

**TITLE 10. OKLAHOMA ACCOUNTANCY BOARD
CHAPTER 1. ADMINISTRATIVE OPERATIONS**

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, from 8:00 A.M. until 5:00 P.M. 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.

CHAPTER 15. LICENSURE AND REGULATION OF ACCOUNTANCY

SUBCHAPTER 24. RETURN OF CERTIFICATE OR LICENSE

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 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 ~~but~~ regulated by the Oklahoma Accountancy Board and no longer wishes to hold an Oklahoma certificate or license, a request for the return of the certificate or license shall be made the certificate or license shall be returned to the Board.

SUBCHAPTER 27. FEES

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

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

SUBCHAPTER 33. PEER REVIEW

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.

~~"Adverse report" means there are significant deficiencies in the design of the firm's system of quality control, pervasive instances of noncompliance with the system as a whole, or both, resulting in several material failures to adhere to professional standards on engagements.~~

"Deficiency" 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.

"Deficient report" means any report which is adverse, modified, pass with deficiencies, or fail.

"Fail" on a system review (audit is highest level of service) means there are significant deficiencies in the design of the firm's system of quality control, pervasive instances of noncompliance with the system as a whole, or both, resulting in several material failures to adhere to professional standards on engagements. 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.

~~**"Modified report"** means the design of the firm's system of quality control created a condition in which the firm did not have reasonable assurance of complying with professional standards or that the firm's degree of compliance with its quality control policies and procedures did not provide it with reasonable assurance of complying with professional standards. A report modified due to scope limitations specifically related to compilations would not be considered modified for the purposes pursuant to these rules.~~

"Pass" on a system review means the reviewed firm's system of quality control has been designed to meet the requirements of the quality control standards for an accounting and auditing practice and the system was being complied with during the peer review year to provide the firm with reasonable assurance of complying with 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 created a condition in which the firm did not have reasonable assurance of complying with professional standards or that the firm's degree of compliance with its quality control policies and procedures did not provide it with reasonable assurance of complying with professional standards in all material respects with the exception of a certain deficiency or deficiencies that are described in the report. A pass with deficiencies report issued due to scope limitations specifically related to compilations would not be considered deficient for the purposes pursuant to these rules. Pass with deficiencies on an engagement review means that nothing came to the attention of the reviewer that caused him/her to believe on the engagements submitted for review that the firm did not comply with professional standards except for the deficiencies that are described in the report.

"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 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 program" means the peer review conducted under the peer review program.

"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" means one or more deficiencies that the peer reviewer has concluded results 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.

"Sponsoring organization" means an individual or entity that meets the standards specified by the Board for administering the peer review. The Board shall periodically publish a list of sponsoring organizations, which have been approved by the Board.

"Unmodified report" ~~means the reviewed firm's system of quality control has been designed to meet the requirements of the quality control standards for an accounting and auditing practice and the system was being complied with during the peer review year to provide the firm with reasonable assurance of complying with professional standards.~~

10:15-33-5. Effect of consecutive deficient reports

~~(a) Effective for peer reviews commencing on or before December 31, 2008, a firm, including a succeeding firm, which receives two (2) consecutive modified reports and/or one (1) adverse report, may be required by the Board or its designee to have a pre-issuance review or team captain revisit within eighteen (18) months from the year end of the firm's last peer review.~~

~~(b) If the pre-issuance review or team captain revisit required by subsection (a) above results in continued oversight:~~

~~(1) The firm may complete any review and audit engagement for which field work has already begun only if, prior to issuance of any report, the engagement is reviewed and approved by a third party reviewer acceptable to the Board or its designee.~~

~~(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 subsection (b).~~

~~(c)(a) Effective for pPeer reviews commencing on or after January 1, 2009, 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 within eighteen (18) months from the year end of the firm's last peer review.~~

~~(d)(b) If the accelerated review required by subsection (a) or (c) 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 subsection (d).~~

10:15-33-6. Reporting to the board

~~(a)~~ 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 unmodified with or without comments; or
- ~~(2)~~ A copy of the report, letter of comments, 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 modified in any respect or adverse; and
- ~~(3)~~ A copy of the Public Company Accounting Oversight Board (PCAOB) report, if applicable.

~~(b)~~(a) Any report or document required to be submitted under this subsection shall be made available to the Board by a secure 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.

~~(c)~~(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.

~~(d)~~(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.
- (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. ~~Initial appointment of the three (3) committee members shall be as follows: one (1) member appointed for three (3) years; one (1) member appointed for two (2) years; and one member appointed for one (1) year.~~ 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 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) When necessary in reviewing reports on peer reviews, prescribe actions designed to assure correction of the deficiencies in the reviewed firm's system of quality control policies and procedures and provide such results to the Board;
 - (2) Monitor the prescribed remedial and corrective actions to determine compliance by the reviewed firm;
 - (3) 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;
 - (4) Establish a report acceptance process, which facilitates the exchange of viewpoints among committee members and sponsoring organization; and
 - (5) Communicate to the governing body of the sponsoring organization on a recurring basis:
 - (A) Problems experienced by the enrolled registrants in their systems of quality control as noted in the peer reviews conducted by the sponsoring organization;
 - (B) Problems experienced in the implementation of the peer review program; and
 - (C) A summary of the historical results of the peer review program.
- (f) Committee members shall become disqualified to serve on Peer Review Oversight Committee if any of the provisions that qualify the committee member no longer exist or by majority vote of the Board.

SUBCHAPTER 35. REINSTATEMENT

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.

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

Section

- 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 auditattest 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 auditsattest engagements in accordance with Government Auditing Standards have been met. Any evidence submitted by the registrant shall be in documentary form.

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 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 Audits 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.