

**TITLE 10: OKLAHOMA ACCOUNTANCY BOARD
CHAPTER 15. LICENSURE AND REGULATION OF ACCOUNTANCY**

RULEMAKING ACTION:

Notice of proposed PERMANENT rulemaking

PROPOSED RULES:

Chapter 15. Licensure and Regulations of Accountancy [AMENDED]

SUMMARY:

Chapter 15 sets for the rules for administering the licensure for and regulation of the accounting profession.

Subchapter 18, Computer Based Examination, deletes obsolete provisions regarding conditional credit for the paper and pencil examination. They are no longer applicable because any candidate who held credit that needed to be transferred to the computer based test (CBT) and who has not passed the examination as of this time, has lost that credit due to the length of time. A Board policy is added which allows a letter from the registrar's office in lieu of an official transcript providing official transcripts are submitted prior to any score release. Additional amendments give guidance if a candidate's application must be denied and clarify applicants as qualification applicants to become candidates for examination.

Subchapter 27, Fees, establishes applicants as qualification applicants to be consistent with other changes.

Subchapter 30, Continuing Professional Education, amendments establish that if the ethics examination course required for issuance of either an initial permit or the renewal of a lapsed permit is to be counted toward the forty (40) hours of CPE required for the permit, it must have been completed in the same period as the remaining CPE required for the permit. Amendments also clarify that any ethics course meeting the requirements for issuance of an original permit or the renewal of a lapsed permit must be one course recommended for at least eight (8) hours of CPE and must have been passed with a score of 90% or above. Language is added to clarify that CPE reporting will take place annually by July 31. Language is added to clarify to industry permit holders that CPE credit in the areas of taxation, accounting, or assurance must be earned each calendar year. Finally, the rules on re-entering active status are amended to clarify that the three-year CPE cycle begins in the year the registrants returns to active status, and that if the hours required to return to active status are fewer than one hundred twenty (120), two hours of professional ethics are required. Amendments provide that forty (40) hours earned to return to active status will be counted toward the three (3)-year CPE cycle; Amendments would also simplify the CPE requirement, modifying it to make it comparable to what registrants would have had to earn if they had remained on active status and allowing registrants one year to make up any hours required above sixty (60) instead of the six months currently allowed.

Subchapter 32, Standards for Continuing Professional Education (CPE) Programs, amendment would require that sponsors of self-study CPE programs be registered with the National Association of State Boards of Accountancy's National Registry of CPE Sponsors, courses offered by the AICPA, or other such organizations as determined by the Board in order for their courses to qualify for CPE credit.

Subchapter 33, Peer Review, amendment would change the effect of consecutive deficient peer review reports from the requirement of an accelerated peer review to a pre-issuance review or team captain revisit within eighteen (18) months from the year end of the firm's last peer review. Language in the rule discussing the pre-issuance review or team captain revisit results is modified from resulting in "a modified or adverse report" to resulting in "continued oversight." Additional amendments change the name of the Peer Review Committee to the Peer Review Oversight Committee.

Subchapter 35, Reinstatement, amendments clarify that individuals applying for reinstatement of a certificate or license must meet requirements for returning to active status if

they will be providing any services associated with accounting work and must provide evidence of successful completion of the AICPA ethics examination or its equivalent as determined by the Board.

Subchapter 37, Enforcement Procedures, language regarding the Board providing information in investigation files and hearing records to any board of accountancy or commission of the District of Columbia or other state or territory of the United States exercising disciplinary authority over accountants or to any law enforcement agency showing such information is necessary to conduct a pending investigation is stricken. The rule is in conflict with Section 15.6A of the Oklahoma Accountancy Act.

Subchapter 39, Rules of Professional Conduct, amendment corrects the name of the Public Company Accounting Oversight Board (PCAOB). Amendment is added to clarify that it is professional misconduct for a registrant to receive a censure, suspension, cancellation, or revocation from another state or federal regulatory agency concerning the registrant's right to practice before a state or federal agency.

Subchapter 43, Audits Performed in Accordance with Government Auditing Standards, amendment is added that would disqualify a firm and remove the firm's name from the list of Registrants Performing Governmental Audits in Accordance with Government Auditing Standards if the firm's registration or permit to practice public accounting in Oklahoma is revoked, cancelled, dissolved or suspended. An additional amendment provides for reinstatement to the list.

AUTHORITY:

Oklahoma Accountancy Board, 59 O.S. Section 15.5

COMMENT PERIOD:

Written and oral comments will be accepted through close of business February 18, 2009. Comments can be submitted directly through the Oklahoma Accountancy Board (OAB) website at www.ok.gov/oab. Click on the link in the "In the Spotlight" section to submit your comments. Comments can also be submitted by contacting Barbara Walker, CPE Coordinator, or Edith Steele, Executive Director, Oklahoma Accountancy Board, 4545 North Lincoln Boulevard, Suite 165, Oklahoma City, Oklahoma 73105-3413. Telephone: 405-521-2397, E-mail: okaccybd@oab.ok.gov or FAX: 405-521-3118.

PUBLIC HEARING:

A public hearing to take comments on the proposed rules will be held by the Board at 9:00 a.m. on February 18, 2009, Suite 284, Lincoln Office Plaza, 4545 North Lincoln Boulevard, Oklahoma City, Oklahoma.

REQUEST FOR COMMENTS FROM BUSINESS ENTITIES:

Business entities affected by these proposed rules are requested to provide the agency with information, in dollar amounts if possible, about the increase in the level of direct costs, indirect costs, or other costs expected to be incurred by the business entity due to compliance with the proposed rules. Business entities may submit this information in writing to Edith Steele at the above address during the period from January 15, 2009 through February 18, 2009.

COPIES OF PROPOSED RULES:

Copies of the proposed rules may be obtained from the OAB website at www.ok.gov/oab or from the Oklahoma Accountancy Board, 4545 North Lincoln Boulevard, Suite 165, Oklahoma City, Oklahoma 73105-3413.

RULE IMPACT STATEMENT:

Copies of the Rule Impact Statement will be prepared and will be available January 30, 2009 on the OAB website or from the OAB at the address and contact numbers listed above.

CONTACT PERSONS:

Edith Steele or Barbara Walker at 405-521-2397

