is rejected by the Board, the applicant shall receive a refund of any reinstatement fee paid over the amount of One Hundred Twenty-five Dollars (\$125.00).

### **10:15-27-11. Duplicate certificate or license**

There shall be a fee of One Hundred Fifty Dollars (\$150.00) for a duplicate certificate or license except for changes of name or the physical destruction or mutilation of a certificate, for which the fee shall be Ten Dollars (\$10.00).

### **10:15-27-12. Copies**

(a) There shall be a charge of Twenty-Five Cents (\$.25) per page for copies of records of the Board, except that a single copy of a final order from an administrative hearing or a consent order may be furnished at no charge in response to a request from a member of the public.

(b) In the event a request for copies is for a commercial purpose or would cause disruption of the performance of the regular duties of the Board or Board staff, there shall be an additional charge computed and assessed based on the cost of personnel necessary to accomplish the copying request.

### **10:15-27-13. Portal convenience fee [REVOKED]**

### **10:15-27-14. Peer review fee**

There shall be a peer review fee of One Hundred Twenty-five Dollars (\$125.00) for every modified, pass with deficiency,

## OKLAHOMA ADMINISTRATIVE CODE

fail, or report which requires follow up filed with the Board.

### **10:15-27-15. Fee waiver for low-income individual**

Upon presentation of satisfactory evidence that an applicant is a low-income individual, the Board shall grant a one-time one-year waiver of any fees associated with the license or certificate. This waiver shall not include fees charged by NASBA, AICPA, Prometric, or any other outside organization, nor shall it include any fines or costs assessed as a result of any disciplinary action. For purposes of this section, a “low-income individual” means an individual who is enrolled in a state or federal public assistance program, including but not limited to, the Temporary Assistance for Needy Families, Medicaid or the Supplemental Nutrition Assistance Program, or whose household adjusted gross income is below one hundred forty percent (140%) of the federal poverty line or a higher threshold to be set by the executive branch department that oversees business regulation.

### **10:15-27-16. Initial determination of eligibility**

Each request for an initial determination of eligibility due to criminal history record shall be accompanied by an administrative fee of Ninety-Five Dollars (\$95.00).

## **SUBCHAPTER 29. CONTINUING PROFESSIONAL EDUCATION [REVOKED]**

### **Section**

- 10:15-29-1. Continuing professional education compliance period [REVOKED]
- 10:15-29-1.1. Burden of proof [REVOKED]
- 10:15-29-2. CPE transition provisions for renewal of permit [REVOKED]

## OKLAHOMA ADMINISTRATIVE CODE

- 10:15-29-3. CPE compliance period for new CPAs and PAs  
[REVOKED]
- 10:15-29-4. Required CPE for issuance of a permit  
[REVOKED]
- 10:15-29-5. Reciprocity [REVOKED]
- 10:15-29-6. Reporting and documentation by registrants  
[REVOKED]
- 10:15-29-7. Qualifying subjects [REVOKED]
- 10:15-29-8. Verification [REVOKED]
- 10:15-29-9. Penalties for noncompliance with the CPE  
requirement [REVOKED]
- 10:15-29-10. Exceptions [REVOKED]

### SUBCHAPTER 30. CONTINUING PROFESSIONAL EDUCATION

#### Section

- 10:15-30-1. Burden of proof
- 10:15-30-2. Required CPE for issuance of an original permit
- 10:15-30-3. Required CPE for issuance of a lapsed permit
- 10:15-30-4. Required CPE for renewal of a permit
- 10:15-30-5. Reporting and documentation by certificate and  
license holders
- 10:15-30-6. Verification of CPE credit
- 10:15-30-7. Penalties to certificate and license holders for  
noncompliance with the CPE requirement
- 10:15-30-8. Exceptions to CPE reporting requirements
- 10:15-30-9. Re-entering active status

#### **10:15-30-1. Burden of proof**

The burden of proof rests solely upon certificate and license holders to demonstrate to the satisfaction of the Board, in

## OKLAHOMA ADMINISTRATIVE CODE

accordance with the Oklahoma Accountancy Act, their CPE exempt status or that all continuing education courses reported meet all the requirements as to content and subject matter related to the profession as provided in subchapter 32 of this Code.

### **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:

- (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

## OKLAHOMA ADMINISTRATIVE CODE

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:

- (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.

### **10:15-30-4. Required CPE for renewal of a permit**

Certificate and license holders renewing their current permit to practice public accounting must comply with the provisions of 10:15-30-5.

### **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

## OKLAHOMA ADMINISTRATIVE CODE

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:

## OKLAHOMA ADMINISTRATIVE CODE

- (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.

### **10:15-30-6. Verification of CPE credit or exemption**

(a) The Board may periodically conduct verification of certificate and license holders' compliance with CPE requirements or their eligibility to claim an exemption to the CPE requirements.

(b) Such verification shall be conducted by requesting the certificate or license holder to submit to the Board the documentation and evidence required to be retained by the certificate or license holder.

## OKLAHOMA ADMINISTRATIVE CODE

(c) If a CPE course is not accepted for credit, the certificate or license holder will be notified and the Board may grant a period of time for the certificate or license holder to correct the deficiency.

(d) In order to determine compliance with the CPE standards, the Board may inspect the records of CPE program sponsors and CPE program developers.

(e) Certificate and license holders shall automatically be included in the subsequent verification of CPE in any of the following instances:

(1) If the certificate or license holder failed to satisfactorily comply with CPE requirements as determined by the Board;

(2) if a certificate or license holder has been the subject of an enforcement action by the Board during the preceding credit verification.

(f) Registrants are required to substantiate credit reported to the Board, regardless of whether the registrant continues to be required to hold a permit.

(g) Current valid credit may be substituted for disallowed credit if offered to the Board by the registrant within sixty (60) days, or a number of days as determined by the Board, following notification of a credit deficiency.

(h) Before enforcement action is taken as the result of a CPE audit deficiency, the Board will issue a second request for documents and allow sixty (60) days, or a number of days as determined by the Board, for compliance with the request.

### **10:15-30-7. Penalties to certificate and license holders for noncompliance with the CPE requirement**

Failure by a certificate or license holder to document CPE credits shall constitute a cause for disciplinary action pursuant to the provisions of the Oklahoma Accountancy Act.

## OKLAHOMA ADMINISTRATIVE CODE

### **10:15-30-8. Exceptions to CPE reporting requirements**

All certificate and license holders must comply with CPE reporting requirements unless exempted below.

(1) The Board exempts from the requirements of CPE the following classifications:

(A) Retired certificate or license holders who are no longer employed or practicing public accounting;

(B) Certificate or license holders who are on active military service;

(C) Disabled certificate or license holders who are no longer employed or practicing public accounting due to medical circumstances;

(D) Certificate or license holders who are (A) not employed due to circumstances other than retirement, military service or disability or (B) certificate or license holders employed but not performing any services associated with accounting work. For purposes of this section, the term "associated with accounting work" shall include but is not limited to the following:

(i) working or supervising work performed in the areas of financial accounting and reporting; tax compliance, planning or advice; management advisory services; accounting information systems; treasury, finance or audit or preparing personal financial statements or investment plans; or

(ii) representing to the public, including an employer, that the registrant is a CPA or PA in connection with the performance or

## OKLAHOMA ADMINISTRATIVE CODE

sale of any services or products involving accounting work, including such designation on a business card, letterhead, promotional brochure, advertisement, office, website or any electronic media.

(E) Certificate or license holders who reside and are registered as a CPA or PA in another state, who do not serve Oklahoma clients, and who demonstrate compliance with the resident state's CPE requirements. Registrants whose state of residence does not have a CPE requirement shall comply with Oklahoma CPE reporting requirements.

(F) Other good cause as determined by the Board on an individual basis.

(2) In order to be granted an exemption based on 10:15-30-8(1) above, certificate and license holders must request an exemption each year in a format prescribed by the Board as required in 10:15-30-5(b). An exemption may be denied at any time if it is determined that the certificate or license holder was not eligible for the exemption claimed.

(3) In order for an exemption to be granted under 10:15-30-8(1) above, the Board may require the following affidavits:

(A) The registrant completes and forwards to the Board a sworn affidavit indicating that the registrant will not be associated with accounting work during the period for which the exemption is requested. A registrant who has been granted this exemption and who re-enters the work force shall be required to comply with 10:15-30-9; and

(B) The registrant forwards to the Board a sworn

## OKLAHOMA ADMINISTRATIVE CODE

affidavit from the employer or organization indicating no association with accounting work. The affidavit shall include, as a minimum, a brief description of the duties performed, job title, and verification by the registrant's immediate supervisor that there is no reliance on the registrant's expertise as a CPA or PA.

(C) The registrant completes and forwards to the Board a sworn affidavit indicating that the registrant resides out of state, is registered as a CPA or PA in that state, is not serving Oklahoma clients, and is compliant with the resident state's CPE requirement.

(4) The Executive Director or his/her designee may grant extensions or exemptions for good cause on a case by case basis, and a report of such actions shall be provided to the Board.

(5) A certificate or license holder exempt from the requirement of CPE by reason of retirement or inactive status must indicate "retired" or "inactive" if they use their "CPA" or "PA" designation in any manner.

### **10:15-30-9. Re-Entering Active Status**

An inactive status registrant upon return to active status must comply with CPE requirements as follows:

(1) The rolling three (3) calendar year CPE cycle of a registrant returning to active status shall begin January 1 of the year in which the registrant returns to active status. Forty (40) hours of the CPE credit reported to meet the requirements to return to active status will be counted toward the three (3)-year CPE cycle for the calendar year in which it is earned if the credit is earned:

## OKLAHOMA ADMINISTRATIVE CODE

(A) within the calendar year the registrant returns to active status, or

(B) within one year of the date the registrant returns to active status.

(2) For each calendar year in which the registrant claimed an exemption or failed to report CPE pursuant to the CPE requirement, the registrant must complete forty (40) hours of CPE.

(3) The maximum number of CPE hours required to return to active status shall be one hundred twenty (120) hours, including at least four (4) hours of professional ethics.

(4) If the number of CPE hours required to return to active status is fewer than one hundred twenty (120), two (2) hours of professional ethics must be included.

(5) The registrant may claim any CPE hours earned while on inactive status during the preceding rolling three (3) calendar year period.

(6) A registrant who immediately gives written notice to the Board upon changing to active status may be granted the following time periods in which to complete the CPE required by this section:

(A) Sixty (60) days from the date of the return to active status for registrants needing forty (40) or fewer hours of CPE; and

(B) One year from the date of the return to active status for any additional CPE above the (40) hours described in (A) above.

(7) A registrant must document, in a format prescribed by the Board, all qualified CPE required by this rule.

(8) At its discretion, the Board may modify the requirements of this rule for good cause on a case by case

## OKLAHOMA ADMINISTRATIVE CODE

basis.

### **SUBCHAPTER 31. STANDARDS FOR CONTINUING PROFESSIONAL EDUCATION [REVOKED]**

#### **Section**

- 10:15-31-1. General standards for structured CPE [REVOKED]
- 10:15-31-2. Standards for structured CPE program development [REVOKED]
- 10:15-31-3. Standards for structured CPE program presentation [REVOKED]
- 10:15-31-4. Standards for structured CPE program measurement [REVOKED]
- 10:15-31-5. Standards for structured CPE program reporting by participant [REVOKED]
- 10:15-31-6. Documentation and record-keeping standards for CPE sponsors [REVOKED]

### **SUBCHAPTER 32. STANDARDS FOR CONTINUING PROFESSIONAL EDUCATION (CPE) PROGRAMS**

#### **Section**

- 10:15-32-1. Standards for certificate and license holders
- 10:15-32-2. Standards for CPE program sponsors
- 10:15-32-3. Standards for CPE program development
- 10:15-32-4. Standards for CPE program presentation
- 10:15-32-5. Standards for CPE program measurement
- 10:15-32-6. Standards for CPE program reporting

#### **10:15-32-1. Standards for certificate and license holders**

- (a) All certificate and license holders should participate in

## OKLAHOMA ADMINISTRATIVE CODE

learning activities that maintain and/or improve their professional competence.

(1) Selection of learning activities should be a thoughtful, reflective process addressing the individual registrant's current and future professional plans, current knowledge and skills level, and desired or needed additional competence to meet future opportunities and/or professional responsibilities.

(2) Registrants' fields of employment do not limit the need for CPE. Those performing professional services need to have a broad range of knowledge, skills, and abilities. Thus, the concept of professional competence should be interpreted broadly. Accordingly, acceptable continuing education encompasses programs contributing to the development and maintenance of both technical and non-technical professional skills.

(3) Acceptable subjects include accounting, assurance/auditing, consulting services, specialized knowledge and applications, management, taxation, and ethics. Other subjects, including personal development, may also be acceptable if they maintain and/or improve the registrant's professional competence.

(4) To help guide their professional development, registrants may find it useful to develop a learning plan. The learning plan can be used to evaluate learning and professional competence development. It should be reviewed periodically and modified as professional competence needs change.

(b) Certificate and license holders should comply with all applicable CPE requirements and should claim CPE credit only for CPE programs when the CPE program sponsors have complied with the Standards for CPE Program Presentation and Standards

## OKLAHOMA ADMINISTRATIVE CODE

for CPE Program Reporting.

(1) Certificate and license holders are responsible for compliance with all applicable CPE requirements, rules, and regulations of state licensing bodies, other governmental entities, membership associations, and other professional organizations or bodies. They should contact each appropriate entity to which they report to determine its specific requirements or any exceptions it may have to the standards presented herein.

(2) Periodically, registrants participate in learning activities which do not comply with all applicable CPE requirements, for example specialized industry programs offered through industry sponsors. If registrants propose to claim credit for such learning activities, they should retain all relevant information regarding the program to provide documentation to state licensing bodies and/or all other professional organizations or bodies that the learning activity is equivalent to one which meets all these Standards.

(c) Registrants are responsible for accurate reporting of the appropriate number of CPE credits earned and should retain appropriate documentation of their participation in learning activities, including:

(1) name and contact information of CPE program sponsor;

(2) title and description of content;

(3) date(s) of program; and

(4) number of CPE credits, all of which should be included in documentation provided by the CPE program sponsor.

(d) To protect the public interest, regulators require CPAs and PAs to document maintenance and enhancement of professional

## OKLAHOMA ADMINISTRATIVE CODE

competence through periodic reporting of CPE. For convenience, measurement is expressed in CPE credits. However, the objective of CPE must always be maintenance/enhancement of professional competence, not attainment of credits. Compliance with regulatory and other requirements mandates that registrants keep documentation of their participation in activities designed to maintain and/or improve professional competence. In the absence of legal or other requirements, a reasonable policy is to retain documentation for a minimum of five years from the end of the year in which the learning activities were completed.

(e) Participants must document their claims of CPE credit.

Examples of acceptable evidence of completion include:

- (1) For group and independent study programs, a certificate or other verification supplied by the CPE program sponsor;
- (2) For self-study programs, a certificate supplied by the CPE program sponsor after satisfactory completion of an examination;
- (3) For instruction credit, a certificate or other verification supplied by the CPE program sponsor;
- (4) For a university or college course that is successfully completed for credit, a record or transcript of the grade the participant received;
- (5) For university or college non-credit courses, a certificate of attendance issued by a representative of the university or college; and
- (6) For published articles, books, or CPE programs, (1) a copy of the publication (or in the case of a CPE program, course development documentation) that names the writer as author or contributor, (2) a statement from the writer in a format prescribed by the Board supporting the number of CPE hours claimed, and (3) the name and contact

## OKLAHOMA ADMINISTRATIVE CODE

information of the independent reviewer(s) or publisher.

(f) Individuals who complete sponsored learning activities that maintain or improve their professional competence should claim the CPE credits recommended by CPE program sponsors.

(g) Registrants may participate in a variety of sponsored learning activities, such as workshops, seminars and conferences, self-study courses, Internet-based programs, and independent study. While CPE program sponsors determine credits, CPAs should claim credit only for activities through which they maintained or improved their professional competence. CPAs who participate in only part of a program should claim CPE credit only for the portion they attended or completed.

(h) Registrants may engage in independent study under the direction of a CPE program sponsor who has met the applicable standards for CPE program sponsors when the subject matter and level of study maintain or improve their professional competence.

(i) Independent study is an educational process designed to permit a participant to learn a given subject under the guidance of a CPE program sponsor one-on-one. Participants in an independent study program should:

(1) Enter into a written learning contract with a CPE program sponsor who must comply with the applicable standards for CPE program sponsors.

(2) Accept the written recommendation of the CPE program sponsor as to the number of credits to be earned upon successful completion of the proposed learning activities. CPE credits will be awarded only if:

(A) All the requirements of the independent study as outlined in the learning contract are met;

(B) The CPE program sponsor reviews and signs the participant's report;

## OKLAHOMA ADMINISTRATIVE CODE

- (C) The CPE program sponsor reports to the participant the actual credits earned; and
  - (D) The CPE program sponsor provides the participant with contact information.
- (3) Retain the necessary documentation to satisfy regulatory requirements as to the content, inputs, and outcomes of the independent study.
- (4) Complete the program of independent study in 15 weeks or less.
- (j) The credits to be recommended by an independent study CPE program sponsor should be agreed upon in advance and should be equated to the effort expended to improve professional competence. The credits cannot exceed the time devoted to the learning activities and may be less than the actual time involved.

### **10:15-32-2. Standards for CPE Program Sponsors**

- (a) CPE program sponsors are responsible for compliance with all applicable standards and other CPE requirements.
- (b) CPE program sponsors may have to meet specific CPE requirements of state licensing bodies, other governmental entities, membership associations, and/or other professional organizations or bodies. Professional guidance for CPE program sponsors is available from the AICPA and NASBA; state-specific guidance is available from the state boards of accountancy. CPE program sponsors should contact the appropriate entity to determine requirements.
- (c) Self-study courses considered for CPE credit must be:
  - (1) offered by sponsors registered with NASBA; or
  - (2) courses offered by the AICPA or other such organizations as determined by the Board.

## OKLAHOMA ADMINISTRATIVE CODE

### **10:15-32-3. Standards for CPE Program Development**

(a) Sponsored learning activities must be based on relevant learning objectives and outcomes that clearly articulate the knowledge, skills, and abilities that can be achieved by participants in the learning activities. Learning activities provided by CPE program sponsors for the benefit of CPAs should specify the level, content, and learning objectives so that potential participants can determine if the learning activities are appropriate to their professional competence development needs. Levels include, for example, basic, intermediate, advanced, update, and overview.

(b) CPE program sponsors should develop and execute learning activities in a manner consistent with the prerequisite education, experience, and/or advance preparation of participants. To the extent it is possible to do so, CPE program sponsors should make every attempt to equate program content and level with the backgrounds of intended participants. All programs must clearly identify prerequisite education, experience, and/or advance preparation, if any, in precise language so that potential participants can readily ascertain whether they qualify for the program.

(c) CPE program sponsors must use activities, materials, and delivery systems that are current, technically accurate, and effectively designed. CPE program sponsors must be qualified in the subject matter.

(1) To best facilitate the learning process, sponsored programs and materials must be prepared, presented and updated timely. Learning activities must be developed by individuals or teams having expertise in the subject matter. Expertise may be demonstrated through practical experience or education.

(2) CPE program sponsors must review the course

## OKLAHOMA ADMINISTRATIVE CODE

materials periodically to assure that they are accurate and consistent with currently accepted standards relating to the program's subject matter.

(d) CPE program sponsors of group and self-study programs must ensure learning activities are reviewed by qualified persons other than those who developed them to assure that the program is technically accurate and current and addresses the stated learning objectives. These reviews must occur before the first presentation of these materials and again after each significant revision of the CPE programs. Individuals or teams qualified in the subject matter must review programs. When it is impractical to review certain programs in advance, such as lectures given only once, greater reliance should be placed on the recognized professional competence of the instructors or presenters. Using independent reviewing organizations familiar with these standards may enhance quality assurance.

(e) CPE program sponsors of independent study learning activities must be qualified in the subject matter. A CPE program sponsor of independent study learning activities must have expertise in the specific subject area related to the independent study. The CPE program sponsor must also:

(1) Review, evaluate, approve and sign the proposed independent study learning contract, including agreeing in advance on the number of credits to be recommended upon successful completion.

(2) Review and sign the written report developed by the participant in independent study.

(3) Retain the necessary documentation to satisfy regulatory requirements as to the content, inputs, and outcomes of the independent study.

(f) Self-study programs must employ learning methodologies that clearly define learning objectives, guide the participant

## OKLAHOMA ADMINISTRATIVE CODE

through the learning process, and provide evidence of a participant's satisfactory completion of the program.

(1) To guide participants through a learning process, CPE program sponsors of self-study programs must elicit participant responses to test for understanding of the material, offer evaluative feedback to incorrect responses, and provide reinforcement feedback to correct responses. To provide evidence of satisfactory completion of the course, CPE program sponsors of self-study programs must require participants to successfully complete a final examination with a minimum-passing grade of at least 70 percent before issuing CPE credit for the course. Examinations may contain questions of varying format, (for example, multiple-choice, essay and simulations.) If objective type questions are used, at least five questions per CPE credit must be included on the final examination. For example, the final examination for a five-credit course must include at least 25 questions.

(2) Self-study programs must be based on materials specifically developed for instructional use. Self-study programs requiring only the reading of general professional literature, IRS publications, or reference manuals followed by a test will not be acceptable. However, the use of the publications and reference materials in self-study programs as supplements to the instructional materials could qualify if the self-study program complies with each of the CPE standards.

### **10:15-32-4. Standards for CPE Program Presentation**

(a) CPE program sponsors must provide descriptive materials that enable registrants to assess the appropriateness of learning activities. To accomplish this, CPE program sponsors must inform

## OKLAHOMA ADMINISTRATIVE CODE

participants in advance of learning objectives, prerequisites, program level, program content, advance preparation, instructional delivery methods, recommended CPE credit, and course registration requirements.

(1) For potential participants to effectively plan their CPE, the program sponsor should disclose the significant features of the program in advance (e.g., through the use of brochures, Internet notices, invitations, direct mail, or other announcements). When CPE programs are offered in conjunction with non-educational activities, or when several CPE programs are offered concurrently, participants should receive an appropriate schedule of events indicating those components that are recommended for CPE credit. The CPE program sponsor's registration policies and procedures should be formalized, published, and made available to participants.

(2) CPE program sponsors should distribute program materials timely and encourage participants to complete any advance preparation requirements. All programs should clearly identify prerequisite education, experience, and/or advance preparation requirements, if any, in the descriptive materials. Prerequisites should be written in precise language so that potential participants can readily ascertain whether they qualify for the program.

(b) CPE program sponsors must ensure instructors are qualified with respect to both program content and instructional methods used.

(1) Instructors are key ingredients in the learning process for any group program. Therefore, it is imperative that CPE program sponsors exercise great care in selecting qualified instructors for all group programs. Qualified instructors are those who are capable, through training, education, or

## OKLAHOMA ADMINISTRATIVE CODE

experience of communicating effectively and providing an environment conducive to learning. They should be competent and current in the subject matter, skilled in the use of the appropriate instructional methods and technology, and prepared in advance.

(2) CPE program sponsors should evaluate the instructor's performance at the conclusion of each program to determine the instructor's suitability to serve in the future.

(c) CPE program sponsors must employ an effective means for evaluating learning activity quality with respect to content and presentation, as well as provide a mechanism for participants to assess whether learning objectives were met.

(1) The objectives of evaluation are to assess participant satisfaction with specific programs and to increase subsequent program effectiveness. Evaluations, whether written or electronic, should be solicited from participants and instructors for each program session, including self-study, to determine, among other things, whether:

- (A) Stated learning objectives were met;
- (B) If applicable, prerequisite requirements were appropriate;
- (C) Program materials were accurate;
- (D) Program materials were relevant and contributed to the achievement of the learning objectives;
- (E) Time allotted to the learning activity was appropriate;
- (F) If applicable, individual instructors were effective;
- (G) Facilities and/or technological equipment was appropriate;

## OKLAHOMA ADMINISTRATIVE CODE

(H) Handout or advance preparation materials were satisfactory; or

(I) Audio and video materials were effective.

(2) CPE program sponsors should periodically review evaluation results to assess program effectiveness and should inform developers and instructors of evaluation results.

(d) CPE program sponsors must ensure instructional methods employed are appropriate for the learning activities. Learning activities should be presented in a manner consistent with the descriptive and technical materials provided.

(1) CPE program sponsors should evaluate the instructional methods employed for the learning activities to determine if the delivery is appropriate and effective. Integral aspects in the learning environment that should be carefully monitored include the number of participants and the facilities and technologies employed in the delivery of the learning activity.

(2) CPE program sponsors are expected to present learning activities that comply with course descriptions and objectives. Appropriate supplemental materials may also be used.

### **10:15-32-5. Standards for CPE program measurement**

(a) Sponsored learning activities are measured by program length, with one 50-minute period equal to one CPE credit. One-half CPE credit increments (equal to 25 minutes) are permitted after the first credit has been earned in a given learning activity.

(1) For learning activities in which individual segments are less than 50 minutes, the sum of the segments should be considered one total program. For example, five 30-minute presentations would equal 150 minutes and should be

## OKLAHOMA ADMINISTRATIVE CODE

counted as three CPE credits. When the total minutes of a sponsored learning activity are greater than 50, but not equally divisible by 50, the CPE credits granted should be rounded down to the nearest one-half credit. Thus, learning activities with segments totaling 140 minutes should be granted two and one-half CPE credits.

(2) While it is the participant's responsibility to report the appropriate number of credits earned, CPE program sponsors must monitor group learning activities to assign the correct number of CPE credits.

(3) For university or college credit courses that meet these CPE Standards, each unit of college credit shall equal the following CPE credits:

(A) Semester System 15 credits; and

(B) Quarter System 10 credits;

(4) For university or college non-credit courses that meet these CPE standards, CPE credits shall be awarded only for the actual classroom time spent in the non-credit course.

(5) Credit is not granted to participants for preparation time.

(6) Only the portions of committee or staff meetings that are designed as programs of learning and comply with these standards qualify for CPE credit.

(b) CPE credit for self-study learning activities must be based on a pilot test of the average completion time. A sample of intended professional participants should be selected to test program materials in an environment and manner similar to that in which the program is to be presented. The sample group of at least three individuals must be independent of the program development group and possess the appropriate level of knowledge before taking the program. The sample does not have to ensure statistical

## OKLAHOMA ADMINISTRATIVE CODE

validity. CPE credits should be recommended based on the average completion time for the sample. If substantive changes are subsequently made to program materials further pilot tests of the revised program materials should be conducted to affirm or amend, as appropriate, the average completion time. Self-study courses considered for CPE credit must be:

- (1) offered by sponsors registered with NASBA; or
- (2) courses offered by the AICPA or other such organizations as determined by the Board.

(c) Instructors or discussion leaders of learning activities should receive CPE credit for both their preparation and presentation time to the extent the activities maintain or improve their professional competence and meet the requirements of these CPE standards.

(1) Instructors, discussion leaders, or speakers who present a learning activity for the first time should receive CPE credit for actual preparation time up to two times the number of CPE credits to which participants would be entitled, in addition to the time for presentation.

(2) Instructors of university or college courses can claim a maximum of fifteen (15) CPE credits per college credit hour taught to the extent the preparation required for the course maintains or improves their professional competence.

(3) For repeat presentations, CPE credit as provided in (1) and (2) above can be claimed only if it can be demonstrated that the learning activity content was substantially changed and such change required significant additional study or research.

(d) Writers of published articles, books, or CPE programs should receive CPE credit for their research and writing time to the extent it maintains or improves their professional competence. CPE credit from this activity shall be limited to 10 CPE credits per calendar year and will be determined by the Board on a case by

## OKLAHOMA ADMINISTRATIVE CODE

case basis. Writing articles, books, or CPE programs for publication is a structured activity that involves a process of learning. CPE credits should be claimed only upon publication.

(e) CPE credits recommended by a CPE program sponsor of independent study must not exceed the time the participant devoted to complete the learning activities specified in the learning contract. The credits to be recommended by an independent study CPE program sponsor should be agreed upon in advance and should be equated to the effort expended to improve professional competence. The credits cannot exceed the time devoted to the learning activities and may be less than the actual time involved.

### **10:15-32-6. Standards for CPE Program Reporting**

(a) CPE program sponsors must provide program participants with documentation of their participation, which includes the following:

- (1) CPE program sponsor name and contact information;
- (2) Participant's name;
- (3) Course title;
- (4) Course field of study;
- (5) Date offered or completed;
- (6) Type of instructional/delivery method used;
- (7) Amount of CPE credit recommended; and
- (8) Verification by CPE program sponsor representative.

(b) CPE program sponsors should provide participants with documentation to support their claims of CPE credit. Acceptable evidence of completion includes:

- (1) For group and independent study programs, a certificate or other verification supplied by the CPE program sponsor;
- (2) For self-study programs, a certificate supplied by the CPE program sponsor after satisfactory completion of an

## OKLAHOMA ADMINISTRATIVE CODE

examination;

(3) For instruction credit, a certificate or other verification supplied by the CPE program sponsor;

(4) For a university or college course that is successfully completed for credit, a record or transcript of the grade the participant received;

(5) For university or college non-credit courses, a certificate of attendance issued by a representative of the university or college; and

(6) For published articles, books, or CPE programs,

(A) A copy of the publication (or in the case of a CPE program, course development documentation) that names the writer as author or contributor; and

(B) A statement from the writer in a format prescribed by the Board supporting the number of CPE hours claimed.

(c) CPE program sponsors must retain adequate documentation for five years to support their compliance with these standards and the reports that may be required of participants.

(1) Evidence of compliance with responsibilities set forth under these Standards which is to be retained by CPE program sponsors includes, but is not limited to:

(A) Records of participation;

(B) Dates and locations;

(C) Instructor names and credentials;

(D) Number of CPE credits earned by participants; and

(E) Results of program evaluations.

(2) Information to be retained by developers includes copies of program materials, evidence that the program materials were developed and reviewed by qualified parties, and a record of how CPE credits were determined.

## OKLAHOMA ADMINISTRATIVE CODE

(3) For CPE program sponsors offering self-study programs, appropriate pilot test records must be retained regarding the following:

- (A) When the pilot test was conducted;
- (B) The intended participant population;
- (C) How the sample was determined;
- (D) Names and profiles of sample participants; and
- (E) A summary of participants' actual completion time.

### SUBCHAPTER 33. PEER REVIEW

#### Section

- 10:15-33-1. Establishment of peer review program
- 10:15-33-2. Special definitions
- 10:15-33-3. Standards for peer reviews and sponsoring organizations
- 10:15-33-3.1. Standards for peer reviewers [REVOKED]
- 10:15-33-4. Enrollment and participation
- 10:15-33-5. Effect of successive modified/adverse reports
- 10:15-33-6. Reporting to the board
- 10:15-33-7. Peer review committee

#### **10:15-33-1. Establishment of peer review program**

(a) Pursuant to the Oklahoma Accountancy Act, §15.30, the Board establishes a peer review program to monitor firms' compliance with applicable accounting and auditing standards adopted by generally recognized standard-setting bodies. The program shall emphasize education, including appropriate remedial procedures, which may be recommended or required when financial statement reports do not comply with professional standards. In the event a firm does not comply with established professional standards, or a firm's professional work is so

## OKLAHOMA ADMINISTRATIVE CODE

inadequate as to warrant disciplinary action, the Board shall take appropriate action to protect the public interest.

(b) This subchapter shall not require any firm to become a member of any sponsoring organization.

### **10:15-33-2. Special definitions**

The following words and terms used in this subchapter shall have the following meanings, unless the context clearly indicates otherwise.

**"Deficiency"** in a system review means one or more findings that the peer reviewer has concluded that due to the nature, causes, pattern, or pervasiveness, including the relative importance of the finding to the reviewed firm's system of quality control taken as a whole, could create a situation in which the firm would not have reasonable assurance of performing and/or reporting in conformity with applicable professional standards in one or more important respects. It is not a significant deficiency if the peer reviewer has concluded that except for the deficiency or deficiencies, the reviewed firm has reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects.

**"Deficiency"** in an engagement review is one or more findings that the review captain concludes are material to the understanding of the financial statements or information and/or related accountant's reports or that represent omission of a critical procedure, including documentation, required by applicable professional standards. When the review captain concludes that deficiencies are not evident on all of the engagements submitted for review, or when the exact same deficiency occurs on each of the engagements submitted for review and there are no other deficiencies, such deficiencies are communicated in a report with a peer review rating of *pass with deficiencies*.

## OKLAHOMA ADMINISTRATIVE CODE

**"Deficient report"** means any report which is pass with deficiencies or fail.

**"Engagement Review"** means a peer review where the peer reviewer evaluates and reports on whether engagements submitted for review by the practice unit are performed and reported on in conformity with applicable professional standards in all material respects.

**"Fail"** on a system review (audit is highest level of service) means significant deficiencies have been identified and the firm's system of quality control is not suitably designed to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects or the firm has not complied with its system of quality control to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Fail on an engagement review means the engagements submitted for review were not performed and/or reported in conformity with applicable professional standards in all material respects. A fail report with deficiencies related specifically to compilations would not be considered deficient for the purposes pursuant to these rules.

**"Pass"** on a system review means the reviewed firm's system of quality control for the accounting and auditing practice has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Pass on an engagement review means nothing came to the reviewer's attention that the engagements submitted for review were not performed and reported in conformity with applicable professional standards in all material respects.

**"Pass with deficiencies"** on a system review means the design of the firm's system of quality control for the accounting

## OKLAHOMA ADMINISTRATIVE CODE

and auditing practice has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects with the exception of a certain deficiency or deficiencies that are described in the report. Pass with deficiencies on an engagement review means that nothing came to the attention of the reviewer that caused him/her to believe that the engagements submitted for review were not performed and reported on in conformity with applicable professional standards in all material respects except for the deficiencies that are described in the report. A pass with deficiencies report with deficiencies related specifically to compilations would not be considered deficient for the purposes pursuant to these rules.

**"Peer review due date"** must be a date within six (6) months after the peer review year end, plus any extensions granted by the sponsoring organization or the Board.

**"Peer review program"** means a board-approved study, appraisal, or review of one or more aspects of the attest or compilation work of a permittee or licensee of a registered firm in the practice of public accounting, by a person or persons who hold licenses in this or another jurisdiction and who are not affiliated with the person or firm being reviewed.

**"Peer review year end"** means the year end as determined by the firm and its reviewer.

**"Performance of services"** is deemed to start when an engagement letter is signed or agreement reached.

**"Review year"** means the peer review covers a one-year (twelve-month) period. Engagements selected for peer review normally would have periods ending during the year under peer review.

**"Significant deficiency"** in a system review means one or more deficiencies that the peer reviewer has concluded results

## OKLAHOMA ADMINISTRATIVE CODE

from a condition in the reviewed firm's system of quality control or compliance with it such that the reviewed firm's system of quality control taken as a whole does not provide the reviewed firm with reasonable assurance of performing and/or reporting in conformity with applicable professional standards in all material respects.

**"Significant deficiency"** in an engagement review means the review captain concludes that all engagements submitted for review were not performed and/or reported on in conformity with applicable professional standards in all material respects. The exception is when more than one engagement has been submitted for review, the exact same deficiency occurs on each of those engagements, and there are no other deficiencies, which ordinarily would result in a report with a peer review rating of *pass with deficiencies*.

**"Sponsoring organization"** means a Board-approved professional society, or other organization responsible for the facilitation and administration of peer reviews through use of its peer review program and peer review standards. The Board shall periodically publish a list of sponsoring organizations, which have been approved by the Board.

**"System Review"** means a peer review intended to provide the peer reviewer with a reasonable basis for expressing an opinion on whether, during the year under review: a) the reviewed practice unit's system of quality control for its accounting and auditing practice has been designed in accordance with quality control standards and b) the reviewed practice unit's quality control policies and procedures were being complied with to provide the practice unit with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects.

## OKLAHOMA ADMINISTRATIVE CODE

### **10:15-33-3. Standards for peer reviews and sponsoring organizations**

(a) The Board adopts "Standards for Performing and Reporting on Peer Reviews" promulgated by the American Institute of Certified Public Accountants, as its minimum standards for peer review of registrants. The Board may approve standards promulgated by other qualifying sponsoring organizations.

(b) Qualified sponsoring organizations shall be any organization approved by the Board.

### **10:15-33-3.1 Standards for peer reviewers [REVOKED]**

### **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.

## OKLAHOMA ADMINISTRATIVE CODE

(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).

(e) 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

## OKLAHOMA ADMINISTRATIVE CODE

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.

### **10:15-33-5. Effect of consecutive deficient reports**

(a) Peer reviews for a firm, including a succeeding firm which receives two (2) consecutive pass with deficiencies reports and/or one (1) fail report, may be required by the Board or its designee to have an accelerated peer review. The year-end and due date of such peer review is to be determined by the Board giving consideration of the time required for the firm to implement remedial actions.

(b) If the accelerated review required by subsection (a) above results in a deficient report:

(1) The firm may complete any service requiring a peer review for which field work has already begun only if:

(A) Prior to issuance of any report, the engagement is reviewed and approved by a third party reviewer acceptable to the Board or its designee; and

(B) The engagement is completed within ninety (90) days of the acceptance of the peer review report, and letter of response (when applicable) by the sponsoring organization;

(2) The firm shall be referred to the Vice Chair of the Board for enforcement investigation.

(3) A firm may petition the Board for a waiver from the provisions of this rule.

### **10:15-33-6. Reporting to the board**

(a) Any report or document required to be submitted under this subsection shall be made available to the Board by a secure

## OKLAHOMA ADMINISTRATIVE CODE

website or other secure means unless the sponsoring organization does not have access to a secure website or other secure means. In such case the report may be directly submitted by the firm.

(b) Any report or document required to be submitted under this subsection shall be filed with the Board within thirty (30) days of receipt from the sponsoring organization. Such report shall contain:

(1) A copy of the report and the final letter of acceptance from the sponsoring organization, if such report is pass; or

(2) A copy of the report, letter of response, the signed agreement to the conditional letter of acceptance, and final letter of acceptance when corrective actions are complete if the report is pass with deficiencies or fail.

(3) A copy of the Public Company Accounting Oversight Board (PCAOB) report, if applicable.

(c) Any document submitted to the Board under this subsection is confidential pursuant to the Act.

### **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.

## OKLAHOMA ADMINISTRATIVE CODE

(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 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

## OKLAHOMA ADMINISTRATIVE CODE

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

## OKLAHOMA ADMINISTRATIVE CODE

qualify the committee member no longer exist or by majority vote of the Board.

### SUBCHAPTER 35. REINSTATEMENT

#### Section

- 10:15-35-1. Application for reinstatement
- 10:15-35-2. Evaluation of applications for reinstatement
- 10:15-35-3. Reinstatement of reciprocal certificate or license  
[REVOKED]
- 10:15-35-4. Hearing on application for reinstatement
- 10:15-35-5. Duplicate certificate or license

#### **10:15-35-1. Application for reinstatement**

- (a) Upon application in a format prescribed by the Board an individual or firm may request reinstatement of a canceled, suspended, or revoked certificate or license.
- (b) 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;
- (c) In addition to the application fee the applicant shall pay the required registration fees and permit fee, if applicable, as well as all costs and fines assessed by the Board which remain unpaid at the date the application is filed.
- (d) Individuals applying for the reinstatement of a certificate or license must meet the requirements to return to active status in 10:15-30-9 if they will be providing any services associated with accounting work.
- (e) Individuals applying for the reinstatement of a certificate or license must show evidence of successful completion of the AICPA ethics examination or its equivalent as determined by the Board.

## OKLAHOMA ADMINISTRATIVE CODE

### **10:15-35-2. Evaluation of applications for reinstatement**

(a) Evaluation and approval of applications for reinstatement shall be performed by the Executive Director.

(b) Denial of applications failing to meet all applicable requirements for reinstatement shall be by the Board.

### **10:15-35-3. Reinstatement of reciprocal certificate or license [REVOKED]**

### **10:15-35-4. Hearing on application for reinstatement**

Upon request by the applicant or any other person, a public hearing may be scheduled before the Board regarding the reinstatement of a certificate or license.

### **10:15-35-5. Duplicate certificate or license**

A duplicate certificate or license will be issued upon payment of the appropriate fee, as provided by Code 10:15-27-11.

## **SUBCHAPTER 37. ENFORCEMENT PROCEDURES**

### **Section**

- 10:15-37-1. Enforcement committee
- 10:15-37-2. Investigation committee
- 10:15-37-3. Special prosecutors
- 10:15-37-4. Individual investigator
- 10:15-37-5. Filing of formal complaint
- 10:15-37-6. Formal proceedings
- 10:15-37-7. Discipline for violations by candidates
- 10:15-37-8. Violations by individuals who do not hold a certificate or license
- 10:15-37-9. Violations by certificate or license holders and

## OKLAHOMA ADMINISTRATIVE CODE

candidates

10:15-37-10. Investigation costs

10:15-37-11. Convictions and pleas

### **10:15-37-1. Enforcement committee**

(a) When a signed, written complaint or information from a published source comes to the Board, an individual member of the Board, the Executive Director, or to any member of the Board staff concerning alleged violations of the Oklahoma Accountancy Act or the rules of the Oklahoma Accountancy Board, the information shall be forwarded to the Enforcement Committee. The Enforcement Committee is comprised of the Vice Chairman and one (1) other member of the Board who is not an officer of the Board appointed by the Chairman to receive such information. The Vice Chairman of the Board shall serve as Chairman of the Enforcement Committee.

(b) The member(s) of the Board receiving the information may make appropriate inquiry to verify the information received. Upon completion of the preliminary inquiry, the Board member(s) may take one (1) or more of the following actions:

- (1) Terminate the investigation because it appears there has been no violation of the law or rules or there is insufficient evidence to support any allegation of a violation.
- (2) Attempt an informal resolution of the allegations of violations contained in the information received.
- (3) Refer the matter to the Investigation Committee.
- (4) Refer the matter to an individual investigator to obtain additional information.
- (5) Refer the information to a special prosecutor, or legal counsel for further action.
- (6) Hold the file in abeyance pending receipt of

## OKLAHOMA ADMINISTRATIVE CODE

information as a product of an investigation or hearing by another state or federal agency.

### **10:15-37-2. Investigation committee**

(a) The Board may appoint an Investigation Committee to conduct investigations of allegations of violations of the Oklahoma Accountancy Act or the rules of the Oklahoma Accountancy Board.

(b) The Investigation Committee shall consist of not less than three (3) nor more than nine (9) members who shall serve at the pleasure of the Board.

(1) Only individuals who are holders of permits shall be eligible to serve on the Investigation Committee.

(2) The members of the Investigation Committee shall elect one (1) of their members as Chairman who shall conduct the meetings of the Committee, administer its activities, and perform such other duties as are assigned by the Board.

(c) It shall be the duty of the Investigation Committee upon a request from the Enforcement Committee to investigate to determine whether there exists probable cause to believe that misconduct has occurred which justifies the institution of formal proceedings. The investigation shall be conducted in a timely manner.

(d) The Investigation Committee shall report to the Enforcement Committee the result of any investigation promptly upon its conclusion. Such report shall contain a summary of the evidence considered by the Committee including any material provided by the accused, the conclusions of fact and law of the Committee, and the recommendation of the Committee with respect to institution of formal proceedings.

(e) Before a final report adverse to the accused is made, the

## OKLAHOMA ADMINISTRATIVE CODE

Investigation Committee may notify the accused in writing of the allegations and allow the accused not less than ten (10) calendar days to reply in writing.

- (1) The accused shall not be entitled to a hearing before the Investigation Committee as a matter of right.
- (2) The accused may submit written material for consideration by the Investigation Committee which shall be included in the final report to the Enforcement Committee.

### **10:15-37-3. Special prosecutors**

- (a) The Board may employ lawyers licensed to practice law in Oklahoma to serve as Special Prosecutors in formal proceedings before the Board.
- (b) An individual serving as Special Prosecutor shall not serve as legal counsel to the Board in the same formal proceeding.
- (c) The Special Prosecutor may perform such other duties as are assigned by the Board.

### **10:15-37-4. Individual investigator**

- (a) The Enforcement Committee may assign an allegation of a violation to an individual investigator employed by the Board on a part time or full time basis.
- (b) An investigator may make use of the Investigation Committee but shall be in full charge of any investigation assigned by the Enforcement Committee, subject to the direction of the Board.

### **10:15-37-5. Filing of formal complaint**

- (a) All formal complaints shall be filed by the Enforcement Committee only with the agreement of the Special Prosecutor.
- (b) The Enforcement Committee and the Special Prosecutor

## OKLAHOMA ADMINISTRATIVE CODE

must concur. In the event they do not, the Vice Chairman will prepare a report for the Board and the Board will determine future action.

(c) The formal complaint shall be signed by the Special Prosecutor or the Vice Chairman.

(d) The formal complaint shall include a concise statement of the allegations and particular sections of the Oklahoma Accountancy Act and the rules implementing that Act which are involved.

### **10:15-37-6. Formal proceedings**

(a) The Chairman shall set a time and place for the hearing of the formal complaint, provided that such hearing shall be set not less than twenty (20) days from service of the complaint and notice of the proceeding to the accused at the last known address in the official records of the Board.

(b) Notice may be taken of judicially cognizable facts. In addition, notice may be taken of generally recognized technical or scientific facts within the specialized knowledge of one (1) or more members of the Board.

(c) The accused shall be notified either before or during the hearing, or by reference in preliminary reports or otherwise of any material notices, including any staff memoranda or data to be relied on by the Board and the accused shall be afforded an opportunity to contest the material so noticed. The experience, technical competence, and specialized knowledge of the members of the Board may be utilized in the evaluation of the evidence.

(d) Oral proceedings or any part thereof shall be transcribed upon request of any party. All costs of such transcription shall be paid by the requesting party.

(e) Hearings will be conducted by one (1) of the following methods, as determined by the Board:

## OKLAHOMA ADMINISTRATIVE CODE

- (1) By the Board;
  - (2) By any member of the Board or a designee of the Board acting as a hearing examiner or Administrative Law Judge; or
  - (3) By an attorney licensed to practice law in this state appointed by the Board to act as a hearing examiner or Administrative Law Judge.
- (f) The standard of proof in all hearings shall be clear and convincing evidence.
- (g) All orders, whether proposed or final, shall be issued within ninety (90) calendar days of the hearing. Final orders shall state their effective date.
- (h) The Board shall consider past disciplinary action taken against any accused found guilty in any present proceeding. Such past conduct shall not be evidence of guilt in the present proceeding but will be considered only in determining appropriate sanctions to be imposed by the Board in the present proceeding.
- (i) Unless precluded by law, the accused may waive any right granted in the law and proceed by stipulation, agreed settlement, consent order, or default. No provision of this section shall be construed as prohibiting the Board from suspending, or holding in abeyance, any formal proceeding pending the outcome of informal negotiation or informally agreed upon terms.
- (j) Any individual who has filed a complaint may be notified of the final disposition of the matter.
- (k) The hearing record of any formal proceeding shall be open to the public.
- (l) The notice and hearing procedures required for individual proceedings as set forth in the Oklahoma Administrative Procedures Act shall be followed by the Board.

### **10:15-37-7. Discipline for violations by candidates**

## OKLAHOMA ADMINISTRATIVE CODE

(a) A candidate who is alleged to have violated the Oklahoma Accountancy Act, the rules implementing that Act, or who subverts or attempts to subvert the examination process shall be subject to disciplinary action by the Board. Upon the determination that the candidate is guilty of the allegations, the Board may impose one (1) or more of the following disciplinary measures on the candidate:

- (1) Withhold the candidate's grades on the examination;
- (2) Declare the candidate's scores on the examination invalid;
- (3) Disqualify the candidate from holding a certificate or license permanently or for a specified period of time; or
- (4) Impose other authorized penalties.

(b) Results of hearings for applicants or candidates will not be published in the Board's newsletter.

### **10:15-37-8. Violations by individuals who do not hold a certificate or license**

(a) In the event the investigation of an allegation against an individual who is not a holder of a certificate or license concludes that the accused is in violation of the Oklahoma Accountancy Act and action should be taken to stop the violation, the Board may delegate to the Vice Chairman or the Executive Director, or the Board's designate, acting for the Board, who shall be authorized to:

- (1) Send written notice of the accusation, supporting documentation and a copy of the Complaint and Notice of Hearing, to be held not later than sixty (60) days following such notice, to the accused by certified mail, restricted delivery, return receipt requested. Notice may also be given by personal service upon the person of the accused in a manner authorized by the statutes of the State of Oklahoma for service of process in a civil proceeding;

## OKLAHOMA ADMINISTRATIVE CODE

(2) Provide the accused with a copy of the Oklahoma Accountancy Act along with its notification of the accusation and Complaint and Notice of Hearing.

(b) The Board, at a full and formal hearing, shall make a final determination of the accusations against the accused and issue such permanent cease and desist order, fine, penalty or other action as authorized by these Rules and the Oklahoma Accountancy Act.

### **10:15-37-9. Violations by certificate or license holders and candidates**

(a) Certificate or license holders, firms, and candidates must cooperate with any investigation conducted by the Board. Failure to cooperate with such an investigation may result in disciplinary action by the Board.

(b) In the event the investigation of an allegation against a certificate or license holder or a candidate concludes that the accused is in violation of the Oklahoma Accountancy Act or the rules of the Oklahoma Accountancy Board, the Board shall take any action authorized by law, or these rules, to protect the public from the unauthorized or illegal action of the certificate or license holder.

(c) All proceedings and related procedures shall be conducted in accordance with the provisions of the Oklahoma Administrative Procedures Act.

### **10:15-37-10. Investigation costs**

(a) Members of the Investigation Committee, investigators, and Special Prosecutors may be compensated at a rate established by the Board on a case by case basis.

(b) Members of the Investigation Committee, investigators and Special Prosecutors shall submit claims for payment in the same manner as other vendors doing business with the Board.

## OKLAHOMA ADMINISTRATIVE CODE

(c) Members of the Investigation Committee, investigators, and Special Prosecutors shall also be reimbursed for necessary expenses incurred in the performance of their duties upon submission of receipts.

### **10:15-37-11. Convictions and pleas**

(a) The provisions of this section shall be applicable, except where indicated, to applicants for the examination, examination candidates, and applicants for certificates and licenses, including registrants seeking renewal of certificates and licenses (applicants).

(b) When an applicant has been convicted of or plead guilty or *nolo contendere* to a crime included on the Board's list of disqualifying crimes, the applicant shall be required to furnish to the Board documentation of the charges and the final judgment of the Court in the form of certified documents from the Court file. Failure by an applicant for the examination to furnish adequate documentation no later than sixty (60) days prior to the commencement of the examination applied for shall result in denial of the application.

(c) Failure of any applicant to cooperate with an investigation conducted by the Board shall result in denial of the application.

(d) The Board may obtain from the Oklahoma State Bureau of Investigation or other sources a criminal record check of any applicant.

(e) The Board shall maintain and make available to the public a list of criminal offenses that would disqualify an individual from obtaining or holding a license or certificate. This list shall be periodically reviewed, at least annually, and updated, if necessary, by the Board.

(f) A person with a criminal history record may at any time, including before obtaining any required education or training, request an initial determination of whether his or her criminal

## OKLAHOMA ADMINISTRATIVE CODE

history would potentially disqualify the individual from obtaining a license or certificate. The request shall be in writing and shall include either a copy of the person's criminal history record with explanation of each conviction mentioned in the criminal history record or a statement describing each criminal conviction including the date of each conviction, the court of jurisdiction and the sentence imposed. The person may include a statement with his or her request describing additional information for consideration by the Board including, but not limited to, information about his or her current circumstances, the length of time since conviction and what has changed since the conviction, evidence of rehabilitation, testimonials or personal reference statements and his or her employment aspirations.

(g) Upon receipt of a written request for consideration of a criminal history record, the Board shall evaluate the request and make an initial determination based upon the information provided in such request whether the stated conviction is disqualifying. A notice of initial determination shall be issued to the petitioner within sixty (60) days from the date such request was received by the Board and shall contain the following statements:

- (1) Whether the person appears eligible for licensure or certification at the current time based upon the information submitted by the requestor;
- (2) Whether there is a disqualifying offense prohibiting the person's licensure or certification at any time and a statement identifying such offense in the criminal history record or information submitted for consideration;
- (3) Any actions the person may take to remedy what appears to be a temporary disqualification, if any;
- (4) The earliest date the person may submit another request for consideration, if any; and
- (5) A statement that the notice of initial determination is

## OKLAHOMA ADMINISTRATIVE CODE

only an initial determination for eligibility for licensure or certification based upon the information provided by the requestor.

(h) The Board may approve applications disclosing criminal history based upon the nature of the crime, the time period which has elapsed since the offense was committed, and any other factors which the Board deems relevant. When, in the opinion of the Board, public protection requires conditional approval of an applicant, the Enforcement Committee may negotiate a consent order with the applicant. The consent order shall set forth the terms and conditions proposed by the Enforcement Committee for approving the application. All consent orders must be either approved or disapproved by the Board.

### SUBCHAPTER 39. RULES OF PROFESSIONAL CONDUCT

#### Section

- 10:15-39-1. Application
- 10:15-39-2. Special definitions [REVOKED]
- 10:15-39-3. Independence [REVOKED]
- 10:15-39-4. Integrity and objectivity [REVOKED]
- 10:15-39-5. Disclosure of other compensation and financial interest in transactions [REVOKED]
- 10:15-39-6. Competence and technical standards [REVOKED]
- 10:15-39-7. Responsibilities to clients [REVOKED]
- 10:15-39-8. Other responsibilities and practices [REVOKED]
- 10:15-39-8.1. Firm names
- 10:15-39-8.2. Written communications
- 10:15-39-9. Professional misconduct

#### **10:15-39-1. Application**

## OKLAHOMA ADMINISTRATIVE CODE

(a) To the extent not contradicted by rule herein, a registrant shall conform in fact and in appearance to the AICPA Code of Professional Conduct.

(b) To protect the public interest, the Rules of Professional Conduct are based on the premise that the public and the business community rely on sound financial reporting and on professional competence. This premise is inherent in the authorized use of the titles certified public accountant and public accountant, which imposes on persons registered with the Board certain obligations to the public and to others. These obligations which the Rules of Professional Conduct are intended to enforce, include: the obligation to maintain independence and objectivity of thought and action, to strive continuously to improve professional skills, to observe, where applicable, accounting principles generally accepted in the United States of America, International Financial Reporting Standards (IFRS), governmental auditing standards, standards as set by the Public Company Accounting Oversight Board, and generally accepted auditing standards, to promote sound and informative financial reporting, to hold the affairs of clients or employers in confidence, to uphold the standards of the public accounting profession, and to maintain high standards of personal conduct in all matters affecting fitness to practice public accounting.

(c) Acceptance by a registrant of a certificate or license involves a duty to abide by the Rules of Professional Conduct.

(d) The Rules of Professional Conduct are intended to have application to all kinds of professional services performed in the practice of accounting, including, but not limited to, assurance, attest, auditing, accounting, review and compilation services, tax services, management advisory services and personal financial and investment planning, and intended to apply as well to all certificate and license holders, whether or not engaged in the practice of

## OKLAHOMA ADMINISTRATIVE CODE

public accounting, except where the wording of one of the Rules of Professional Conduct clearly indicates that the applicability is more limited.

(e) A registrant who is engaged in the practice of public accounting outside the United States is not subject to discipline by the Board for departing, with respect to such foreign practice, from any of the Rules of Professional Conduct, so long as the conduct is in accordance with the Rules of Professional Conduct applicable to the practice of public accounting in the country in which the registrant is practicing. If the name of a registrant is associated with financial statements in such manner as to imply that the registrant is acting as an independent CPA or PA under circumstances which would entitle the reader to assume that United States practices are followed, the registrant will be expected to comply with auditing standards and accounting principles generally accepted in the United States of America, and other professional standards applicable to the services provided.

(f) In interpreting and enforcing these rules, the Board may give consideration, but not necessarily dispositive weight, to relevant interpretations, rulings and opinions issued by the boards of other jurisdictions, appropriately authorized ethics committees of professional organizations and other federal and state agencies.

**10:15-39-2. Special definitions [REVOKED]**

**10:15-39-3. Independence [REVOKED]**

**10:15-39-4. Integrity and objectivity [REVOKED]**

**10:15-39-5. Disclosure of other compensation and financial interest in transactions [REVOKED]**

## OKLAHOMA ADMINISTRATIVE CODE

### **10:15-39-6. Competence and technical standards [REVOKED]**

### **10:15-39-7. Responsibilities to clients [REVOKED]**

### **10:15-39-8. Other responsibilities and practices [REVOKED]**

#### **10:15-39-8.1. Firm names**

(a) A firm name may not contain words, abbreviations or other language that is misleading to the public or that may cause confusion to the public as to the legal form or ownership of the firm.

(b) A firm licensed by the Board may not conduct business, perform or offer to perform services for or provide products to a client under a name other than the name in which the firm is licensed.

(c) A word, abbreviation or other language is presumed to be misleading if it:

- (1) is a trade name or assumed name that does not comply with paragraph (d)(1) or (2) of this subsection;
- (2) states or implies the quality of services offered, special expertise, expectation as to outcomes or favorable results, or geographic area of service;
- (3) includes the name of a non-owner of the firm;
- (4) includes the name of a non-CPA;
- (5) states or implies educational or professional attainment not supported in fact;
- (6) states or implies licensing recognition for the firm or any of its owners not supported in fact; or
- (7) includes a designation such as "and company," "company," "associates," "and associates," "group," or

## OKLAHOMA ADMINISTRATIVE CODE

abbreviations thereof or similar designations implying that the firm has more than one employed registrant unless there are at least two employed registrants involved in the practice. Independent contractors are not considered employees under this subsection.

(d) A word, abbreviation or other language is presumed not misleading if it:

(1) is the name, surname, or initials of one or more current or former CPA owners of the firm, its predecessor firm or successor firm;

(2) is the name, surname, or initials of one or more current or former international practitioner owners of the firm, its predecessor firm or successor firm who are or would have been eligible to practice public accountancy in this state;

(3) indicates the legal organization of the firm; or

(4) states or implies a limitation on the type of service offered by the firm, such as "tax," "audit" or "investment advisory services," provided the firm in fact principally limits its practice to the type of service indicated in the name.

(e) A registrant who is a sole proprietor, and not incorporated, who is engaged in the practice of public accounting must comply with 1 and 2 of this subsection:

(1) The registrant shall be allowed to use and employ the designation "d/b/a" with a business name provided the sole proprietor's name is included in the name of the business. No registrant shall use a misleading business name; and

(2) A partner surviving the death of all other partners may continue to practice under the partnership name for up to two years after becoming a sole proprietor.

(f) The name of any current or former owner may not be used

## OKLAHOMA ADMINISTRATIVE CODE

in a firm name during any period when such owner is prohibited from practicing public accountancy and prohibited from using the title "certified public accountant," "public accountant" or any abbreviation thereof.

(g) This section regarding firm names does not affect firms licensed by the Board prior to the effective date of this section, but does apply to any change in legal organization or name that occurs after the effective date of this section.

(h) A firm licensed by the Board after the effective date of this section, whose name includes a designation implying that the firm has more than one employed registrant, as provided in Subsection (c)(7) above, may continue to practice under that name for up to two years from the date the firm no longer has more than one employed registrant.

### **10:15-39-8.2. Written communications**

A certificate or license holder, firm, candidate, or applicant shall provide copies of any requested documents and shall substantively respond in writing to any communications from the Board requesting a response within thirty (30) days of the mailing of such request or communication by registered or certified mail, to the last address of the registrant known to the Board.

### **10:15-39-9. Professional misconduct**

It is professional misconduct for a CPA, PA or a firm to:

- (1) violate or attempt to violate the Oklahoma Accountancy Act or the rules implementing that Act, knowingly assist or induce another to do so, or do so through the act of another; or
- (2) commit a criminal act that reflects adversely on the CPA's or PA's integrity, trustworthiness or fitness to practice as a CPA or PA; or

## OKLAHOMA ADMINISTRATIVE CODE

- (3) commit any act that reflects adversely on the CPA's or PA's fitness to practice public accounting.
- (4) engage in conduct involving dishonesty, fraud, deceit, misrepresentation or omission of a known material fact; or
- (5) engage in a pattern of repeated offenses, even ones of minor significance including an indifference to the Oklahoma Accountancy Act or the rules implementing that Act; or
- (6) state or imply an ability to influence improperly a government agency or official; or
- (7) receive a censure, suspension, cancellation, revocation, by a state or federal agency concerning the right of the registrant to practice before a state or federal agency, whether by a hearing, consent agreement, court order, or other administrative proceedings.

### SUBCHAPTER 41. CHILD SUPPORT STATUTE

#### Section

10:15-41-1. Enforcement

#### **10:15-41-1. Enforcement**

The Board shall comply with the district courts of this state in implementing the provisions of Title 43, Section 139.1, of the Oklahoma Statutes.

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

#### Section

## OKLAHOMA ADMINISTRATIVE CODE

- 10:15-43-1. Registration
- 10:15-43-2. Evaluation of registrations
- 10:15-43-3. Notification
- 10:15-43-4. Denial of registration
- 10:15-43-5. Board review of denied registrations
- 10:15-43-6. Renewal requirements

### **10:15-43-1. Registration**

Pursuant to Title 74 Oklahoma Statutes Section 212A(B), all registrants, prior to entering into contracts to perform an attest engagement of a governmental entity, must register, in a format prescribed by the Board which attests to the registrant's compliance with Government Auditing Standards.

### **10:15-43-2. Evaluation of registrations**

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

### **10:15-43-3. Notification**

Each registrant will be notified of the approval or denial of such registration.

### **10:15-43-4. Denial of registration**

(a) Any registrant whose registration has been denied shall be notified in writing. The written notice shall include the reason(s) for the denial.

(b) If a registration is denied, the registrant may file a written request with the Board for a review of the denial. The registrant shall have the burden of demonstrating to the Board that the qualifications to perform attest engagements in accordance with Government Auditing Standards have been met. Any evidence submitted by the registrant shall be in documentary form.

## OKLAHOMA ADMINISTRATIVE CODE

### **10:15-43-5. Board review of denied registrations**

(a) The Board shall consider all requests for review of denied registrations.

(b) The issues considered for review shall include, but not be limited to, the eligibility requirements and standards upon which the denial of the registration was based.

(c) The registrant who has requested the review shall be notified in writing of the Board's decision. If the denial is sustained by the Board, the written notice shall include the reason(s) for sustaining the denial.

(d) If the denial of the registration is sustained, and the registrant is not satisfied with the decision of the Board, the registrant may request in writing a public hearing before the Board. Such request shall be granted only if the registrant can provide additional information to the Board which was not previously available to the Board at the time of the initial evaluation or review. Any additional evidence shall be in documentary form. If any additional evidence is to be presented by oral testimony, a written synopsis of that oral evidence shall accompany the request for a public hearing.

(e) If the Board grants a public hearing to the registrant, the hearing may be held in conjunction with the next regular meeting of the Board or at a special meeting of the Board.

### **10:15-43-6. Renewal requirements**

All registrants who have registered under the provisions of this subchapter shall renew their registration, in a format prescribed by the Board, on or before December 31 of each year.

### **10:15-43-7. Disqualification**

At any time the firm's registration or permit to practice

## OKLAHOMA ADMINISTRATIVE CODE

public accounting in Oklahoma is revoked, cancelled, dissolved or suspended, the firm's registration under this subchapter shall be disqualified and the firm's name shall be automatically removed from the list of Registrants Performing Governmental Attest Engagements in Accordance with Government Auditing Standards.

### **10:15-43-8. Reinstatement**

After disqualification, reinstatement shall only be granted upon the filing of the application in a format prescribed by the Board and proof of the firm's qualification.