

**PROPOSED RULE AMENDMENTS  
OKLAHOMA ADMINISTRATIVE CODE  
CHAPTER 15**

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

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

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

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

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

(3) A candidate cannot retake a failed test section(s) in the same examination window. An examination window refers to a three-month period in which a candidate has an opportunity to take the CPA/PA examination (comprised of two months in which the examination is available to be taken and one month in which the examination will not be offered while routine maintenance is performed and the item bank is refreshed). Thus, a candidate will be able to test two out of the three months within an examination window.

~~(c) A candidate having earned conditional credits on the paper and pencil examination, as of the launch date of the computer based AICPA Uniform CPA Examination, will retain conditional credits for the corresponding test sections of the computer-based CPA examination as follows:~~

~~(1) A candidate having earned conditional credits on the paper and pencil examination in Auditing will retain conditional credits in Auditing and Attestation (AUD) on the computer-based examination.~~

~~(2) A candidate having earned conditional credits on the paper and pencil examination in Financial Accounting and Reporting (FARE) will retain conditional credits in Financial Accounting and Reporting (FAR) on the computer-based examination.~~

~~(3) A candidate having earned conditional credits on the paper and pencil examination in Accounting and Reporting (ARE) will retain conditional credits in~~

Regulation (REG) on the computer-based examination.

~~(4) — A candidate having earned conditional credits on the paper-and-pencil examination in Business Law and Professional Responsibilities (LPR) will retain conditional credits in Business Environment and Concepts (BEC) on the computer-based examination.~~

~~(d) — A candidate who has attained conditional status as of the launch date of the computer-based AICPA Uniform CPA Examination will be allowed a transition period to complete any remaining test sections of the CPA/PA examination. The transition is the maximum number of opportunities that a candidate who has conditioned under the paper-and-pencil examination has remaining, at the launch of the computer-based examination, to complete all remaining test sections or the number of remaining opportunities under the paper-and-pencil examination, multiplied by six months, whichever is first exhausted.~~

~~(e) — If a previously conditioned candidate does not pass all remaining test sections during the transition period, conditional credits earned under the paper-and-pencil examination will expire and the candidate will lose credit for the test sections earned under the paper-and-pencil examination. However, any test section(s) passed during the transition period is subject to the conditioning credit provisions of the computer-based examination as indicated in the aforementioned credit requirements, except that a previously conditioned candidate will not lose conditional credit for a test section of the computer-based examination that is passed during the transition period, even though more than eighteen months may have elapsed from the date the test section is passed, until the end of the transition period.~~

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

~~(g)~~(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) An qualification applicant shall show, to the satisfaction of the Board, that the applicant has graduated from an accredited two-year or 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 be submitted to the Board prior to any score release.

~~(3)~~(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 credit from an accredited two-year or four-year college or university.

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

(c) The Board will also consider an 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) On and after July 1, 2003, 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 Code 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, as provided in Section 15.8.B, is not subject to subparagraph (d) of this subsection.

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

(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 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 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.

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

Qualification A applicants and candidates shall, for each application filed with the Board, pay a Fifty-Dollar (\$50.00) 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.

### **10:15-30-2. 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 ~~earned within the previous calendar year or within 365 days immediately preceding the date of the application~~ 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. ~~The passing score is determined by the Board.~~ 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 Board ~~earned within the previous calendar year or within 365 days immediately preceding the date of the application~~ 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. ~~The passing score is determined by the Board.~~ 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.

#### **10:15-30-5. 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 three (3) 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, ~~including~~ 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. CPE shall be reported annually by July 31 on a form prescribed by the Board.

(b) 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.

(c) Each certificate and license holder required to report CPE shall certify, in a format prescribed by the Board, information regarding the CPE hours claimed for credit for the calendar year.

(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 compliance period in which the program is completed and shall include the specific information set forth in the Board's CPE Standards.

(g) Participants in structured 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.

(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 three (3) 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.

#### **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) For each month the registrant was on inactive status, three and one-third (3 1/3) hours of qualified CPE, rounded up to the nearest half credit.~~

~~(2) The maximum number of qualified CPE hours required by this rule shall be one hundred twenty (120) hours, including at least four (4) hours of CPE in~~

ethics.

~~(3) The registrant can claim any CPE hours earned while on inactive status during the preceding three (3) year period.~~

~~(4) A registrant who immediately gives written notice to the Board upon changing to active status may be granted the following time periods from the date of the change of status in which to complete the CPE required by this section:~~

~~(A) From the date of the change of status, for registrants needing forty (40) hours or less to comply with (1) or (2) above, sixty (60) days; and~~

~~(B) From the date of the change of status, a registrant shall complete additional CPE over the forty (40) hours described in (a) above within one hundred eighty (180) days.~~

~~(5) A registrant must document, on a form prescribed by the Board, all qualified CPE required by this rule.~~

~~(6) At its discretion, the Board may modify the requirements of this rule for good cause on a case by case basis.~~

(1) The three (3)-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.

(2) For each calendar year in which the registrant claimed an exemption 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 three (3)-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) 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, on a form 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 basis.

### **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) Sponsors of self-study CPE programs must be registered with NASBA'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.

### **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 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.

~~(e)~~ (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 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. Only self-study programs offered by sponsors registered with NASBA's National Registry of CPE Sponsors, courses offered by the AICPA, or other such organizations as determined by the Board will be considered for CPE credit.

~~(d)~~ (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 10:15-32-5(d)(1) and (2) 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.

~~(e)~~ (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 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.

~~(f)~~ (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.

**10:15-33-5. 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 ~~an accelerated~~ a pre-issuance peer review or team captain revisit within eighteen (18) months from the year end of the firm's last peer review.

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

(1) The firm may complete any review and audit engagement for which field work has already begun only if:

(A) ~~Prior~~ 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, letter of comments, and letter of response 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 (b).

(c) Effective for peer reviews commencing on or after January 1, 2009, 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) 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).

**10:15-33-7. 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.

**10:15-35-1. Application for reinstatement**

(a) Upon application on a form prescribed by the Board an individual may request reinstatement of a canceled, suspended, or revoked certificate or license.

(b) The applicant shall be 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.

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 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:
- (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) The investigation files of the Board shall be confidential, except the Board may provide information in the investigation files and hearing record to the following:~~
- ~~(1) Any Board of Accountancy or Commission of the District of Columbia, or any other state or territory of the United States which exercises disciplinary authority over accountants; and~~
  - ~~(2) Any law enforcement agency which makes a proper showing that such information is necessary to conduct a pending investigation.~~
- ~~(k)(j)~~ Any individual who has filed a complaint may be notified of the final disposition of the matter.
- ~~(k)~~ (k) The hearing record of any formal proceeding shall be open to the public.
- ~~(m)(l)~~ (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.

### **10:15-39-1. Application**

(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, generally accepted accounting principles, governmental auditing standards, standards as set by the Public Company Auditing 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 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.

**10:15-39-9. 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
- (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) violate the rules and regulations receive a censure, suspension, cancellation, revocation, of other state or federal regulatory agencies which results in the censure or suspension, cancellation, revocation, or withdrawal of registration or by a state or federal agency concerning the right of the registrant to practice by such before a state or federal agency, as a result of whether by a hearing, consent agreement, court order, or other administrative proceedings.

**10:15-43-7. Disqualification [NEW]**

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 in Accordance with Government Auditing Standards.

**10:15-43-8. Reinstatement [NEW]**

After disqualification, reinstatement shall only be granted upon the filing of the form prescribed by the Board and proof of the firm's qualification.