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STATE OF OKLAHOMA

2nd Session of the 43rd Legislature (1992)

HOUSE BILL NO. 2340

BY: BENSON

AS INTRODUCED

AN ACT RELATING TO PROFESSIONS AND OCCUPATIONS;

AMENDING 59 O.S. 1991, SECTIONS 15.1, 15.2, 15.3,  
15.4, 15.5, 15.7, 15.8, 15.9, 15.10, 15.11, 15.12,  
15.13, 15.14, 15.15, 15.16, 15.17, 15.18, 15.20,  
15.22, 15.23, 15.24, 15.25, 15.26, 15.27, 15.28,  
15.32, 15.33, AND 15.35, WHICH RELATE TO THE PUBLIC  
ACCOUNTANCY ACT OF 1968; RENAMING THE ACT AND  
STATING ITS PURPOSE; DEFINING TERMS; RE-CREATING  
THE BOARD; SETTING RESPONSIBILITY, TERMS,  
MEMBERSHIP AND OFFICERS OF BOARD; PROVIDING  
PROCEDURES FOR REPLACEMENT OF BOARD MEMBERS;  
PROVIDING FOR POWERS AND DUTIES OF BOARD; PROVIDING  
FOR CONFIDENTIALITY OF CERTAIN INFORMATION AND  
RECORDS; PROVIDING FOR THE COLLECTION AND DISBURSAL  
OF FUNDS; PROVIDING FOR QUALIFICATIONS AND  
PROCEDURES FOR OBTAINING CERTIFICATE AS CERTIFIED  
PUBLIC ACCOUNTANT, LICENSE AS PUBLIC ACCOUNTANT,  
AND FOR PERMITS TO PRACTICE PUBLIC ACCOUNTING IN  
OKLAHOMA; INCREASING EDUCATIONAL REQUIREMENTS;  
SETTING AND INCREASING FEE LIMITS; PROHIBITING USE  
OF CERTAIN TERMS, LETTERS, AND TITLES WHICH MIGHT  
MISLEAD PUBLIC; ESTABLISHING EXCEPTIONS; PROVIDING  
PROCEDURES FOR RECIPROCITY; REQUIRING AND

ESTABLISHING PROCEDURES FOR REGISTRATION;  
PROHIBITING CERTAIN ACTS BY PERSONS WITH  
CERTIFICATES, LICENSES, AND PERMITS; MAKING  
ADDITIONAL REQUIREMENTS FOR OBTAINING FIRM PERMITS;  
AUTHORIZING BOARD TO REVOKE, SUSPEND, OR REINSTATE  
CERTIFICATES, LICENSES, OR PERMITS; AUTHORIZING  
ADDITIONAL PENALTIES WHICH THE BOARD MAY IMPOSE;  
PROVIDING PROCEDURES FOR ACTION UPON COMPLAINTS TO  
BOARD; PROHIBITING CERTAIN ACTS REGARDING PUBLIC  
ACCOUNTING BY PERSONS WITHOUT CERTIFICATE, LICENSE  
OR PERMIT AND AUTHORIZING PENALTIES; INCREASING  
CRIMINAL PENALTIES AND CIVIL PENALTIES; AUTHORIZING  
QUALITY REVIEW AND ESTABLISHING PROCEDURES;  
REQUIRING CONTINUING PROFESSIONAL EDUCATION;  
INCREASING REQUIREMENTS; AUTHORIZING BOARD TO  
PROVIDE FOR IMPLEMENTATION OF STATUTORY  
REQUIREMENTS BY RULES; REPEALING 59 O.S. 1991,  
SECTIONS 15.19 AND 15.31, WHICH RELATE TO THE  
PUBLIC ACCOUNTANCY ACT OF 1968; DIRECTING  
RECODIFICATION; PROVIDING FOR CODIFICATION;  
PROVIDING FOR AN EFFECTIVE DATE; AND DECLARING AN  
EMERGENCY.

BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:

SECTION 1. AMENDATORY 59 O.S. 1991, Section 15.1, is amended to read as follows:

Section 15.1 ~~This act~~ Sections 15.1 through 15.5, 15.7 through 15.16, 15.17 and 15.18 as recodified, 15.20 and 15.22 as recodified, 15.23 through 15.28, 15.32 and 15.33 as recodified and 15.35 of Title 59 of the Oklahoma Statutes and Sections 2, 7, 19, 20, and 29

of this act shall be known and may be cited as the "Public Oklahoma Accountancy Act of 1968".

The Legislature hereby declares that in order to protect the citizens of this state, it shall be the policy of this state to promote the reliability of information used for guidance in financial transactions for accounting for or assessing the financial status or performance of commercial, noncommercial, and governmental enterprises.

The Legislature further declares that:

1. The interest and protection of the citizens of this state requires that persons professing special competence in accountancy or offering assurance as to the reliability or fairness of presentation of such information shall have demonstrated their qualifications for such activities;

2. Any person who has not demonstrated and maintained such qualifications including certificate holders or license holders not in public practice shall not be permitted to hold themselves out as having such special competence or to offer such assurance;

3. The professional conduct of persons authorized by the state to hold themselves out as having special competence in accountancy shall be well versed in all aspects of the practice of public accounting; and

4. The use of titles relating to the practice of public accounting that are likely to mislead the public as to the status or competence of the persons using such titles be prohibited.

In order to implement the policy of this state, a public authority competent to prescribe and assess the qualifications and to regulate the professional conduct of practitioners of public accounting shall be established.

SECTION 2. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 15.1A of Title 59, unless there is created a duplication in numbering, reads as follows:

As used in this act:

1. "Accountancy" means the profession or practice of accounting;
2. "Applicant" means an individual or entity which has made application to the Board for a certificate, license, or permit and said application has not been approved;
3. "Attestation" means a written communication that expresses a conclusion about the reliability of a written assertion that is the responsibility of another party;
4. "Audit" means a systematic investigation or appraisal of information, procedures, or operations performed in accordance with generally accepted auditing standards in the United States, for the purpose of determining conformity with established criteria and communicating the results to interested parties;
5. "Board" means the Oklahoma Accountancy Board;
6. "Candidate" means an individual who has been qualified and approved by the Board to take an examination for a certificate or license;
7. "Certificate" means the Oklahoma document issued by the Board to a candidate upon successful completion of the certified public accountant examination designating the holder as a certified public accountant pursuant to the laws of Oklahoma. "Certificate" shall also mean the Oklahoma document issued by reciprocity to an individual who has previously been certified in another jurisdiction;
8. "Certified public accountant" means any person who has received a certificate from the Board;
9. "Client" means the individual or entity which retains a registrant to perform professional services;
10. "Compilation" when used with reference to financial statements, means presenting information in the form of financial

statements which is the representation of management or owners without undertaking to express any assurance on the statements;

11. "CPA" or "C.P.A." means certified public accountant;

12. "Designated manager" means the individual appointed by the firm partners or shareholders to be responsible for the administration of the office;

13. "Entity" means an organization whether organized for profit or not, corporation, partnership, or governmental agency;

14. "Examination" means the written test administered, supervised, and graded by or at the direction of the Board which is required for a certificate as a certified public accountant or a license as a public accountant;

15. "Executive director" means the chief administrative officer of the Board;

16. "Financial statements" means a written statement and related footnotes purporting to show actual or anticipated financial position, the results of operations, cash flow, or changes in financial position which relate to a specific period of time, on the basis of generally accepted accounting principles. The term "financial statements" also includes specific elements, accounts, or items of such statements, but does not include incidental financial data included in management advisory services, reports to support recommendations to a client nor does it include tax returns and supporting schedules;

17. "Firm" means an entity which is either a sole proprietorship, partnership, or professional corporation including individual partners or shareholders which is engaged in accountancy;

18. "Holding out" means any representation by an individual that he or she holds a certificate or license and a valid permit, or by an entity that it holds a valid permit. Any such representation is presumed to invite the public to rely upon the professional

skills implied by the certificate or license and valid permit in connection with the services or products offered;

19. "Individual" means a human being;

20. "License" means the Oklahoma document issued by the Board to a candidate upon successful completion of the public accountant examination designating the holder as a public accountant pursuant to the laws of Oklahoma. "License" shall also mean the Oklahoma document issued by the Board by reciprocity to a public accountant who has previously been licensed by examination in another jurisdiction;

21. "Management advisory services", "management consulting services", or "management services", referred to as "MAS", means the function of providing advice and technical assistance, performed in accordance with standards for MAS engagements and MAS consultations such as those issued by the American Institute of Certified Public Accountants, where the primary purpose is to help the client improve the use of its capabilities and resources to achieve its objectives including but not limited to:

- a. counseling management in analysis, planning, organizing, operating, and controlling functions,
- b. conducting special studies, preparing recommendations, proposing plans and programs, and providing advice and technical assistance in their implementation,
- c. reviewing and suggesting improvement of policies, procedures, systems, methods, and organization relationships, and
- d. introducing new ideas, concepts, and methods to management.

MAS shall not include recommendations and comments prepared as a direct result of observations made while performing an audit, review, or compilation of financial statements or while providing tax services, including tax consultations;

22. "MAS engagement" means that form of MAS in which an analytical approach and process is applied in a study or project. It usually involves more than an incidental effort devoted to some combination of activities relating to the determination of client objectives, fact finding, opportunity or problem definition, evaluation of alternatives, formulation of proposed action, communication of results, implementation, and follow-up;

23. "MAS consultation" means that form of MAS based primarily on existing personal knowledge about the client, the circumstances, the technical matters involved, and the mutual intent of the parties. It usually involves advice or information given by a registrant in a short time frame. The usual procedure is that information is received through verbal discussions with the client and is accepted by the registrant as represented. The response of the registrant may be definitive when existing personal knowledge is deemed adequate; otherwise it may be qualified, in which case limitations are stated. A qualified response often reflects cost, time, scope, or other limitations imposed by the specific circumstances of the client;

24. "PA" or "P.A." means public accountant;

25. "Partnership" means a contractual relationship based upon a written, oral, or implied agreement, between two or more individuals who combine their resources and activities in a joint enterprise and share in varying degrees and by specific agreement in the management and in the profits or losses. A partnership may be general or limited as those terms are defined by the laws of this state;

26. "Permit" means the written authority granted annually by the Board to individuals or firms to practice public accounting in Oklahoma which is issued pursuant to the Oklahoma Accountancy Act;

27. "Practice of public accounting" refers to the activities of a registrant in reference to accountancy.

- a. a registrant shall be deemed to be engaged in the practice of public accounting when performed by a certified public accountant or public accountant if the registrant performs the following:
- (1) holds himself or itself out to the public in any manner as one skilled in the knowledge, science, and practice of accounting and auditing, and qualified and ready to render professional services therein as a certified public accountant or public accountant,
  - (2) maintains an office for the transaction of business as a certified public accountant or public accountant,
  - (3) offers to prospective clients to perform or who does perform on behalf of clients professional services that involve or require an audit, examination, verification, investigation, certification, presentation, or review of financial transactions and accounting records or an attestation concerning any other written assertion,
  - (4) prepares or certifies for clients reports on audits or investigations of books or records of account, balance sheets, and other financial, accounting and related schedules, exhibits, statements, or reports which are to be used for publication or for the purpose of obtaining credit, or for filing with a court of law or with any governmental agency, or for any other purpose,
  - (5) in general or as an incident to that work, renders professional services to clients in any

- or all matters relating to accounting procedure and to the recording, presentation, or certification of financial information or data,
- (6) keeps books, makes trial balances, or prepares financial statements, or prepares reports, all as a part of bookkeeping services for clients,
  - (7) prepares or signs as the tax preparer, tax returns for clients,
  - (8) prepares personal financial or investment plans or provides to clients products or services of others in implementation of personal financial or investment plans, or
  - (9) provides management advisory services to clients;
- b. an individual not holding a certificate or license shall not be deemed to be engaged in the practice of public accounting if the individual does not hold himself or herself out, solicit, or advertise for clients using the certified public accountant or public accountant designation and engages only in the following services:
- (1) keeps books, makes trial balances, or prepares financial statements, or prepares reports, provided such instruments are not exhibited as having been prepared by a certified public accountant or public accountant all as a part of bookkeeping operations for clients,
  - (2) prepares or signs as the tax preparer, tax returns for clients,
  - (3) prepares personal financial or investment plans or provides to clients products or services of others in implementation of personal financial or investment plans, or

- (4) provides management advisory services to clients;
- c. a person is not holding himself or herself out, soliciting or advertising for clients within the meaning of this section solely by reason of displaying a CPA or PA certificate in the office, identifying himself or herself as a CPA or PA on letterhead or business cards, or identifying himself or herself as a CPA or PA on other than sign, advertisements, publications directed to clients or potential clients, or financial or tax documents of a client;

28. "Professional corporation" means a corporation organized pursuant to the laws of Oklahoma;

29. "Professional services" means any services performed or offered to be performed by a permit holder for a client in the course of the practice of public accounting;

30. "Public accountant" means any individual who has received a license from the Board;

31. "Quality review" means a review performed pursuant to a set of quality review rules established by the Board of one or more aspects of the professional work of an individual or firm holding a valid permit by an individual who holds the same type of permit as the individual or firm being reviewed but who is not affiliated with the individual or firm being reviewed;

32. "Registrant" means a CPA, PA, or firm composed of certified public accountants or public accountants or combination of both currently registered with the Board pursuant to the authority of the Oklahoma Accountancy Act;

33. "Report", when used with reference to financial statements, means an opinion, report, or other form of language that states or implies assurance as to the reliability of any financial statements and that also includes or is accompanied by any statement or implication that the person or firm issuing it has special knowledge

or competence in accounting or auditing. Such a statement or implication of special knowledge or competence may arise from use by the issuer of the report names or titles indicating that he is an accountant or auditor, or from the language of the report itself. The term report includes any form of language which disclaims an opinion when such form of language is conventionally understood to imply any positive assurance as to the reliability of the financial statements referred to and/or special competence on the part of the person or firm issuing such language; and it includes any other form of language that is conventionally understood to imply such assurance and/or such special knowledge or competence;

34. "Representation" means any oral or written communication including but not limited to the use of title or legends on letterheads, business cards, office doors, advertisements, and listings conveying the fact that an individual or entity holds a certificate, license or permit; and

35. "Review" when used with reference to financial statements means performing inquiry and analytical procedures that provide the registrant with a reasonable basis for expressing limited assurance that there are no material modifications that should be made to the statements in order for them to be in conformity with generally accepted accounting principles or if applicable, with another comprehensive basis of accounting.

SECTION 3. AMENDATORY 59 O.S. 1991, Section 15.2, is amended to read as follows:

Section 15.2 A. There is hereby re-created, to continue until ~~July 1, 1992~~ July 1, 1998, in accordance with the provisions of the Oklahoma Sunset Law, ~~Section 3901 et seq. of Title 74 of the Oklahoma Statutes~~, the Oklahoma State Board of Public Accountancy, renamed the Oklahoma Accountancy Board, which shall have responsibility for the administration and enforcement of the Oklahoma Accountancy Act. It shall be composed of seven (7)

members, to be appointed by the Governor and confirmed by the Senate. The six registrant members shall serve terms of five (5) years. The lay member shall serve coterminous with the Governor appointing the member. Re-creation of the Oklahoma State Board of Public Accountancy, renamed the Oklahoma Accountancy Board, shall not alter the established staggered terms of the members of the Oklahoma State Board of Public Accountancy.

B. One member shall be a public accountant licensed pursuant to the provisions of ~~Section 15.1 et seq. of this title,~~ the Oklahoma Accountancy Act and shall have been engaged in the practice of public accounting continuously as a public accountant for not less than ~~ten (10)~~ eight (8) years immediately preceding his appointment. A list of qualified persons shall be compiled and submitted to the Governor for his consideration by ~~the Oklahoma Society of Independent Public Accountants~~ state public accountant associations and organizations from time to time as appointment of the public accountant Board member is required to be made. A list of three names shall be submitted for each single appointment.

C. Five members shall be certified public accountants holding certificates issued ~~under the laws of this state~~ pursuant to the provisions of the Oklahoma Accountancy Act, and shall have been engaged in the practice of public accounting as a certified public accountant continuously for not less than ~~ten (10)~~ eight (8) years immediately preceding their appointments. A list of qualified persons shall be compiled and submitted to the Governor for his consideration by ~~the Oklahoma Society of Certified Public Accountants~~ state public accountant associations and organizations from time to time as appointments of the certified public accountant Board members are required to be made. A list of three names shall be submitted for each single appointment.

D. One member shall be a lay member who is not a certified public accountant or licensed public accountant. ~~Each member of the~~

~~Board shall be a citizen of the United States and a qualified elector of the state.~~

~~B. The advisory committee of public accountants appointed pursuant to Section 15.5 of this title is hereby abolished~~ The lay member shall be appointed by the Governor to a term coterminous with the Governor. The lay member shall serve at the pleasure of the Governor.

E. Upon the expiration of his term of office, a member shall continue to serve until a qualified successor has been appointed and confirmed by the Senate.

SECTION 4. AMENDATORY 59 O.S. 1991, Section 15.3, is amended to read as follows:

Section 15.3 A. ~~The lay member of the Oklahoma State Board of Public Accountancy shall be appointed by the Governor to a term coterminous with that of the Governor. The lay member shall serve at the pleasure of the Governor. Re-creation of the State Board of Public Accountancy shall not alter existing staggered terms. The term of office of each accountant member shall be five (5) years. Vacancies on the Board due to death, resignation, or removal as defined in subsections C and D of this section occurring during a term shall be filled by the Governor for the unexpired portion of said term. Upon the expiration of his term of office a member shall continue to serve until his successor shall have been appointed and shall have qualified in a manner as provided for appointments to the Board. Members filling the remainder of a term of a member who has died, resigned, or been removed shall assume office immediately upon appointment by the Governor and shall serve until confirmation or denial of confirmation by the Senate.~~

~~B. The Governor shall remove from the Board any accountant member~~ A member of the Board shall become disqualified from serving if that member:

1. Is a registrant member whose certificate to practice as a certified public accountant or whose, license to practice as a public accountant under, or permit pursuant to the laws of this state has become void, or has been revoked or suspended,;

2. Is a registrant member who shall have has moved from this state; or shall have

3. Has become incapacitated, and the; or

4. Has been absent from three (3) meetings, or is absent for significant portions of three (3) meetings as determined by the Board during any twelve-month period, unless such absence is determined to be unavoidable in the opinion of a majority of the remaining members.

C. Removal pursuant to the provisions of this section shall be accomplished by a majority vote of the remaining members. Upon said vote, a written notification shall be sent to the Governor setting out the dates of absences and the fact of the disqualification of the member. Upon receipt of the written notification, the Governor shall appoint another member in the manner provided for appointments to the Board.

D. The Governor may, after a hearing conducted in accordance with the provisions of the Administrative Procedures Act, remove any member of the Board for misconduct, incompetency, or neglect of duty or other just cause. Removal pursuant to the provisions of this subsection shall occur upon the Governor filing a written statement of findings after the hearing as to the reasons and basis for removal of the member with the Secretary of the Board.

SECTION 5. AMENDATORY 59 O.S. 1991, Section 15.4, is amended to read as follows:

Section 15.4 ~~At the first meeting of the Board it~~ A. The Board shall elect from its membership a chairman, a vice-chairman and a secretary, each of whom shall hold office until the first meeting of the Board in June of the year following. Thereafter, the said. The

officers of the Board shall be elected each ~~June~~ May, to take office on ~~the 1st day of July 1~~ following the election, and shall hold office for a term of one (1) year.

B. The chairman shall ~~have power to~~ preside at all meetings of the Board, call special meetings of the Board ~~whenever in his judgment it is~~ as are necessary or proper to do so. He shall ~~preside at all meetings, shall,~~ sign, ~~in conjunction with the secretary,~~ all certificates ~~herein authorized,~~ and licenses and ~~shall~~ perform such other duties as the Board shall ~~determine~~ direct.

C. The vice-chairman shall exercise the powers of and perform the duties ~~devolving upon~~ of the chairman in the absence or disability of the chairman, and perform such other duties as the Board shall direct.

D. The secretary shall ~~keep all minutes~~ preside at any meeting or hearing in the absence of the chairman and vice-chairman, validate minutes of all of the meetings of the Board, its in the manner prescribed in the rules of the Board, supervise the maintenance of the records of the Board, including the register of individuals and ~~partnerships~~ firms authorized to practice ~~as certified public accountants,~~ a record of the public accounting in this state, receipts and expenditures of the Board, and a record of all examination grades. The secretary shall ~~be the custodian of the seal of the Board,~~ and shall ~~affix the same in attestation of his signature to all instruments herein specified and to such other instruments~~ perform such other duties as the Board shall direct.

E. At any regular or special meeting at which none of the officers are in attendance, the members of the Board at the meeting shall elect a member to preside at that meeting.

SECTION 6. AMENDATORY 59 O.S. 1991, Section 15.5, is amended to read as follows:

Section 15.5 A. ~~The Oklahoma State Board of Public Accountancy Board shall adopt and issue, and from time to time may amend, rules~~

~~of general application be responsible for the administration and enforcement of this act and regulating the professional conduct of persons authorized to engage in public accounting, looking to the establishment and maintenance of a high standard of honesty, integrity and proficiency in the profession, and may adopt and issue such other rules and regulations as are consonant with the purposes of this act. A majority of the Board shall constitute a quorum for the transaction of business~~ the Oklahoma Accountancy Act. The

B. In addition to the other duties imposed on the Board by law, the Board shall have:

1. Have a seal which shall be judicially noticed, and shall be affixed to all certificates and licenses, and such other documents as the Board deems appropriate; It shall keep

2. Keep correct records of its all official proceedings; and including minutes of meetings, applications and related documents of applicants, registry of the names and addresses of registrants, official documents filed in any hearings conducted by the Board and in any proceeding in any court, civil or criminal, arising out of or founded upon any provision of this act the Oklahoma Accountancy Act or of the rules and regulations adopted by the Board, copies.  
Copies of said records certified by the secretary under the seal of the Board shall, if material, be admissible in evidence;

~~The Board is hereby authorized to employ an executive assistant and~~

3. Employ such clerical assistance staff as may be necessary, and fix and pay their salaries or wages, employ fees. Such staff shall include an Executive Director, Deputy Director, legal counsel as such may be needed, and pay the fees for such services; lease either on a part-time, contract, or full-time basis, special prosecutors, investigators, expert witnesses, and clerical personnel;

4. Lease office space and pay the rent thereon; purchase office equipment and supplies; pay, and make such other expenditures

as are necessary for the administration and enforcement of the provisions of the Oklahoma Accountancy Act;

5. Pay the costs of such research programs in accounting and related subjects as in the determination of the Board would be beneficial to ~~the~~ accountancy registrants ~~under this act;~~ and ~~make such other expenditures as may be necessary in the performance of its duties;~~ and

6. Adopt rules and regulations for the implementation of the provisions of the Oklahoma Accountancy Act in accordance with the procedures prescribed in the Administrative Procedures Act.

SECTION 7. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 15.6A of Title 59, unless there is created a duplication in numbering, reads as follows:

A. The Board and its agents shall keep confidential all information obtained in the course of the conduct of a quality review, including quality review reports provided to the Board by a registrant, an investigation into allegations of violations of the Oklahoma Accountancy Act, and in determining whether to allow an applicant to take an examination, or grant a certificate, license, or permit. In addition, examination papers and scores shall be kept confidential.

B. To ensure the confidentiality of such information for the protection of the affected individual or entity, the information obtained shall not be deemed to be a "record" as that term is defined in the Oklahoma Open Records Act.

C. Rules adopted to implement the provisions of this subsection shall assure the privacy of the information obtained. Such rules shall include but not be limited to:

1. Assuring availability of the information for inspection by the individual or entity affected or their designated representatives during the normal business hours of the Board;

2. A method for obtaining a written release for the affected individual or entity to allow inspection of their confidential records to the public at large; and

3. A method for making available to the public all final written orders of the Board concerning an individual or entity.

D. Information obtained by the Board or any of its agents as set out in subsection A of this section shall be considered competent evidence in a court of competent jurisdiction only in matters directly related to actions of the Board and the affected individual or entity as a result of the Board obtaining the information. Such information shall not be admissible as evidence in any other type of civil or criminal action.

SECTION 8. AMENDATORY 59 O.S. 1991, Section 15.7, is amended to read as follows:

Section 15.7 All fees and other monies except the fines as provided in Section 15.24 of this title received by the Board pursuant to the provisions of ~~this act~~ the Oklahoma Accountancy Act shall be expended solely for the ~~purpose of this act~~ purposes of the Oklahoma Accountancy Act. After the close of each fiscal year the Board shall file with the Governor ~~of this state a true and correct report~~ a financial statement of all fees charged, collected and received and all disbursements during the previous fiscal year, ~~and the~~. The Board shall pay into the General Revenue Fund of the state ten percent (10%) of all annual registration fees so charged, collected and received, and no other portion shall ever revert to the General Revenue Fund or any other fund of the state. ~~The compensation provided by this act and all expenses incurred under this act~~

All salaries, fees, and other expenses incurred by the Board in the performance of the duties imposed by the provisions of the Oklahoma Accountancy Act shall be paid from the said separate fund and ~~no compensation or~~ none of said expenses incurred under ~~this act~~

shall be a charge against the general funds of this state. ~~On the effective date of this act the balance of funds in the Accountancy Fund in the State Treasury shall be paid over to the Board by the State Treasurer and all obligations properly chargeable against the said Accountancy Fund and which arose prior to the effective date of this act shall be paid by the Board.~~

SECTION 9. AMENDATORY 59 O.S. 1991, Section 15.8, is amended to read as follows:

Section 15.8 ~~Hereafter, every applicant for the certificate of certified public accountant or license of public accountant must have attained the age of twenty-one (21) years, must be of good moral character, must have been a resident of this state for one (1) year immediately prior to making application and must meet the requirement of education and experience as hereinafter provided:~~

~~(a) The educational requirement shall be graduation from an accredited high school or, in the opinion of the Board, the equivalent thereof; and~~

~~(b) The experience requirement shall be at least three (3) years of public accounting experience, at least one (1) year of which shall have been in this state, and the Board shall give consideration to equivalent experience as satisfying the requirement of three (3) years' public accounting experience, such equivalent experience to consist of work of a responsible and nonroutine accounting nature which requires independent judgment on accounting matters. Provided, however, that as to an applicant who is a graduate~~

A. Until July 1, 1999, every applicant for the certificate of certified public accountant or license of public accountant shall have graduated from an accredited four-year college or university with a major in accounting or with a nonaccounting major supplemented by what the Board determines to be substantially the equivalent of an accounting major of any four-year college or university in the State of Oklahoma this state or any other

~~four-year college or university recognized by the Board, such shall be deemed the equivalent of the aforesaid three (3) years' public accounting experience provided that the applicant shall have satisfactorily completed. Such major in accounting or nonaccounting major shall include satisfactory completion of forty-eight (48) semester hours, or the equivalent thereof, in accounting and related subjects, of which not less than thirty (30) semester hours, or the equivalent thereof, shall be in accounting courses (of which at least one course of which shall be in auditing), and the remainder of said forty-eight (48) semester hours, or the equivalent thereof, be in said related subjects, which shall be any or all of the subjects of economics, statistics, business law, finance, business management, marketing and, business communication, financial information systems, or computer science or the equivalent of such subjects as determined by the Board.~~

B. After July 1, 1999, every applicant for the certificate of certified public accountant or license of public accountant shall have graduated from a four-year college or university in this state or any other four-year college or university recognized by the Board with one hundred fifty (150) semester hours or its equivalent resulting in a baccalaureate or higher degree. This education requirement shall have been completed prior to submitting an application to the Board. The total educational program of the applicant shall include an accounting concentration or its equivalent as determined acceptable by the Board which shall include not less than thirty (30) semester hours, or the equivalent thereof, in accounting courses at least one of which shall be in auditing.

SECTION 10. AMENDATORY 59 O.S. 1991, Section 15.9, is amended to read as follows:

Section 15.9 A. Upon payment of appropriate fees, the Board shall grant a certificate or license to any individual of good character who meets the applicable education and testing

requirements. For purposes of this subsection, good character means an individual who does not have a history of dishonest acts as demonstrated by documented evidence and has not been convicted, plead guilty, or plead nolo contendere to a felony charge. The Board may refuse to grant a certificate or license to an applicant for failure to satisfy the requirement of good character. Written notification with specific grounds included of the denial of a certificate of license on the basis of lack of good character shall be provided to the denied applicant by the Board. Appeal of the action of the Board may be made in accordance with the provisions of the Administrative Procedures Act.

B. The Board shall issue certificates as certified public accountants ~~only~~ and licenses as public accountants to those applicants who ~~shall~~ have ~~qualified and complied with the provisions of this act~~ met the qualifications required by the provisions of the Oklahoma Accountancy Act and the applicable rules of the Board, and ~~shall~~ have passed a written examination in accounting ~~theory, in accounting practice, in auditing, and in such other~~ and related subjects as the Board ~~may determine to be~~ determines appropriate with such grades as satisfy the Board that they are competent to practice as certified public accountants or public accountants.

C. The Board may make such use of all or any part of the Uniform Certified Public Accountant's Examination and Advisory Grading Service as it deems appropriate ~~to assist it in performing its duties hereunder. Provided, that if any applicant is a member in good standing of the Bar of any state, the Board shall waive the examination in commercial law with respect to such applicant, should such examination otherwise be required by the Board.~~

~~The Board shall upon request issue licenses as public accountants only to those applicants who shall have qualified and complied with the provisions of this act and the rules of the Board, and shall have passed a written examination in accounting practice~~

~~and in auditing with such grades as satisfy the Board that they are competent to practice as public accountants. The subjects examined shall be covered by the same examination and grades thereon for passing as those used by the Board to test candidates for the certified public accountant's certificate. The Board may make use of all or any part of the Uniform Certified Public Accountant's Examination and Advisory Grading Service as it deems appropriate to assist it in performing its duties hereunder.~~

SECTION 11. AMENDATORY 59 O.S. 1991, Section 15.10, is amended to read as follows:

Section 15.10 A. The Board shall hold an examination ~~of~~ for applicants ~~for licensing under this act to obtain a certificate or license~~ as accountants at least once each year. Additional examinations may be held at such times and places as the Board may deem advisable.

B. Notice of the date, time of day, and place of each examination shall is to be given ~~not less than ninety (90) days prior to the date set therefor,~~ by publication in manner and form as prescribed by the Board. ~~Such notice shall specify the time and place of the examination.~~

C. Each applicant allowed to sit at the examination shall file ~~with the secretary of the Board~~ a written application in the office of the Board to take the examination, and said application must be received by the Board at least sixty (60) days prior to the day on which the examination is to commence.

D. In addition to the requirement of confidentiality of test results, the Board shall take such action as necessary to assure the confidentiality of the tests prior to their being administered to candidates.

SECTION 12. AMENDATORY 59 O.S. 1991, Section 15.18, is amended to read as follows:

Section 15.18 ~~The Board shall charge each~~ A. Each applicant who wants to sit for an examination shall pay a fee, to be determined by the Board, not in excess of One Hundred Dollars (\$100.00) to exceed Three Hundred Dollars (\$300.00) for the initial examination, and for reexaminations the Board shall charge a fee, to be determined by the Board, not in excess of Forty Dollars (\$40.00).

B. Each applicant who has failed one or more parts of the initial examination and who wants to sit for reexamination in those failed parts shall pay a fee not to exceed Seventy-five Dollars (\$75.00) for each subject in which the applicant is reexamined, and for this purpose a reexamination in the subject of accounting practice shall be treated as two subjects. Any applicant sitting for reexamination in the subject of accounting practice shall pay a fee not to exceed One Hundred Fifty Dollars (\$150.00).

C. The applicable fee shall be paid by the applicant to the Board at the time he applies the application for examination or reexamination, and such is filed. The examination or reexamination fee shall not be refunded to the applicant unless the Board, on its determines that the applicant is, upon the initial review of the application, determined therefrom that the applicant is patently unqualified to sit for the examination, in which event the Board may, in its discretion, refund the fee or reexamination. Upon the determination that an applicant is not qualified to sit for examination or reexamination, the full amount of the fee shall be refunded.

SECTION 13. AMENDATORY 59 O.S. 1991, Section 15.11, is amended to read as follows:

Section 15.11 ~~(a)~~ A. No person individual shall assume or use the title or designation "Certified Public Accountant" or the abbreviation "C.P.A." or any other title, designation, words, letters, abbreviation, sign, card, or device tending to indicate or as a representation that such person individual is a certified

public accountant, unless such ~~person~~ individual has received a certificate as a certified public accountant ~~under Section 15.9 of Title 59 of the Oklahoma Statutes~~ and holds a valid permit issued under Section 15.14 of Title 59 of the Oklahoma Statutes which is ~~not revoked or suspended, (hereinafter referred to as a "live permit")~~ and all of such ~~person's~~ offices pursuant to the provisions of the Oklahoma Accountancy Act. All offices in this state for the practice of public accounting ~~are~~ by such individual shall be maintained and registered as required ~~under Section 15.17 of Title 59 of the Oklahoma Statutes~~ by the Oklahoma Accountancy Act.

~~(b)~~ B. No ~~partnership~~ entity shall assume or use the title or designation "Certified Public Accountant" or the abbreviation "C.P.A." or any other title, designation, words, letters, abbreviation, sign, card or device tending to indicate or as a representation that such ~~partnership~~ entity is composed of certified public accountants unless such ~~partnership~~ entity is registered as a ~~partnership~~ firm of certified public accountants ~~under Section 15.15 of Title 59 of the Oklahoma Statutes;~~ and holds a ~~live~~ valid permit issued under Section 15.17 of Title 59 of the Oklahoma Statutes, ~~and all of such partnership's~~ pursuant to the provisions of the Oklahoma Accountancy Act. All offices in this state for the practice of public accounting ~~are~~ by such entity shall be maintained and registered as required ~~under Section 15.17 of Title 59 of the Oklahoma Statutes~~ by the Oklahoma Accountancy Act.

~~(c)~~ C. No ~~person~~ individual shall assume or use the title or designation "Public Accountant" or the abbreviation "P.A." or any other title, designation, words, letters, abbreviation, sign, card, or device tending to indicate or as a representation that such ~~person~~ individual is a public accountant, unless such ~~person~~ individual is ~~registered~~ licensed as a public accountant ~~under Sections 15.9 and 15.17 of Title 59 of the Oklahoma Statutes,~~ or is a certified public accountant and holds a ~~live~~ valid permit issued

~~under Section 15.14 of Title 59 of the Oklahoma Statutes and all of such person's pursuant to the provisions of the Oklahoma Accountancy Act. All offices in this state for the practice of public accounting are by such individual shall be maintained and registered as required under Section 15.17 of Title 59 of the Oklahoma Statutes or unless such person has received a certificate as a certified public accountant under Section 15.9 of Title 59 of the Oklahoma Statutes, holds a live permit issued under Section 15.14 of Title 59 of the Oklahoma Statutes and all of such person's offices in this state for the practice of public accounting are maintained and registered as required under Section 15.17 of Title 59 of the Oklahoma Statutes by the Oklahoma Accountancy Act.~~

~~(d) D. No partnership entity shall assume or use the title or designation "Public Accountant" or any other title, designation, words, letters, abbreviation, sign, card, or device tending to indicate or as a representation that such partnership entity is composed of public accountants, unless such partnership entity is registered as a partnership firm of public accountants under Section 15.15 of Title 59 of the Oklahoma Statutes or as a partnership of certified public accountants under Section 15.15 of Title 59 of the Oklahoma Statutes and holds a live valid permit issued under Section 15.17 of Title 59 of the Oklahoma Statutes and all of such partnership's pursuant to the provisions of the Oklahoma Accountancy Act. All offices in this state for the practice of public accounting are by such entity shall be maintained and registered as required under Section 15.17 of Title 59 of the Oklahoma Statutes by the Oklahoma Accountancy Act.~~

~~(e) E. No person or partnership individual or entity shall assume or use the title or designation "Certified Accountant", "Chartered Accountant", "Enrolled Accountant", "Licensed Accountant", "Registered Accountant" or any other title or designation likely to which could be confused with "Certified Public~~

Accountant" or "Public Accountant", or any of the abbreviations "CA", "~~PA~~", "EA", "RA", or "LA", or similar abbreviations ~~likely to which could~~ be confused with "CPA" or "PA"; provided, however, that anyone who holds a live valid permit issued under Section 15.14 of Title 59 of the Oklahoma Statutes and all of and whose offices in this state for the practice of public accounting are maintained and registered as required under Section 15.15 or 15.17 of Title 59 of the Oklahoma Statutes by the Oklahoma Accountancy Act may hold himself out to the public as an "Accountant" or "Auditor".

~~(f) No corporation shall assume or use the title or designation "Certified Public Accountant", or "Public Accountant"; nor shall any corporation assume or use the title or designation "Certified Accountant", "Chartered Accountant", "Enrolled Accountant", "Licensed Accountant", "Registered Accountant" or any other title or designation likely to be confused with "Certified Public Accountant" or "Public Accountant", or any of the abbreviations "CPA", "PA", "CA", "EA", "RA", or "LA" or similar abbreviations likely to be confused with "CPA".~~

~~(g) No person shall sign or affix his name or any trade or assumed name used by him in his profession or business, with any wording indicating that he is an accountant or auditor, or with wording indicating that he has expert knowledge in accounting or auditing, to any accounting or financial statement, or to any opinion on, report on or certificate to any accounting or financial statement, unless he holds a live permit issued under Section 15.14 of Title 59 of the Oklahoma Statutes, and all of his offices in this state for the practice of public accounting are maintained and registered under Section 15.15 or 15.17 of Title 59 of the Oklahoma Statutes; provided, however, that the provisions of this subsection shall not prohibit any officer, employee, partner or principal of any organization from affixing his signature to any statement or report in reference to the financial affairs of said organization~~

~~with any wording designating the position, title or office which he holds in said organization, nor shall the provisions of this subsection prohibit any act of a public official or public employee in the performance of his duties as such.~~

~~(h) No person shall sign or affix a partnership name, with any wording indicating that it is a partnership composed of accountants or auditors or persons having expert knowledge in accounting or auditing, to any accounting or financial statements, or to any report on or certificate to any accounting or financial statement, unless the partnership holds a live permit issued under Section 15.17 of Title 59 of the Oklahoma Statutes and all of its offices in this state for the practice of public accounting are maintained and registered as required under Section 15.15 or 15.17 of Title 59 of the Oklahoma Statutes.~~

~~(i) No person shall sign or affix a corporate name with any wording indicating that it is a corporation performing services as accountants or auditors or composed of accountants or auditors or persons having expert knowledge in accounting or auditing, to any accounting or financial statements, or to any report on or certificate to any accounting or financial statement.~~

~~(j) F. No person or partnership individual or entity not holding a live valid permit issued under Section 15.14 or 15.17 of Title 59 of the Oklahoma Statutes, and no corporation, shall hold himself or itself out to the public as an "Accountant" or "Auditor" by use of either or both of such words on any sign, card, letterhead, or in any advertisement or directory, without specifically indicating ~~thereon or therein~~ that such ~~person, partnership, or corporation~~ individual or entity does not hold such a permit; provided that. The provisions of this subsection shall not be construed to prohibit any officer, employee, partner or principal of any ~~organization~~ entity from describing himself by the position, title or office he holds in such organization; nor shall~~

this subsection prohibit any act of public official or public employee in the performance of his duties as such.

~~(k) No person shall assume or use the title or designation "Certified Public Accountant" or "Public Accountant" in conjunction with names indicating or implying that there is a partnership or in conjunction with the designation "and Company", or "and Co." or a similar designation if, in any such case, there is in fact no bona fide partnership registered under Sections 15.15 and 15.17 of Title 59 of the Oklahoma Statutes, provided that a sole proprietor or partnership lawfully using such title or designation in conjunction with such names or designation on the effective date of this act, may continue to do so if he or it otherwise complies with the provisions of this act.~~

G. No individual or entity not holding a valid permit issued under Section 13 of this act shall issue a report on financial statements of any other person, firm, organization, or governmental unit. This prohibition does not apply to an officer, partner, or employee of any firm or organization affixing his signature to any statement or report in reference to the financial affairs of such firm or organization with any wording designating the position, title, or office that he holds therein; nor prohibit any act of a public official or employee in the performance of his duties as such; nor prohibit the performance by any persons of other services involving the use of accounting skills, including the preparation of tax returns, management advisory services, and the preparation of financial statements without the issuance of reports thereon.

H. The prohibition contained in subsection G of this section is applicable to issuance, by a person or firm not holding a valid permit, of a report using any form of language conventionally used by licensees respecting a review of financial statements.

SECTION 14. AMENDATORY 59 O.S. 1991, Section 15.12, is amended to read as follows:

Section 15.12 ~~Nothing contained in this act shall prohibit any person~~ A. An individual who is not a certified public accountant or public accountant ~~from serving~~ may serve as an employee of, or an assistant to, a certified public accountant or public accountant or ~~partnership~~ firm composed of certified public accountants or public accountants holding a valid permit to practice ~~issued under Section 15.14 or 15.17 of Title 59 of the Oklahoma Statutes;~~ provided that such employee or assistant shall not issue any accounting or financial statements over his name.

~~Nothing contained in this act shall prohibit a certified public accountant or a licensed public accountant of another state, or any Accountant who holds a certificate, degree of license in a foreign country, constituting a recognized qualification for practice of public accounting in such country, from temporarily practicing in this state or engaging in professional business incident to his regular practice outside this state; provided, that such temporary practice is conducted in conformity with the regulations and rules of professional conduct promulgated by the Board.~~

B. An individual who has been authorized to practice public accounting as a certified public accountant or public accountant pursuant to the laws of the District of Columbia or any other state or territory of the United States or foreign country shall be allowed to engage in the practice of public accounting in this state without a permit or registering on a temporary basis. Such temporary practice must be a continuance of an engagement for a client located outside this state, which extends into this state through common ownership, existence of a subsidiary, assets, or other operations located within this state.

SECTION 15. AMENDATORY 59 O.S. 1991, Section 15.13, is amended to read as follows:

Section 15.13 ~~if~~ A. The Board may issue a certificate or license to an applicant who ~~holds a valid and unrevoked license~~ has

been authorized to practice public accounting as a certified public accountant or public accountant under pursuant to the laws of the District of Columbia or any other state or political subdivision territory of the United States shall apply for a license as a certified public accountant or public accountant in this state, the Board may waive the requirements of Section 15.8 of Title 59 of the Oklahoma Statutes and may dispense with the requirement of an examination and issue to him such license, if the laws of such other state or political subdivision extend similar privileges to the holder of a license as certified public accountant or public accountant under the laws of this state, and if such license was issued by the other state or political subdivision of the United States to the applicant as the result of an examination which, in the judgment of the Board, was equivalent to the examination provided for in this state. Such applicant shall pay to the Board a license fee in an amount equal to the fee required by the Board to sit for the examination. If for any reason the license of original issue be revoked, canceled or suspended by the said other state or political subdivision of the United States, the Board shall forthwith in a like manner revoke, cancel or suspend the license issued to such person in accordance herewith. if the applicant passed a test administered for the purpose of authorizing an individual to practice as a certified public accountant or public accountant with grades which were equivalent to passing a test for the same purpose in this state on the date the applicant passed the examination, and:

1. Meets the requirements for issuance of a certificate or license in this state on the date of making application; or
2. Met, on the date the certificate or license was issued by the other state, the requirements in effect on that date for issuance of a certificate or license in this state.

B. In the event an applicant does not meet the requirements of subsection A of this section, but has passed a test administered for the purpose of authorizing an individual to practice as a certified public accountant or public accountant with grades which were equivalent to passing a test for the same purpose in this state on the date the applicant passed the examination, the Board may issue a certificate or license to an applicant if such applicant has four (4) years of experience practicing public accounting as a certified public accountant or public accountant pursuant to the laws of the District of Columbia or any other state or territory of the United States. Such experience must have occurred within the ten (10) years immediately preceding the application. Experience acceptable to satisfy the requirements of this subsection shall be determined by standards established by the Board.

C. An applicant eligible to be issued a certificate or license by the Board pursuant to the provisions of subsections A or B of this section must also provide satisfactory documentation to the Board that such individual has met the continuing professional education requirements required by this state during the calendar year preceding the date of the application.

D. The Board may issue a certificate or license by reciprocity to the extent required by treaties entered into by the government of the United States.

E. A fee in the amount equal to the fee required to sit for the initial CPA or PA examination shall be paid by an applicant seeking a certificate or license pursuant to the provisions of this section.

SECTION 16. AMENDATORY 59 O.S. 1991, Section 15.14, is amended to read as follows:

Section 15.14 A. ~~Every person~~ In addition to obtaining a certificate or license, certified public accountants and public accountants shall register with the Board and pay a registration fee.

B. On or before July 31, 1992, every individual holding a valid certificate as certified public accountant or license issued by the Oklahoma State Board of Public Accountancy under this act or prior acts Board shall register annually with the Board, and the Board shall have printed and published for public distribution an annual register which shall contain the names, arranged alphabetically, or all persons holding certificates; all partnerships registered hereunder; the names of the members of the Board; and such other matters as may be deemed proper by the Board, and copies of such register shall be mailed to each certificate holder and to such other persons as the Board may deem proper.

~~B. Every person holding a valid license as public accountant issued by the Oklahoma State Board of Public Accountancy under this act shall register annually with the Board and the Board shall have printed and published for public distribution an annual register which shall contain the names arranged alphabetically of all persons holding licenses; all partnerships registered hereunder; the names of the members of the Board; and such other matters as may be deemed proper by the Board, and copies of such register shall be mailed to each license holder and to such other persons as the Board deems proper.~~

C. On June 30, 1993, all valid certificates and licenses ending in an odd number shall expire. On June 30, 1994, all valid certificates and licenses ending in an even number shall expire. All such registrations shall expire on the last day of June and may be renewed for a period of two (2) years. The Board shall implement rules for the scheduling of expiration and renewal of certificates and licenses, including the prorating of fees.

D. After the initial registration, renewal of registrations shall be accomplished by registrants in good standing upon filing of the registration and upon payment of the registration fee not later than June 30. Interim registration shall be at full rates.

E. Not less than thirty (30) calendar days before the expiration of a valid certificate or license, written notice of the expiration date shall be mailed to the individual holding the valid certificate or license at the last-known address of such individual according to the official records of the Board.

F. A certificate or license shall be renewed by payment prior to the expiration date of a renewal fee set by the Board which shall not exceed Three Hundred Dollars (\$300.00) for each two-year period.

1. To renew a certificate or license after expiration on June 30, but before the following June 30, the CPA or PA shall pay a fee set by the Board which shall not exceed Three Hundred Dollars (\$300.00).

2. To renew a certificate or license after expiration of a year or more, the CPA or PA shall pay a fee set by the Board which shall not exceed Six Hundred Dollars (\$600.00).

G. The Board shall establish rules whereby the registration fee for certified public accountants and public accountants may, upon written application to the Board, be reduced or waived by the Board for registrants who have retired upon reaching retirement age, or who have attained the age of sixty-five (65) years, or who have become disabled to a degree precluding the continuance of their practice for six (6) months or more prior to the due date of any renewal fee. The Board shall use its discretion in determining conditions required for retirement or disability.

H. All changes of professional status, employment or mailing address shall be reported to the Board within thirty (30) calendar days of such changes becoming effective.

I. An annual register may be printed and published for public distribution at the direction of the Board which shall contain the names arranged alphabetically of all individuals and firms holding valid certificates, licenses, permits, the names of the members of the Board, and such other matters as may be deemed proper by the

Board. Copies of such register shall be mailed to each certificate and license holder and to such other persons as the Board deems proper.

SECTION 17. AMENDATORY 59 O.S. 1991, Section 15.22, is amended to read as follows:

Section 15.22 ~~It shall be unlawful for~~ A. Before any individual ~~to~~ may practice public accounting or ~~to~~ hold himself out as being engaged in the practice of public accounting as a certified public accountant or public accountant in this state ~~unless he such person shall at the time hold obtain~~ a permit ~~in full force and effect issued by~~ from the Board authorizing him to do so. ~~Permits shall be issued to:~~

~~(a) Certified public accountants holding a certificate as such, issued under the laws of this state, which certificate shall be in full force and effect at the time of the issuance of the permit;~~

~~(b) Individuals who shall have been engaged in the practice of public accounting in this state on the effective date of this act, and who shall have been registered as a public accountant under the provisions of this act;~~

~~(c) Individuals who obtain subsequent registration under this act; and~~

~~(d) Individuals who, as of the effective date of this act, hold permits to practice public accounting issued under the laws of any other state or political subdivision of the United States, if the laws of such state or political subdivision prescribe standards equal to those required by this act and permit such individuals of this state to practice therein.~~

B. The Board shall promulgate rules establishing the qualifications for obtaining a permit to practice public accounting in this state. Such rules shall include but not be limited to provisions that:

1. Any individual seeking a permit must have a valid certificate or license on the date the permit is applied for;

2. Any individual or entity seeking a permit must be registered pursuant to the provisions of the Oklahoma Accountancy Act;

3. Any individual seeking a permit must meet continuing professional education requirements; and

4. There shall be no examination for obtaining a permit.

C. All such individuals shall, upon application and payment of the ~~annual fees herein provided, and without examination,~~ be granted an annual permit to practice public accounting in this state. All permits issued shall expire on June 30 of each year and may be renewed from year to year. ~~The issuance of Board may issue~~ interim permits ~~to qualified applicants complying with the provisions of this act is hereby authorized,~~ upon payment of the same fees required for annual permits.

D. Failure to apply for and obtain a permit shall disqualify an individual ~~to practice~~ from practicing public accounting in this state until such time as he ~~shall have applied for and~~ a valid permit has been obtained ~~the same.~~

E. The Board shall charge a fee for each individual permit not ~~in excess of One Hundred Dollars (\$100.00) for such permit to practice public accounting in this state~~ to exceed Two Hundred Dollars (\$200.00).

~~Provided that permits issued by the predecessor Board shall remain in force and effect until the holders apply for and obtain permits under the provisions of this act.~~

~~An individual shall be deemed to be practicing public accounting within the meaning of this act:~~

~~(a) Who holds himself out to the public in any manner as one skilled in the knowledge, science and practice of accounting, and qualified and ready to render professional service therein as a public accountant for compensation; or~~

~~(b) Who maintains an office for the transaction of business as a public accountant; or~~

~~(c) Who offers to perform or does perform for clients for compensation professional services that involve or require an audit or certificate of financial transactions and accounting records; or~~

~~(d) Who prepares for clients reports or audits, balance sheets, and other financial, accounting and related schedules, exhibits, statements or reports, which are to be published or used for credit purposes, or are to be exhibited to or circulated among third persons for any purpose.~~

~~Provided, however, that nothing contained in this act shall apply to any individual acting as an employee of one or more corporations, associations, partnerships, or persons who keep books, make trial balances or statements, or prepare reports, provided such instruments are not intended to be exhibited by the employer or employers as having been prepared by a certified public accountant or a public accountant.~~

~~Nothing contained in this act shall prohibit any person or persons from holding himself or themselves out as public bookkeepers or tax return preparers.~~

SECTION 18. AMENDATORY 59 O.S. 1991, Section 15.20, is amended to read as follows:

Section 15.20 After notice and hearing ~~as provided by this act,~~ the Board may ~~revoke, or may suspend for a period not to exceed five (5) years,~~ any certificate of a public accountant issued by the Oklahoma State Board of Public Accountancy under the provisions of this act, or prior acts, or may censure the holder of any such certificate, upon its finding of the existence of impose any one or more of the penalties authorized in Section 15.24 of the Oklahoma Accountancy Act on a certified public accountant or a public accountant for any one or any combination more of the following causes:

~~(a) 1. Fraud or deceit in obtaining a certificate as public accountant, license or permit;~~

~~(b) 2. Dishonesty, fraud, or gross negligence in the practice of public accounting. accountancy or financially related activities;~~

~~(c) Violation of a rule of general application promulgated by the Board under the authority granted by this act.~~

~~(d) 3. Conviction, plea of guilty, or plea of nolo contendere of a felony under the laws in a court of competent jurisdiction of any state or federal court of the United States, if the acts involved would have constituted a felony under the laws of this state;~~

~~(e) 4. Conviction, plea of guilty, or plea of nolo contendere of any crime misdemeanor, an element of which is dishonesty or fraud, under pursuant to the laws of the United States, District of Columbia or any state or territory of the United States, if the acts involved would have constituted a misdemeanor under the laws of this state;~~

~~(f) 5. Failure to file the annual registration form or failure to pay the annual registration fee; and~~

~~(g) Conduct discreditable to the public accounting profession.~~

~~(h) 6. Violation of any of the provisions of this act.~~

~~Provided, that for purposes of administration under the causes set forth in (d) and (e) above, a conviction in a trial court shall be deemed a conviction for purposes of suspension of a certificate, and if no appeal is taken on said conviction, or upon the exhaustion of unsuccessful appeals thereon, shall be deemed a conviction for all purposes hereunder the Oklahoma Accountancy Act and rules promulgated for its implementation by the Board.~~

SECTION 19. AMENDATORY 59 O.S. 1991, Section 15.15, is amended to read as follows:

Section 15.15 A. The Board, upon application, shall register and annually issue to partnerships permits to practice public

~~accounting in the State of Oklahoma as certified public accountants provided it be shown to the Board that:~~

~~(a) Each member or partner engaged in the practice of public accounting in the United States holds a certificate as a certified public accountant in one or more states or political subdivisions of the United States;~~

~~(b) Each resident or local member of the partnership is a holder of a certificate and permit to practice as a certified public accountant under the laws of this state which are in full force and effect or, if there be no resident or local member of such partnership, then that the resident or local manager has received from the Board a certificate and permit to practice as a certified public accountant which are in full force and effect;~~

~~(c) Each resident manager in charge of an office of the firm in this state must be a certified public accountant of this state in good standing.~~

~~The Board, upon application, shall register and annually issue to partnerships permits to practice public accounting in the State of Oklahoma as public accountants provided it be shown to the Board that each resident or local member of the partnership or the resident or local manager or managers has received from the Board a permit (in full force and effect) to practice public accounting under the laws of this state.~~

~~Each resident manager in charge of an office of the firm in this state must be a public accountant of this state in good standing any firm seeking to provide professional services to the public. All firms shall pay an annual registration fee not to exceed Two Hundred Dollars (\$200.00).~~

~~B. All such registrations shall expire on the last day of August of each year and may be renewed annually for a period of one (1) year by registrants in good standing upon filing the~~

registration and upon payment of the annual fee not later than August 31 of each year.

C. Interim registrations shall be at full rates.

SECTION 20. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 15.15A of Title 59, unless there is created a duplication in numbering, reads as follows:

A. The Board, upon application, shall issue a permit to practice public accounting to each office of any firm seeking to provide professional services to the public in this state. Renewals of firm permits shall be applied for during the month of August of each year.

B. Applicants for initial firm permits shall provide the Board with the following information:

1. A list of all states in which the firm has applied for or been issued a permit or its equivalent within the five (5) years immediately preceding the date of application;

2. Relevant details as to a denial, revocation, or suspension of a permit or its equivalent of the firm, or any partner or shareholder of the firm other than in this state;

3. Documentary proof that the firm has complied with the requirements of the Oklahoma Office of the Secretary of State applicable to such entities; and

4. Such other information as the Board deems appropriate for demonstrating that the qualifications of the firm are sufficient for the practice of public accounting in this state.

C. The following changes in a firm affecting the offices in this state shall be reported to the Board within thirty (30) calendar days from the date of occurrence:

1. Changes in the partners or shareholders of the firm;
2. Changes in the structure of the firm;
3. Change of the designated manager of the firm;

4. Changes in the number or location of offices of the firm;  
and

5. Denial, revocation, or suspension of certificates, licenses, permits, or their equivalent to the firm or its partners, shareholders, or employees other than in this state.

D. The Board shall be notified in the event the firm is dissolved. Such notification shall be made within thirty (30) calendar days of the dissolution. The Board shall adopt rules for notice and adopt the responsible party for such notice for the various types of firms authorized to receive permits. Such notice of dissolution shall contain but not be limited to the following information:

1. A list of all partners and shareholders at the time of dissolution;

2. The location of each office of the firm at the time of dissolution;

3. The date the dissolution became effective;

4. The new employment status of each partner or shareholder;  
and

5. The new mailing address of each partner or shareholder.

E. The Board shall set a fee of not more than One Hundred Dollars (\$100.00) for each initial or renewal firm permit. In the event a firm has more than one office, a fee of not more than One Hundred Dollars (\$100.00) shall be paid for each additional office.

F. Each office of a firm seeking a permit to practice accounting as a CPA firm shall be issued a permit by the Board upon application and payment of appropriate fees. A firm applying for a permit shall provide documentary proof to the Board that:

1. Each partner or shareholder is engaged in the practice of public accounting in the United States and holds a certificate as a certified public accountant in one or more states, or territories, or the District of Columbia of the United States; and

2. Each designated manager is a holder of a valid certificate and permit to practice as a certified public accountant in this state.

G. Each office of a firm seeking a permit to practice accounting as a PA firm shall be issued a permit by the Board upon application and payment of appropriate fees. A firm applying for a permit shall provide documentary proof to the Board that:

1. Each partner or shareholder is engaged in the practice of public accounting in the State of Oklahoma as public accountants; and

2. Each designated manager has received a license and permit to practice as a public accountant or certificate and permit to practice as a certified public accountant pursuant to the laws of this state.

SECTION 21. AMENDATORY 59 O.S. 1991, Section 15.17, is amended to read as follows:

Section 15.17 A. Each office established or maintained in this state for the practice of public accounting ~~in this state by a certified public accountant or public accountant or a partnership of certified public accountants or public accountants shall be registered annually under this act with the Board, but no fee shall be charged for such registration.~~ Each such office shall be under the direct supervision of a ~~resident~~ designated manager ~~who may be either a principal or a staff employee and said resident.~~

1. The designated manager must be the holder of a certificate as a certified public accountant or public accountant of this state in order for the title "Certified Public Accountant" or "Public Accountant" or the abbreviation "C.P.A." or "P.A." to be used in connection with such office; and

2. The designated manager must be the holder of a certificate or a license in order for the title "Public Accountant" or the abbreviation "P.A." to be used in connection with such office.

~~Such resident manager may serve in such capacity at one office only in this state.~~

B. The Board shall ~~by regulation~~ prescribe ~~the procedure to be followed in effecting~~ such rules as are necessary to implement registration pursuant to the provisions of this section.

SECTION 22. AMENDATORY 59 O.S. 1991, Section 15.16, is amended to read as follows:

Section 15.16 A. After notice and hearing ~~as provided in this act,~~ the Board shall revoke the registration and all permits of a ~~partnership~~ firm if at any time it does not have all of the qualifications ~~provided herein~~ required for registration pursuant to the provisions of the Oklahoma Accountancy Act.

B. After notice ~~of~~ and hearing ~~as provided in this act,~~ the Board may ~~revoke or suspend the registration of a partnership or may refuse to renew its registration or may censure the partnership~~ impose any one or more of the penalties authorized in Section 24 of the Oklahoma Accountancy Act on a firm for any one or more of the ~~causes enumerated in Section 20, or for any of the following~~ additional following causes:

~~(a)~~ 1. The revocation or suspension ~~by the Board~~ of the certificate or license of any partner ~~or shareholder~~ issued in accordance with the Oklahoma Accountancy Act;

~~(b)~~ 2. Failure of the ~~partnership~~ firm or any partner ~~thereof~~ or shareholder to ~~file the annual registration form~~ register with the Board or pay the annual registration fee ~~;~~

3. Failure to maintain compliance with the requirements for issuance or renewal of the permit of the firm;

~~(c)~~ 4. Failure to sign accountants' opinions in the ~~partnership~~ firm name, ~~excepting~~ except in instances in which a governmental agency shall require the signature to be that of an individual ~~;~~

5. Fraud or deceit by any partner or shareholder in obtaining the firm permit; and

6. Failure to file income tax returns in the name of the firm.

SECTION 23. AMENDATORY 59 O.S. 1991, Section 15.23, is amended to read as follows:

Section 15.23 A. The Board ~~is empowered to~~ shall conduct hearings ~~under the following notice, procedures and review:~~ ~~(a) The Board is empowered to initiate proceedings, under Section 20 of this act, when there is an allegation of a violation of any of the provisions of the Oklahoma Accountancy Act or rules promulgated by the Board to implement the provisions of the Oklahoma Accountancy Act by a certified public accountant, public accountant, firm, or any other individual or entity or wherever appropriate for the exercise of authority granted elsewhere under this act, to the Board either on its own motion or on the complaint of any person. Such proceedings shall be conducted in accordance with the provisions of the general laws of this state relating to administrative procedure; the Administrative Procedures Act. The Board shall have all powers granted to administrative agencies for the conduct of individual proceedings; and judicial review thereof shall be in accordance with the provisions of such general laws relating to administrative procedure.~~

~~(b)~~ B. At all hearings, the Attorney General of this state, or ~~one of his assistants designated by him,~~ an Assistant Attorney General shall ~~attend and~~ represent the Board. If the Attorney General is unable or declines to provide the Board with counsel, the Board is authorized to employ other legal counsel to represent it at a hearing. The counsel who presents the evidence supporting the complaint shall not be the counsel who advises the Board.

~~(c)~~ C. All decisions of the Board at such hearings shall be by majority vote ~~thereof~~ of the Board members present at the hearing.

~~(d)~~ In all rule-making procedures before the Board, the provisions of the general administrative procedure laws of the state

~~governing rule making, judicial review thereof, and declaratory rulings shall apply.~~

SECTION 24. AMENDATORY 59 O.S. 1991, Section 15.24, is amended to read as follows:

Section 15.24 A. In the event a certified public accountant, public accountant, or firm after proper notice and hearing is found to have violated one or more provisions of Sections 18, 22, and 24 of the Oklahoma Accountancy Act, the Board may impose one or more of the following penalties on the offending individual or firm:

1. Revoke any certificate, license, or permit issued pursuant to the provisions of the Oklahoma Accountancy Act;

2. Suspend any certificate, license, or permit for not more than five (5) years, subject to such terms, conditions, or limitations as deemed appropriate by the Board;

3. Reprimand a registrant;

4. Place a registrant on probation for a specified period of time, which may be shortened or lengthened as the Board deems appropriate;

5. Limit the scope of practice of a registrant;

6. Deny renewal of a permit;

7. Require a special quality review of the registrant, subject to such procedures as the Board deems appropriate;

8. Require successful completion of continuing professional educational programs deemed appropriate;

9. Assess a fine not to exceed One Thousand Dollars (\$1,000.00) for each separate offense; and

10. Require the registrant to pay all costs incurred by the Board as a result of hearings conducted regarding accountancy actions of the registrant including but not limited to investigation costs, hearing officer costs, renting of special facilities costs, and court reporter costs.

B. Upon application in writing and after hearing, pursuant to notice, the Board may issue a new reinstate a certificate to a certified public accountant whose certificate shall have, license, or permit which has been revoked, or may modify the suspension of any certificate which has been suspended, license, or permit.

~~Upon application in writing and after hearing, pursuant to notice, the Board may issue a new license to a public accountant whose license shall have been revoked, or may modify the suspension of any license which has been suspended.~~

C. Before reinstating or terminating the suspension of a certificate, license, or permit, or as a condition to such reinstatement or termination, the Board may require the applicant to show successful completion of specified continuing professional education courses.

D. Before reinstating or terminating the suspension of a certificate, license, or permit, or as a condition to such reinstatement or termination, the Board may make the reinstatement of a certificate, license, or permit conditional and subject to satisfactory completion of a quality review conducted in such fashion as the Board may specify.

E. The provisions of this section shall not be construed to preclude the Board from entering into any agreement to resolve a complaint prior to a formal hearing or before the Board enters a final order.

F. All monies, excluding costs, collected from civil penalties authorized in this section shall be deposited with the State Treasurer to be paid into the General Revenue Fund of the state.

SECTION 25. AMENDATORY 59 O.S. 1991, Section 15.25, is amended to read as follows:

Section 15.25 ~~A. Any person, partnership or corporation~~ individual or entity who represents:

1. Represents himself or itself as having received a certificate as a ~~"Certified Public Accountant"~~ or uses the title ~~"Certified Public Accountant"~~ or its abbreviation ~~"C.P.A."~~, license, or permit or otherwise holds himself or itself out to the public as being so qualified without having received such certificate ~~from this state or who continues,~~ license, or permit; or

2. Continues to use such title or designation after such certificate, license, or permit has been recalled, revoked, canceled, ~~or is in a period of suspension,~~ suspended or refuses to surrender such certificate ~~after revocation thereof, or who falsely,~~ license, or permit; or

3. Falsely represents himself or itself as being certified or licensed as an accountant, or firm of certified or licensed accountants, or who incorrectly designates the character of the certificate, license or permit which he or it holds, ~~;~~ or ~~who~~ otherwise

4. Otherwise violates any of the provisions of ~~this act,~~ the Oklahoma Accountancy Act, upon conviction shall be deemed guilty of a misdemeanor ~~and on conviction shall be punished by a fine of not more than Five Hundred Dollars (\$500.00).~~

B. ~~Any person, partnership or corporation who represents himself or itself as having received a license as a "Public Accountant", or uses the title "Public Accountant" or its abbreviation "P.A." or otherwise holds himself or itself out to the public as being so qualified without having received such license from this state or who continues to use such title or designation after such license has been recalled, revoked, canceled or is in a period of suspension, or refuses to surrender such license after revocation thereof, or who falsely represents himself or itself as being licensed as a public accountant, or who incorrectly designates the character of the license which he holds, or who otherwise~~

~~violates any of the provisions of this act, shall be deemed guilty of a misdemeanor and on conviction shall be punished by a fine of not more than Five Hundred Dollars (\$500.00).~~

SECTION 26. AMENDATORY 59 O.S. 1991, Section 15.26, is amended to read as follows:

Section 15.26 Any ~~person~~ individual holding a certificate ~~under this act or prior acts~~ or license who ~~shall~~ knowingly ~~falsify~~ falsifies any report or statement bearing on any examination, investigation, or audit made by him or ~~under~~ subject to his direction shall be guilty of a felony, and upon conviction ~~thereof~~ by any court of competent jurisdiction shall be ~~punished~~ punishable by imprisonment ~~in the penitentiary~~ for a period of not ~~exceeding~~ more than one (1) year, or by a fine of not more than ~~One Thousand Dollars (\$1,000.00)~~ Twenty-five Thousand Dollars (\$25,000.00), or both such fine and imprisonment.

SECTION 27. AMENDATORY 59 O.S. 1991, Section 15.27, is amended to read as follows:

Section 15.27 ~~Whenever~~ A. In addition to any other powers conferred on the Board to impose penalties for violations of the provisions of the Oklahoma Accountancy Act, whenever in the judgment of the Board any ~~person~~ individual or entity has engaged, ~~or is about to engage,~~ in any acts or practices which constitute, ~~or will constitute,~~ a violation of ~~Section 15.11 of Title 59 of the Oklahoma Statutes,~~ the Oklahoma Accountancy Act, the Board may ~~make:~~

1. After notice and hearing, issue a cease and desist order to any individual who should have obtained a certificate, license, or permit or to an entity which should have obtained a permit;

2. Impose a fine of not more than One Thousand Dollars (\$1,000.00) for each violation in the event after the issuance of an order to cease and desist the illegal activity, the individual or entity to whom the order is directed commits any act in violation of the order; and

3. Make application to the appropriate court for an order enjoining such acts or practices, and upon a showing by the Board that such person has engaged, ~~or is about to engage,~~ in any such acts or practices, an injunction, restraining order, or such other order as may be appropriate shall be granted by such court, without bond.

B. Each day a violation is continuing shall constitute a separate offense.

C. Administrative fines imposed pursuant to this section shall be enforceable in the district courts of this state.

D. Notices and hearings required by this section shall be in accordance with the Administrative Procedures Act.

E. Appeals from orders entered pursuant to this section shall be in accordance with the Administrative Procedures Act.

SECTION 28. AMENDATORY 59 O.S. 1991, Section 15.28, is amended to read as follows:

Section 15.28 A. The ~~display~~ displaying or uttering by a ~~person, partnership or corporation,~~ an individual or entity of a card, sign, advertisement, or other printed, engraved, or written instrument or device, bearing a ~~person's, partnership's or corporation's~~ the name of the individual or entity in conjunction with the words "Certified Public Accountant" ~~or any abbreviation thereof,~~ or ~~public accountant~~ "Public Accountant" or any abbreviation, ~~thereof~~ shall be prima facie evidence in any action brought ~~under Section 15.11 or 15.23 of Title 59 of the Oklahoma Statutes~~ pursuant to the provisions of the Oklahoma Accountancy Act that the ~~person, partnership or corporation~~ individual or entity whose name is so displayed or uttered caused or procured the display or uttering of such card, sign, advertisement or other printed, engraved or written instrument or device, and that such ~~person,~~ ~~partnership or corporation~~ individual or entity is holding himself

or itself out to be a certified public accountant or public accountant holding a valid permit ~~issued under this act~~.

B. In any such action, evidence of the commission of a single act prohibited by ~~this act~~ the Oklahoma Accountancy Act shall be sufficient to justify an injunction or a conviction without evidence of a general course of conduct.

SECTION 29. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 15.30 of Title 59, unless there is created a duplication in numbering, reads as follows:

A. As a condition for issuance or renewal of permits, the Board may require applicants to undergo quality reviews conducted not less than once every three (3) years.

B. Quality reviews shall be conducted in such manner and in accordance with such standards as the Board may specify by rule.

C. The rules may provide for a registrant to comply by providing documented proof of a satisfactory quality or peer review conducted for some other purpose which meets the purposes and standards of the Board quality review program within three (3) years preceding the date the Oklahoma quality review is to be conducted.

D. Failure of any registrant to provide full cooperation with the Board or any individual acting at the direction of the Board in performing a quality review shall after notice and a hearing be subject to the penalties provided in the Oklahoma Accountancy Act.

SECTION 30. AMENDATORY 59 O.S. 1991, Section 15.35, is amended to read as follows:

Section 15.35 ~~As~~ A. In order to assure continuing professional competence of individuals in accountancy, and as a condition for issuance or renewal of a permit to practice, the Board shall require certificate and license holders to shall furnish evidence of participation in continuing professional education in accounting, auditing or related areas.

B. Certificate and license holders shall complete at least one hundred twenty (120) hours of continuing professional education within each three (3) calendar years.

C. The Board ~~may not require in excess of twenty-four (24) hours per year.~~ The Board ~~may~~ shall adopt rules and regulations regarding such continuing professional education. Such rules shall include but not be limited to:

1. Requiring completion of not less than twenty (20) hours of continuing professional education in any calendar year;

2. Requiring reporting of continuing professional education to coincide with the annual permit renewal date; and

3. Provisions for exempting retired and disabled individuals and individuals not engaged in the practice of public accounting as defined by the Board in the rules for the requirement of continuing professional education.

SECTION 31. AMENDATORY 59 O.S. 1991, Section 15.32, is amended to read as follows:

Section 15.32 ~~Any accountant licensed under the provisions of Title 59 of the Oklahoma Statutes, Sections 15.1 through 15.9 CPA or PA~~ may perform and report upon or certify to any audit required by any statute, charter, ordinance, trust or other legal instrument.

SECTION 32. AMENDATORY 59 O.S. 1991, Section 15.33, is amended to read as follows:

Section 15.33 ~~From and after the passage of this act June 24, 1971,~~ no ordinance, trust or other legal instrument shall provide for any audit to be performed, reported upon or certified to by any accountant other than ~~a licensed accountant~~ an individual holding a valid license or certificate ~~under the provisions of Title 59 of the Oklahoma Statutes, Sections 15.1 through 15.9.~~

SECTION 33. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 15.38 of Title 59, unless there is created a duplication in numbering, reads as follows:

A. This section applies to all causes of action of the type specified herein filed on or after the effective date of this act. This section governs any action based on negligence brought against any accountant or firm of accountants registered, licensed or practicing in this state by any person or entity claiming to have been injured as a result of financial statements or other information examined, compiled, reviewed, certified, audited or otherwise reported or opined on by the defendant accountant.

B. No action covered by this section may be brought in any court in this state unless:

1. The plaintiff:

- a. is issuer (or successor of the issuer) of the financial statements or other information examined, compiled, reviewed, certified, audited or otherwise reported or opined on by the defendant, and
- b. engaged the defendant accountant to examine, compile, review, certify, audit or otherwise report or render an opinion on such financial statements; or

2. The defendant accountant:

- a. was aware at the time the engagement was undertaken that the financial statements were to be made available for use in connection with a specified transaction by the plaintiff who was specifically identified to the defendant accountant,
- b. was aware that the plaintiff intended to rely upon such financial statements in connection with the specified transaction, and
- c. had direct contact and communication with the plaintiff and expressed by words or conduct the defendant accountant's understanding of the reliance on such financial statements or other information.

SECTION 34. REPEALER 59 O.S. 1991, Sections 15.19 and 15.31, are hereby repealed.

SECTION 35. RECODIFICATION Sections 15.17, 15.18, 15.20, 15.22, 15.32 and 15.33 of Title 59 of the Oklahoma Statutes shall be recodified as Sections 15.15B, 15.10A, 15.14B, 15.14A, 15.36 and 15.37 respectively of Title 59 of the Oklahoma Statutes, unless there is created a duplication in numbering.

SECTION 36. This act shall become effective July 1, 1992.

SECTION 37. It being immediately necessary for the preservation of the public peace, health and safety, an emergency is hereby declared to exist, by reason whereof this act shall take effect and be in full force from and after its passage and approval.

43-2-7656

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