

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

SUBCHAPTER 1. GENERAL PROVISIONS

10:15-1-2. 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 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.

~~**"Close relative"** means a non-dependent child, stepchild, brother, sister, grandparent, parent, parent-in-law, and their respective spouses of a registrant. Close relatives of the registrant do not include the brothers and sisters of the spouse of the registrant.~~

"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 to the public. ~~The set of activities that enables registrants to maintain and improve their professional~~

competence.

"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.

~~**"Domicile"** means an individual's place of residence.~~

~~**"Engagement team"** means auditors who are required to exercise significant judgment in the audit process and would include positions where the auditor was the person in charge of the fieldwork up through partner on the engagement.~~

"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 jurisdictions.

~~**"Generally accepted accounting principles"** means the same as "Statement on Auditing Standards No. 69, The Meaning of Present Fairly in Conformity With Generally Accepted Accounting Principles in the Independent Auditor's Report" adopted in 1992, and issued by the American Institute of Certified Public Accountants and subsequent amendments. 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 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.

"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.

~~"NASBA" means National Association of State Boards of Accountancy.~~

~~"New CPAs and PAs" refers to individuals who are initially certified or licensed in Oklahoma as the result of successfully completing the examination, including those individuals certified or licensed as the result of transferring all credits earned on an examination from another jurisdiction.~~

"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 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 compensation" means compensation, including remuneration based on a percentage of the amounts involved received by a registrant who is engaged in the practice of public accounting for other than the performance of professional services or for the sale or referral of products or services of third parties.~~

"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.

~~"Period of professional engagement" means the period during which professional services are provided, with such period starting when the registrant begins to perform professional services requiring independence and ending with the notification of the termination of that professional relationship by the registrant or by the client.~~

"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.

~~"Program of learning" means a collection of learning activities that are designed and intended as continuing education and that comply with these standards.~~

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

correct.

~~"Related individual" includes spouses, and dependent persons, whether or not related for all purposes of complying with the Rules of Professional Conduct, provided that the independence of the registrant and the firm of the registrant will not normally be impaired solely because of employment of a spouse or dependent person by a client if the employment is in a position that does not allow "significant influence" over the operating, financial, or accounting policies of the client. In the event such employment is in a position in which the activities of the related individual are audit-sensitive, even though not a position, of significant influence, the registrant should not participate in the engagement.~~

"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 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-year three (3) calendar year period" means that the registrant is required to have completed active status registrants are required to complete 120 hours of CPE in any three-calendar-year period beginning January 1, 2006 and going forward.~~

"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

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 ~~40:15-37-11(e)~~ Title 59, Section 15.9 of the Act, is obtained to substantiate that the applicant is of good moral character;
- (3) ~~Effective with all initial examination candidates for the November 2003 examination, documentation~~ Documentation must be ~~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 ~~defined~~ described in Title 59, Section ~~45.9.D.~~ 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 ~~on a form~~ 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 (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 ~~40:15-37-11(e)~~ Title 59, Section 15.9 of the Act, is obtained to substantiate that the applicant is of good moral character;
- (3) ~~Effective with all initial examination candidates for the November 2003 examination, documentation~~ Documentation must be 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 ~~defined~~ described in Title 59, Section ~~15.9.D.~~ 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 ~~on a form~~ 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
- (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.

SUBCHAPTER 18. COMPUTER-BASED EXAMINATION

10:15-18-1. Applications for examination

(a) An application for qualification ~~on a form~~ in a format prescribed by the Board, will not be considered filed until the application and all required ~~examination~~ 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 means established in Title 59, Section 15.8 of the Act, is obtained to substantiate that the applicant is of good moral character;

~~(b)~~ (c) A candidate's application for examination will not be considered filed until the ~~form~~ application in a format prescribed by the Board and the application fee as provided by ~~§15.10A of the Act, in Subchapter 27~~ are received by the Board.

~~(e)~~ (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.

~~(d)~~ (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.

10:15-18-4. Educational requirements

(a) A 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~~ 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 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) On and after July 1, 2003, one~~ 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.

10:15-18-7. 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, or denial.~~ 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.

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

(a) A candidate may request a review or appeal of ~~his or her nonpassing~~ 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 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 ~~illness~~ 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,

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 ~~form~~ format as the Board prescribes.
- (c) The applicant shall submit written verification of the valid credits from the examining authority responsible for administering 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.

10:15-18-14. 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 an a qualification applicant. The individual shall and meet the current qualification requirements in effect to reapply 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 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

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.

(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 21. 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; and
- (5) ~~Evidence~~ evidence of successful completion of the AICPA ethics examination or its equivalent as determined by the Board; ~~and~~
- ~~(6) An applicant shall file for a reciprocal certificate or license within one hundred twenty (120) days of engaging in the practice of public accounting in Oklahoma.~~
- (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.

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.

10:15-21-5. 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 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.

SUBCHAPTER 22. SUBSTANTIAL EQUIVALENCY

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

~~(a) A qualified individual seeking practice privileges in this state pursuant to Section 15.12A of the Oklahoma Accountancy Act shall comply with the notice requirement as follows:~~

~~(1) Notice may be given electronically or in writing on forms prescribed by the Board;~~

~~(2) Notice is immediately due and shall be received by the Board within thirty (30) days after the individual knowingly avails him/herself of the laws of this State by:~~

~~(A) Accepting an engagement or an assignment to render professional services in this State, or~~

~~(B) Offering to render professional services through direct solicitation or marketing targeted to persons in this state.~~

~~(3) In lieu of the procedure set out in paragraph (a)(2), at anytime prior to entering this State, an individual, directly or through the individual's firm, may be included in a master notice to all participating substantially equivalent jurisdictions including the Board by giving notice to the NASBA National Qualification Appraisal Service or other comparable service designated by the Board; and, provided the firm accepts responsibility for each individual's compliance with the accountancy laws and rules of this State for as long as the individual is included in the firm's master notice, keeps the master notice reasonably current and renews the notice annually. In any event, the individual seeking practice privileges is responsible for complying with the requirement that the notification required under this Section has been made.~~

~~(4) Staff will inform the individual if he/she must withdraw based on findings. Withdrawal must be immediate. Individuals may appeal, and practice in this State may continue during the appeal process.~~

~~(b) Notice shall be renewed annually on the anniversary date of the original notice for so long as the individual intends to use Substantial Equivalency privileges in this State.~~

~~(c) Notice shall be amended within thirty (30) days after the individual changes his/her principal place of business or within 30 days after the certificate or license has been denied, revoked, or suspended in any jurisdiction.~~

~~(d) A non-resident individual shall not be deemed to have entered this State for purposes of the Section and notice is not required under this Section if the individual's contact with this State is limited to any of the following activities:~~

~~(1) teaching either a college or continuing professional education course,~~

~~(2) delivering a lecture,~~

~~(3) moderating a panel discussion,~~

~~(4) rendering professional services to the individual's employer or to persons~~

~~employed by the individual's employer, including affiliated, parent, or subsidiary entities, provided such services are not rendered for the employer's clients.~~

~~(e) — No notice shall be required for a certificate or license holder of a jurisdiction that does not require notice by an Oklahoma certificate or license holder entering that jurisdiction to practice public accounting.~~

SUBCHAPTER 23. REGISTRATION

10:15-23-1. Registration of individuals

~~(a) — On or before July 31, all individuals shall register biennially as provided in Section 15.14 of the Oklahoma Accountancy Act and shall file a registration statement with the Board on a form prescribed by the Board.~~

~~(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.~~

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

~~(4) — The Board shall use its discretion in determining the conditions required for retirement or disability.~~

~~(c) — In addition to the regular registration fee paid by an individual, there shall be a fee for registering after July 31 but within twelve (12) months after the lapse date of the certificate or license.~~

~~(d) — In addition to the regular 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.~~

(a) Beginning in 2010, the Board will begin the implementation of an annual registration process based on each registrant's birth month. All individuals shall register annually on staggered dates of 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.

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

(4) 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

(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 ~~on a form~~ in a format prescribed by the Board. No fee shall be required with such filing.

~~(h) Biennial filings mailed to the Board office by United States postal service with a postmark on or before July 31 shall be deemed timely filed.~~

(h) Renewal forms delivered to the Board office via carrier service with a postmark or ship date on or before the set expiration date as provided in this subsection shall be deemed timely filed.

10:15-23-2. Registration of firms

(a) On or before ~~May 31~~ 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 ~~on a form~~ 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 mailed to the Board office by United States postal service with a postmark on or before May 31 shall be deemed timely filed.~~

(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.

10:15-23-3. 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

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 25. PERMITS

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. ~~Date of issue~~ Dates of issuance and expiration

(a) Permits renewed on a timely basis shall bear a date of issue of July 1 for individuals and June 1 for firms except sole proprietorships. All other permits, except for ~~b~~ (d) and ~~e~~ (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.

~~(b) (d)~~ When the Board has granted an extension in accordance with ~~10:15-30-8(3)~~, the date of issuance will be determined on a case by case basis.

~~(e) (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 form ~~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) An individual permit shall have a maximum term of one (1) year and shall expire on June 30 following the date of issuance.~~

~~(b) (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 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.

~~(c) Each partner, shareholder, owner, member and certified or licensed employee of a firm located outside this state shall be required to hold a valid permit or to notify the Board of his/her intent to practice public accountancy in this State in accordance with the Substantial Equivalency provision in order to serve clients in this State unless such service is incidental to other responsibilities in the firm or involves the internal review procedures of the firm.~~

~~(d) (b) The application for renewal of a permit shall be filed with the Board on a form in a format prescribed by the Board prior to the expiration of the permit, currently held and no later than June 30.~~

~~(e) (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.~~

~~(f) (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.~~

~~(g) (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.~~

(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 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 ~~May 31~~ June 30 following the date of issuance.

(b) The application for renewal of a firm permit shall be filed with the Board ~~on a form in a format~~ prescribed by the Board prior to the expiration of the permit currently held ~~and no later than May 31.~~

(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 ~~has notified the Board of his/her intent to practice public accountancy in this State in accordance with the Substantial Equivalency provision~~ enters the state under the provisions of Section 15.12A of the Act.

(d) A firm is required to hold a valid permit if that firm is serving Oklahoma clients from outside this state ~~unless such service is incidental to other responsibilities in the firm or involves the internal review procedures of the firm.~~ only if such firm is providing services under the provision of Section 15.12A.A.5 of the Act.

(e) Each firm ~~that serves Oklahoma clients~~ shall be required to hold a permit and 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 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 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

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

~~(a) — Each application from an individual to enter Oklahoma under the substantial equivalency provisions from a substantially equivalent state shall be accompanied by a fee equal to the amount charged by that state to an Oklahoma licensee for the equivalent privilege to practice in that state.~~

~~(b) — Each application from an individual to enter Oklahoma under the substantial equivalency provisions from a non-substantially equivalent state shall be accompanied by a fee equal to the amount of the Oklahoma annual registration and permit fees.~~

10:15-27-8. Registration

~~(a) — The registration fee for an individual shall be Fifty Dollars (\$50.00) per year.~~

~~(1) — In addition to the regular registration fee there shall be a fee for registering after July 31, but within twelve (12) months after the lapse date of the certificate or license, of One Hundred Dollars (\$100.00).~~

~~(2) — In addition to the regular registration fee, there shall be a fee for registering later than twelve (12) months following the lapse date of the certificate or license, of Two Hundred Dollars (\$200.00).~~

~~(b) — An individual who has reached the age of sixty five (65) shall pay a registration fee of Twenty-five Dollars (\$25.00) per year. In addition to the regular registration fee there shall be a fee for registering after July 31, but within twelve (12) months after the lapse date of the certificate or license, of Fifty Dollars (\$50.00).~~

(a) Effective January 1, 2010, the annual registration fee for an individual renewing the certificate or license will be Fifty Dollars (\$50.00), or Twenty-five Dollars (\$25.00) for registrants age sixty-five (65) or older, and may be extended until such time as the registrants' certificate and license renewals are cycled into the new staggered expiration dates of the last day of the individuals' birth months.

(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 Fifty Dollars (\$50.00) or for an individual who has reached the age of sixty-five (65), the fee shall be Twenty-five Dollars (\$25.00).

(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 Dollars (\$100.00) or for an individual who has reached the age of sixty-five (65), the fee shall be Fifty Dollars (\$50.00).

~~(b)~~ (b) The registration fee for a firm, except a sole proprietorship, of certified public accountants or public accountants shall be Fifty Dollars (\$50.00) per year.

10:15-27-9. Permit

~~(a) Before June 30 of each year the permit fee to renew an individual permit shall be One Hundred Dollars (\$100.00).~~

~~(b) (a) The fee for an individual permit which is not a renewal permit shall be One Hundred Dollars (\$100.00).~~

(b) Effective January 1, 2010, the fee to renew an individual permit shall be One Hundred Dollars (\$100.00) which will be renewable on staggered expiration dates on the last day of the individuals' birth months and may be extended based on the registrants' previous permit expiration date until such time as the registrants' permit renewals are cycled into the new renewal period.

(c) A fee of One Hundred Dollars (\$100.00) 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

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

SUBCHAPTER 30. CONTINUING PROFESSIONAL EDUCATION

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 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.

10:15-30-5. 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. ~~CPE shall be reported annually by July 31 on a form prescribed by the Board.~~

(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 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.

~~(b) (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.~~

~~(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~~ 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 ~~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. Examples of such descriptive materials might include:

(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. ~~the CPE credit reported by certificate and license holders.~~

(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.

(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.

10:15-30-8. 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 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) 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.

~~(2) (3) The Board will consider granting an exemption from the CPE requirement on a case-by-case basis if:~~ In order for an exemption to be granted under 10:15-30-8(1) above, the Board may require the following affidavits:

(A) 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) a The registrant forwards to the Board a sworn 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.

~~(3) (4) Unless otherwise exempted for good cause on a case by case basis. 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.~~

~~(4) (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)-year (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:

(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)-year (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, ~~on a form~~ 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 basis.

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

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

(a) All certificate and license holders should participate in 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 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 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 ~~on a form~~ in a format prescribed by the Board supporting the

number of CPE hours claimed, and (3) the name and contact 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;

(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 ~~NASBA's National Registry of CPE Sponsors~~; or
 - (2) courses offered by the AICPA or other such organizations as determined by the Board.

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.

(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. Self-study courses considered for CPE credit must be:

- (1) offered by sponsors registered with NASBA ~~NASBA's National Registry of CPE Sponsors~~; 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 ~~10:15-32-5(d)~~(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 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 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 ~~on a form~~ 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.
 - (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

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

- (a) ~~Through December 31, 2008, any~~ Any report or document required to be submitted under this subsection shall be filed with the Board, ~~including by electronic means,~~ 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) 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.

~~(b) (c) Effective January 1, 2009, any~~ Any report or document required to be submitted under this subsection shall be filed with the Board, ~~including by electronic means,~~ 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.

~~(e) (d)~~ Any document submitted to the Board under this subsection is confidential pursuant to the Act.

SUBCHAPTER 35. REINSTATEMENT

10:15-35-1. Application for reinstatement

(a) Upon application ~~on a form in a format~~ 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.~~ 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.

10:15-35-2. Evaluation of applications for reinstatement

(a) Evaluation and approval of applications for reinstatement shall be performed by the Executive Director or his or her designee.

(b) Denial of applications failing to meet all applicable requirements for reinstatement shall be by the Board.

SUBCHAPTER 37. ENFORCEMENT PROCEDURES

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.

~~(a)~~ (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.

~~(b)~~ (c) All proceedings and related procedures shall be conducted in accordance with the provisions of the Oklahoma Administrative Procedures Act.

SUBCHAPTER 39. RULES OF PROFESSIONAL CONFLICT CONDUCT

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~~ 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 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.

10:15-39-8. Other responsibilities and practices [REVOKED]

~~(a) Firm names.~~

~~(1) No registrant shall engage in the practice of public accounting using a professional or firm name or designation that is misleading about the legal form of the firm, or about the individuals who are partners, officers, shareholders, or members of the firm, or about any other matter, provided, however, that names of one (1) or more former owners may be included in the name of a firm or its successor.~~

~~(2) A registrant who is a sole proprietor, and not incorporated, who is engaged in the practice of public accounting, 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.~~

~~(b) A registrant shall respond in writing to any communications from the Board requesting a response, within thirty (30) days of the mailing of such communication by registered or certified mail, to the last address of the registrant known to the Board.~~

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 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 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.

SUBCHAPTER 43. AUDITS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

10:15-43-1. Registration

Pursuant to Title 74 Oklahoma Statutes Section 212A(B), all registrants, prior to entering into contracts to perform an audit of a governmental entity, must register, ~~on a form~~ in a format prescribed by the Board which attests to the registrant's compliance

with Government Auditing Standards.

10:15-43-6. Renewal requirements

All registrants who have registered under the provisions of this subchapter shall renew their registration, ~~on a form~~ in a format prescribed by the Board, on or before December 31 of each year.

10:15-43-8. Reinstatement

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