

## **RULE IMPACT STATEMENT**

### **TITLE 10. OKLAHOMA ACCOUNTANCY BOARD**

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

##### **Brief Description of the Purpose of the Proposed Rules:**

The purpose of the proposed rules is to establish permanent administrative rules as required by the newly enacted legislation, Senate Bill 270, which became effective as of August 26, 2011. Title 59 O.S. § 15.15A, as amended, allows for non-CPA ownership of CPA firms. These rules address the qualification requirements for non-CPA owners and firm registration requirements when non-CPA ownership is at issue.

##### **Description of the classes of persons who most likely will be affected by the proposed rule, including classes that will bear the costs of the proposed rule, and any information on cost impact received by the agency from any private or public entities:**

The proposed rules will affect CPA firms and their owners. Non-CPA owners, who are residents of the State of Oklahoma, will bear the costs of the proposed rules in the form of a registration fee, required continuing professional education and the costs of obtaining a national criminal history record check. No information on cost impact has been received by the agency from any private or public entities.

##### **Description of the classes of persons who will benefit from the proposed rule:**

All individuals within the state of Oklahoma who conduct business with CPA firms will benefit from the proposed rules as they help to ensure that CPA firms are owned and managed by individuals who are competent and of good character.

##### **Description of the probable economic impact of the proposed rule upon affected classes of persons or political subdivisions, including a listing for all fee changes and, whenever possible, separate justification for each fee change:**

The proposed rules require that non-CPA owners, who are residents of the State of Oklahoma, register annually with the OAB in the same manner as a CPA. Included in the annual registration for a CPA is a registration fee of \$50, which would also apply to a non-CPA owner. Within 365 day of initial registration, the non-CPA owner is required to take and pass the AICPA Ethics Examination at a cost of between \$100 and \$150, depending on where the exam materials are purchased. In addition, the non-CPA is required to maintain the same 120 hours of continuing education per rolling three-year time period as a CPA. The cost of this continuing education varies with the type of courses taken.

##### **The probable costs and benefits to the agency and to any other agency of the implementation and enforcement of the proposed rule, the source of revenue to be used for implementation and enforcement of the proposed rule, and any anticipated effects on state revenues, including a projected net loss or gain in such revenues if it can be projected by the agency:**

The cost of administration will be minimal since it will be a part of current processes. It is not anticipated that revenues will increase significantly since most firms that would be affected are already registered with only CPA ownership.

**A determination of whether implementation of the proposed rule will have an economic impact on any political subdivision or require their cooperation in implementing or enforcement the rule:**

No economic impact on any political subdivision is anticipated at this time, nor will a political subdivision be required to cooperate in implementing or enforcing the rule.

**A determination of whether implementation of the proposed rule may have an adverse economic effect on small business as provided by the Oklahoma Small Business Regulatory Flexibility Act:**

No adverse economic impact on small business is anticipated.

**An explanation of the measures the agency has taken to minimize compliance costs and a determination of whether there are less costly or non-regulatory methods or less intrusive methods for achieving the purpose of the proposed rule:**

There will be no additional processes or requirements beyond what is required of CPA owners of firms presently.

**A determination of the effect of the proposed rule on the public health, safety and environment and, if the proposed rule is designed to reduce significant risks to the public health, safety and environment, an explanation of the nature of the risk and to what extent the proposed rule will reduce the risk.**

If the proposed rules are not implemented, there will be a detrimental effect on public health, safety and environment, as there will be no guidance on how to execute the newly enacted Title 59 O.S. §15.15A, as amended, which allows for non-CPA ownership of CPA firms. These rules will allow the OAB to verify the qualifications of non-CPA owners, helping to ensure that CPA firms are owned and managed by competent individuals of good character.

**Date the rule impact statement was prepared and the date modified:**

Prepared: November 8, 2011  
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