

1 ENGROSSED HOUSE AMENDMENT
TO
2 ENGROSSED SENATE BILL NO. 1010

By: Morgan of the Senate

3 and

4 Johnson (Rob) of the
5 House

6
7
8 (professions and occupations - Oklahoma Accountancy
9 Act - modifying provision - designating certain
10 professional standards -

11 emergency)

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14 AMENDMENT NO. 1. Strike the stricken title, enacting clause and
15 entire bill and insert

16
17 "(professions and occupations - Oklahoma Accountancy
18 Act - modifying provision - designating certain
19 professional standards -

20 emergency)

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1 SECTION 1. AMENDATORY 59 O.S. 2001, Section 15.1A, as
2 last amended by Section 2, Chapter 125, O.S.L. 2004 (59 O.S. Supp.
3 2007, Section 15.1A), is amended to read as follows:

4 Section 15.1A As used in the Oklahoma Accountancy Act:

5 1. "Accountancy" means the profession or practice of
6 accounting;

7 2. "AICPA" means the American Institute of Certified Public
8 Accountants;

9 3. "Applicant" means an individual or entity that has made
10 application to the Board for a certificate, license, or permit or an
11 individual who has made application to take the examination and said
12 application has not been approved;

13 4. "Assurance" means independent professional services that
14 improve the quality of information, or its context, for decision
15 makers;

16 5. "Attest" means providing the following financial statement
17 services:

18 a. any audit or other engagement to be performed in
19 accordance with ~~generally accepted~~ auditing standards
20 generally accepted in the United States, government
21 auditing standards generally accepted in the United
22 States or international auditing standards,
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- 1 b. any review of a financial statement to be performed in
2 accordance with the Statements on Standards for
3 Accounting and Review Services (SSARS), ~~and~~
4 c. any report performed in accordance with the Statements
5 on Standards for Attestation Engagements (SSAE), and
6 d. any engagement to be performed in accordance with the
7 standards of the Public Company Auditing Oversight
8 Board (PCAOB).

9 The statements on standards specified in this definition shall
10 be adopted by reference by the Board pursuant to rulemaking and
11 shall be those developed for general application by recognized
12 national accountancy organizations;

13 6. "Audit" can only be performed by an individual or entity who
14 is registered with the Board and holding a valid permit issued
15 pursuant to the Oklahoma Accountancy Act and means a systematic
16 investigation or appraisal of information, procedures, or operations
17 performed in accordance with generally accepted auditing standards
18 in the United States, for the purpose of determining conformity with
19 established criteria and communicating the results to interested
20 parties;

21 7. "Board" means the Oklahoma Accountancy Board;

22 8. "Candidate" means an individual who has been qualified and
23 approved by the Board to take an examination for a certificate or
24 license;

1 9. "Certificate" means the Oklahoma document issued by the
2 Board to a candidate upon successful completion of the certified
3 public accountant examination designating the holder as a certified
4 public accountant pursuant to the laws of Oklahoma. "Certificate"
5 shall also mean the Oklahoma document issued by reciprocity to an
6 individual who has previously been certified in another
7 jurisdiction;

8 10. "Certified public accountant" means any person who has
9 received a certificate from the Board or other jurisdictions;

10 11. "Client" means the individual or entity which retains a
11 registrant to perform professional services;

12 12. "Compilation" when used with reference to financial
13 statements, means presenting information in the form of financial
14 statements which is the representation of management or owners
15 without undertaking to express any assurance on the statements;

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

17 14. ~~"Designated manager" means the individual domiciled in~~
18 ~~Oklahoma and appointed by the firm partners or shareholders to be~~
19 ~~responsible for the administration of the office;~~

20 15. "Designee" means the National Association of State Boards
21 of Accountancy (NASBA), American Institute of Certified Public
22 Accountants (AICPA) or other professional bodies approved as
23 acceptable to the Board to provide a qualification appraisal in
24 determining whether any jurisdiction's qualifications for

1 certificate or license are substantially equivalent to Oklahoma's
2 requirements;

3 ~~16.~~ 15. "Entity" means an organization whether for profit or
4 not, recognized by the State of Oklahoma to conduct business;

5 ~~17.~~ 16. "Examination" means the test administered, supervised,
6 and graded by, or at the direction of, the Board or other
7 jurisdiction that is required for a certificate as a certified
8 public accountant or a license as a public accountant;

9 ~~18.~~ 17. "Executive director" means the chief administrative
10 officer of the Board;

11 ~~19.~~ 18. "Financial statements" means statements and footnotes
12 related thereto that undertake to present an actual or anticipated
13 financial position as of a point in time, or results of operations,
14 cash flow, or changes in financial position for a period of time, in
15 conformity with generally accepted accounting principles or another
16 comprehensive basis of accounting. The term does not include
17 incidental financial data included in management advisory service
18 reports to support recommendations to a client; nor does it include
19 tax returns and supporting schedules;

20 ~~20.~~ 19. "Firm" means an entity that is either a sole
21 proprietorship, partnership, professional limited liability company,
22 professional limited liability partnership, limited liability
23 partnership or professional corporation, or any other professional
24 form of organization recognized by the State of Oklahoma and issued

1 a permit in accordance with Section 15.15A of this title, including
2 individual partners or shareholders, that is engaged in accountancy;

3 ~~21.~~ 20. "Holding out" means any representation by an individual
4 that he or she holds a certificate or license and a valid permit, or
5 by an entity that it holds a valid permit. Any such representation
6 is presumed to invite the public to rely upon the professional
7 skills implied by the certificate or license and valid permit in
8 connection with the services or products offered;

9 21. "Home office" means the location specified by the client as
10 the address to which a service described in Section 15.12A of this
11 title is directed;

12 22. "Individual" means a human being;

13 23. "Jurisdiction" means any state or territory of the United
14 States and the District of Columbia;

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

22 25. "Management advisory services", also known as "management
23 consulting services", "management services", "business advisory
24 services" or other similar designation, hereinafter collectively

1 referred to as "MAS", means the function of providing advice and/or
2 technical assistance, performed in accordance with standards for MAS
3 engagements and MAS consultations such as those issued by the
4 American Institute of Certified Public Accountants, where the
5 primary purpose is to help the client improve the use of its
6 capabilities and resources to achieve its objectives including but
7 not limited to:

- 8 a. counseling management in analysis, planning,
9 organizing, operating, risk management and controlling
10 functions,
- 11 b. conducting special studies, preparing recommendations,
12 proposing plans and programs, and providing advice and
13 technical assistance in their implementation,
- 14 c. reviewing and suggesting improvement of policies,
15 procedures, systems, methods, and organization
16 relationships, and
- 17 d. introducing new ideas, concepts, and methods to
18 management.

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

23 26. "NASBA" means the National Association of State Boards of
24 Accountancy;

1 27. "PA" or "P.A." means public accountant;

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

8 29. "PCAOB" means the Public Company Auditing Oversight Board;

9 30. "Peer Review" means a review performed pursuant to a set of
10 peer review rules established by the Board. The term "peer review"
11 also encompasses the term "quality review";

12 ~~30.~~ 31. "Permit" means the written authority granted annually
13 by the Board to individuals or firms to practice public accounting
14 in Oklahoma, which is issued pursuant to the Oklahoma Accountancy
15 Act;

16 ~~31.~~

17 32. a. "Practice of public accounting", also known as
18 "practice public accounting", "practice" and "practice
19 accounting", refers to the activities of a registrant
20 in reference to accountancy. An individual or firm
21 shall be deemed to be engaged in the practice of
22 public accounting if the individual or firm holds
23 itself out to the public in any manner as one skilled
24 in the knowledge, science, and practice of accounting

1 and auditing, taxation and management advisory
2 services and is qualified to render such professional
3 services as a certified public accountant or public
4 accountant, and performs the following:

5 (1) maintains an office for the transaction of
6 business as a certified public accountant or
7 public accountant,

8 (2) offers to prospective clients to perform or who
9 does perform on behalf of clients professional
10 services that involve or require an audit,
11 verification, investigation, certification,
12 presentation, or review of financial transactions
13 and accounting records or an attestation
14 concerning any other written assertion,

15 (3) prepares or certifies for clients reports on
16 audits or investigations of books or records of
17 account, balance sheets, and other financial,
18 accounting and related schedules, exhibits,
19 statements, or reports which are to be used for
20 publication or for the purpose of obtaining
21 credit, or for filing with a court of law or with
22 any governmental agency, or for any other
23 purpose,
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- 1 (4) generally or incidentally to the work described
2 herein, renders professional services to clients
3 in any or all matters relating to accounting
4 procedure and to the recording, presentation, or
5 certification of financial information or data,
6 (5) keeps books, or prepares trial balances,
7 financial statements, or reports, all as a part
8 of bookkeeping services for clients,
9 (6) prepares or signs as the tax preparer, tax
10 returns for clients, consults with clients on tax
11 matters, conducts studies for clients on tax
12 matters and prepares reports for clients on tax
13 matters, unless the services are uncompensated
14 and are limited solely to the registrant's, or
15 the registrant's spouse's lineal and collateral
16 heirs,
17 (7) prepares personal financial or investment plans
18 or provides to clients products or services of
19 others in implementation of personal financial or
20 investment plans, or
21 (8) provides management advisory services to clients.

22 b. An individual or firm not holding a certificate,
23 license or permit shall not be deemed to be engaged in
24 the practice of public accounting if the individual or

1 firm does not hold itself out, solicit, or advertise
2 for clients using the certified public accountant or
3 public accountant designation and engages only in the
4 following services:

5 (1) keeps books, or prepares trial balances,
6 financial statements, or reports, provided such
7 instruments do not use the terms "audit",
8 "audited", "exam", "examined", "review" or
9 "reviewed" or are not exhibited as having been
10 prepared by a certified public accountant or
11 public accountant. Nonregistrants may use the
12 following disclaimer language in connection with
13 financial statements to not be in violation of
14 the Oklahoma Accountancy Act: "I (we) have not
15 audited, examined or reviewed the accompanying
16 financial statements and accordingly do not
17 express an opinion or any other form of assurance
18 on them.",

19 (2) prepares or signs as the tax preparer, tax
20 returns for clients, consults with clients on tax
21 matters, conducts studies for clients on tax
22 matters and prepares reports for clients on tax
23 matters,
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1 (3) prepares personal financial or investment plans
2 or provides to clients products or services of
3 others in implementation of personal financial or
4 investment plans, or

5 (4) provides management advisory services to clients.

6 c. Only permit holders may render or offer to render any
7 attest service, as defined herein, or issue a report
8 on financial statements which purport to be in
9 compliance with the Statements on Standards for
10 Accounting and Review Services (SSARS). This
11 restriction shall not prohibit any act of a public
12 official or public employee in the performance of that
13 person's duties. This restriction shall not be
14 construed to prohibit the performance by any
15 unlicensed individual of other services as set out in
16 subparagraph b of this paragraph.

17 d. A person is not deemed to be practicing public
18 accounting within the meaning of this section solely
19 by displaying a CPA certificate or a PA license in an
20 office, identifying himself or herself as a CPA or PA
21 on letterhead or business cards, or identifying
22 himself or herself as a CPA or PA. However, the
23 designation of CPA or PA on such letterheads, business
24 cards, public signs, advertisements, publications

1 directed to clients or potential clients, or financial
2 or tax documents of a client constitutes the practice
3 of public accounting and requires a permit;

4 ~~32.~~ 33. "Principal place of business" means that physical
5 location identified by an individual to another jurisdiction's
6 accountancy regulatory agency where substantial administrative or
7 management activities are conducted. For purposes of substantial
8 equivalency, the physical location cannot be in this state.;

9 ~~33.~~ 34. "Professional corporation" means a corporation
10 organized pursuant to the laws of this state;

11 ~~34.~~ 35. "Professional" means arising out of or related to the
12 specialized knowledge or skills associated with CPAs or PAs;

13 ~~35.~~ 36. "Public accountant" means any individual who has
14 received a license from the Board;

15 ~~36.~~ 37. "Public interest" means the collective well-being of
16 the community of people and institutions the profession serves;

17 ~~37.~~ 38. "Registrant" means a CPA, PA, or firm composed of
18 certified public accountants or public accountants or combination of
19 both currently registered with the Board pursuant to the authority
20 of the Oklahoma Accountancy Act;

21 ~~38.~~ 39. "Report", when used with reference to financial
22 statements, or specified elements, accounts or items of a financial
23 statement, means an opinion, report or other form of language that
24 states or implies assurance as to the reliability of any financial

1 statements, or specified elements, accounts or items of a financial
2 statement, and that also includes or is accompanied by any statement
3 or implication that the person or firm issuing it has special
4 knowledge or competence in accounting or auditing. Such a statement
5 or implication of special knowledge or competence may arise from use
6 by the issuer of the report of names or titles indicating that the
7 person or firm is an accountant or auditor, or from the language of
8 the report itself. The term "report" includes any form of language
9 which disclaims an opinion when such form of language is
10 conventionally understood to imply any positive assurance as to the
11 reliability of the financial statements referred to and/or special
12 competence on the part of the person or firm issuing such language;
13 and it includes any other form of language that is conventionally
14 understood to imply such assurance and/or such special knowledge or
15 competence. This definition is not intended to include a report on
16 financial statements prepared by a person not holding a certificate
17 or license. However, such report shall not refer to "audit",
18 "audited", "exam", "examined", "review" or "reviewed", nor use the
19 language "in accordance with standards established by the American
20 Institute of Certified Public Accountants" or successor of said
21 entity, or governmental agency approved by the Board, except for the
22 Internal Revenue Service. Nonregistrants may use the following
23 disclaimer language in connection with financial statements to not
24 be in violation of the Oklahoma Accountancy Act: "I (we) have not

1 audited, examined, or reviewed the accompanying financial statements
2 and accordingly do not express an opinion or any other form of
3 assurance on them.”;

4 ~~39.~~ 40. “Representation” means any oral or written
5 communication including but not limited to the use of title or
6 legends on letterheads, business cards, office doors,
7 advertisements, and listings conveying the fact that an individual
8 or entity holds a certificate, license or permit;

9 ~~40.~~ 41. “Review”, when used with reference to financial
10 statements, means a registrant performing inquiry and analytical
11 procedures that provide the registrant with a reasonable basis for
12 expressing limited assurance that there are no material
13 modifications that should be made to the statements in order for
14 them to be in conformity with generally accepted accounting
15 principles or if applicable, with another comprehensive basis of
16 accounting; and

17 ~~41.~~ 42. “Substantial equivalency” is a determination by the
18 Oklahoma Accountancy Board or its designee that:

19 a. the education, examination and experience requirements
20 contained in the statutes and administrative rules of
21 another jurisdiction are comparable to, or exceed, the
22 education, examination and experience requirements
23 contained in the Oklahoma Accountancy Act and rules of
24 the Board, or

1 b. that an individual certified public accountant's or
2 public accountant's education, examination and
3 experience qualifications are comparable to or exceed
4 the education, examination and experience requirements
5 contained in the Oklahoma Accountancy Act and rules of
6 the Board.

7 SECTION 2. AMENDATORY 59 O.S. 2001, Section 15.5, as
8 amended by Section 5, Chapter 125, O.S.L. 2004 (59 O.S. Supp. 2007,
9 Section 15.5), is amended to read as follows:

10 Section 15.5 A. The Oklahoma Accountancy Board shall be
11 responsible for the administration and enforcement of the Oklahoma
12 Accountancy Act. A majority of the Board shall constitute a quorum
13 for the transaction of business.

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

16 1. Have a seal that shall be judicially noticed and shall be
17 affixed to all certificates and licenses, and such other documents
18 as the Board deems appropriate;

19 2. Keep correct records of all official proceedings including
20 minutes of meetings, applications and related documents of
21 applicants, registry of the names and addresses of registrants,
22 official documents filed in any hearings conducted by the Board and
23 in any proceeding in any court arising out of any provision of the
24 Oklahoma Accountancy Act or the rules and regulations adopted by the

1 Board. Copies of said records certified by the secretary under the
2 seal of the Board shall, if material, be admissible in evidence;

3 3. Employ such executive staff as may be necessary to implement
4 and administer the Oklahoma Accountancy Act, to fix and pay their
5 salaries or fees. Such executive staff shall include an Executive
6 Director, Deputy Director and legal counsel. The Board shall have
7 the authority to employ other staff and contract with or hire
8 special prosecutors, investigators, expert witnesses, hearing
9 examiners and clerical personnel in furtherance of its duties under
10 the Oklahoma Accountancy Act;

11 4. Lease office space and pay the rent thereon, purchase office
12 equipment and supplies, and make such other expenditures as are
13 necessary for the administration and enforcement of the provisions
14 of the Oklahoma Accountancy Act;

15 5. Pay the costs of such research programs in accounting and
16 other subjects as in the determination of the Board would be
17 beneficial to registrants; and

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

21 C. The Board may delegate to the Executive Director the
22 authority to employ other staff and clerical personnel.

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1 SECTION 3. AMENDATORY 59 O.S. 2001, Section 15.8, as
2 last amended by Section 8, Chapter 125, O.S.L. 2004 (59 O.S. Supp.
3 2007, Section 15.8), is amended to read as follows:

4 Section 15.8 A. An applicant ~~for the examination~~ to qualify as
5 a candidate shall file ~~an application for qualification on~~ a form to
6 be approved by the Oklahoma Accountancy Board. The fee for the
7 qualification application shall be determined by the Board and shall
8 not exceed Three Hundred Dollars (\$300.00). Every applicant for the
9 examination for the certificate of certified public accountant or
10 license of public accountant must be of good moral character, shall
11 submit to a national criminal history record check, must be a
12 resident of this state immediately prior to making application and,
13 except as otherwise provided in this section, shall meet the
14 education and experience requirements provided in this section.

15 B. On or after July 1, 1999, every applicant for the license of
16 public accountant shall have graduated from an accredited four-year
17 college or university with a major in accounting or with a
18 nonaccounting major supplemented by what the Oklahoma Accountancy
19 Board determines to be the equivalent of an accounting major of any
20 four-year college or university in this state or any other four-year
21 college or university recognized by the Board. Such major in
22 accounting or nonaccounting major shall include satisfactory
23 completion of forty-eight (48) semester hours, or the equivalent
24 thereof, in accounting and related subjects. At least thirty (30)

1 semester hours, or the equivalent thereof, of said forty-eight (48)
2 semester hours, shall be in accounting courses, at least one of
3 which shall be in auditing. The remainder of said forty-eight (48)
4 semester hours, or the equivalent thereof, shall be in said related
5 subjects, which shall be in any or all of the subjects of economics,
6 statistics, business law, finance, business management, marketing,
7 business communication, financial information systems or computer
8 science or the equivalent of such subjects as determined by the
9 Board.

10 C. On or after July 1, 2003, every applicant for examination
11 for the certificate of certified public accountant shall have at
12 least one hundred fifty (150) semester hours, or the equivalent
13 thereof, of college education including a baccalaureate or higher
14 degree conferred by a college or university acceptable to the Board
15 from an accredited four-year college or university in this state or
16 any other accredited four-year college or university recognized by
17 the Board. A minimum of seventy-six (76) semester hours must be
18 earned at the upper-division level of college or above or the
19 equivalent thereof as determined by the Board; this education
20 requirement shall have been completed prior to submitting an
21 application to the Board; the total educational program of the
22 applicant for examination shall include an accounting concentration
23 or its equivalent as determined acceptable by the Board which shall
24 include not less than thirty (30) semester hours, or the equivalent

1 thereof, in accounting courses above principles of accounting or
2 introductory accounting, with at least one course in auditing or
3 assurance; the remaining accounting courses shall be selected from
4 financial accounting, accounting theory, cost/managerial accounting,
5 federal income tax, governmental, not for profit accounting,
6 accounting information systems, accounting history and other
7 accounting electives; at least nine (9) semester hours shall be from
8 any or all of the subjects of economics, statistics, business law,
9 finance, business management, marketing, business communication,
10 risk management, insurance, management information systems or
11 computer science at the upper-division level of college or above or
12 the equivalent of such subjects as determined by the Board; all the
13 remaining semester hours, if any, shall be elective but shall be at
14 the upper-division level of college or above.

15 D. The costs associated with the national criminal history
16 record check shall be paid by the applicant.

17 SECTION 4. AMENDATORY 59 O.S. 2001, Section 15.9, as
18 last amended by Section 9, Chapter 125, O.S.L. 2004 (59 O.S. Supp.
19 2007, Section 15.9), is amended to read as follows:

20 Section 15.9 A. Upon payment of appropriate fees, the Oklahoma
21 Accountancy Board shall grant a certificate or license to any
22 individual of good character who meets the applicable education,
23 experience and testing requirements provided for in this section and
24 in Sections 15.8 and 15.10 of this title. For purposes of this

1 subsection, good character means an individual who does not have a
2 history of dishonest acts as demonstrated by documented evidence and
3 has not been convicted, pled guilty, or pled nolo contendere to a
4 felony charge. The Board may refuse to grant a certificate or
5 license to an applicant for failure to satisfy the requirement of
6 good character. The Board shall provide to the denied applicant
7 written notification specifying grounds for denial of a certificate
8 or license including failure to meet the good character criterion.
9 Appeal of the action of the Board may be made in accordance with the
10 provisions of the Administrative Procedures Act.

11 B. The Board shall issue certificates as certified public
12 accountants to those applicants who have met the qualifications
13 required by the provisions of the Oklahoma Accountancy Act and the
14 applicable rules of the Board, and have passed an examination in
15 accounting, auditing and related subjects as the Board determines
16 appropriate with such grades that satisfy the Board that each
17 applicant is competent to practice as a certified public accountant.

18 C. The Board shall, upon request, issue licenses as public
19 accountants only to those applicants who shall have qualified and
20 complied with the provisions of ~~this act~~ the Oklahoma Accountancy
21 Act and the rules of the Board, and shall have passed an examination
22 in accounting, auditing, and other related subjects not to exceed
23 seventy-five percent (75%) of the CPA Examination subjects with such
24 grades that satisfy the Board that each applicant is competent to

1 practice as a public accountant. The subjects examined shall be
2 covered by the same examination, and grading thereon for passing, as
3 those used by the Board to test candidates for the certified public
4 accountant's certificate.

5 D. The Board may make use of all or any part of the Uniform
6 Certified Public Accountant Examination and any organization that
7 assists in providing this examination.

8 E. An applicant for initial issuance of a certificate or
9 license under this section shall show that the applicant has had one
10 (1) year of experience. Experience shall be defined by the Board by
11 rule and shall include providing a type of service or advice
12 involving the use of accounting, attest, compilation, management
13 advisory, financial advisory, tax or consulting skills, and be
14 satisfied through work experience in government, industry, academia
15 or public practice, all of which shall be verified by a certificate
16 or license holder or an individual approved by the Board. Upon
17 completion of the requirements of Section 15.8 of this title, a
18 qualified applicant for the examination may take the certified
19 public accountant or public accountant examination prior to earning
20 the experience required in this subsection, but shall not be issued
21 a certificate until the experience requirement has been met.

22 ~~E.~~ F. On or after July 1, 2005, every applicant for the
23 certificate of certified public accountant or license of public
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1 accountant shall provide evidence of successful completion of an
2 ethics examination prescribed by the Board.

3 ~~F. The Board may make use of all or any part of the Uniform
4 Certified Public Accountant's Examination and any organization that
5 assists in providing this examination.~~

6 SECTION 5. AMENDATORY 59 O.S. 2001, Section 15.10A, as
7 amended by Section 11, Chapter 125, O.S.L. 2004 (59 O.S. Supp. 2007,
8 Section 15.10A), is amended to read as follows:

9 Section 15.10A Each candidate shall pay fees, to be determined
10 by the Oklahoma Accountancy Board, not to exceed One Thousand
11 Dollars (\$1,000.00) for each examination. An application fee,
12 payable to the Board, shall be paid by the candidate at the time the
13 application for the examination is filed. The application fee shall
14 not be refunded unless the Board determines that the candidate is
15 unqualified to sit for the examination or for such other good causes
16 as determined by the Board on a case-by-case basis. Also, each
17 candidate shall pay test fees to the organizations designated by the
18 Board to provide a computer-based examination. In no event shall
19 the total fees paid by a candidate for each examination exceed One
20 Thousand Dollars (\$1,000.00).

21 SECTION 6. AMENDATORY 59 O.S. 2001, Section 15.12, as
22 last amended by Section 13, Chapter 125, O.S.L. 2004 (59 O.S. Supp.
23 2007, Section 15.12), is amended to read as follows:

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1 Section 15.12 An individual who is not a certified public
2 accountant or public accountant in any jurisdiction may serve as an
3 employee of a firm composed of certified public accountants or
4 public accountants holding a valid permit ~~provided that such~~. Such
5 employee or assistant shall not issue any accounting or financial
6 statements over the employee's or assistant's name.

7 SECTION 7. AMENDATORY Section 8, Chapter 312, O.S.L.
8 2002, as amended by Section 14, Chapter 125, O.S.L. 2004 (59 O.S.
9 Supp. 2007, Section 15.12A), is amended to read as follows:

10 Section 15.12A A. 1. An individual whose principal place of
11 business is not in this state, ~~having~~ and who holds a valid
12 certificate or license as a certified public accountant or public
13 accountant from any jurisdiction which the Oklahoma Accountancy
14 Board or its designee has verified to be ~~substantially equivalent in~~
15 substantial equivalence to the ~~Certified Public Accountant and~~
16 ~~Public Accountant~~ certified public accountant or public accountant
17 licensure requirements of this title, shall be presumed to have
18 qualifications substantially equivalent to this state's requirements
19 and shall have all the privileges, including responsibilities and
20 obligations, of certificate and license holders of this state
21 without the need to obtain a certificate, license or permit required
22 under Sections 15.9 ~~and~~, 15.13, 15.14A, 15.15 and 15.15A of this
23 title. However, an individual shall notify the Board of the
24 individual's intent to practice in the state under this provision.

1 Notification shall be waived to a certificate or license holder of
2 another jurisdiction exercising the privilege afforded under this
3 section by that jurisdiction to an Oklahoma certificate or license
4 holder for the equivalent privilege to practice in that
5 jurisdiction.

6 2. An individual whose principal place of business is not in
7 this state, ~~having~~ who holds a valid certificate or license as a
8 certified public accountant or public accountant from any
9 jurisdiction which the Oklahoma Accountancy Board or its designee
10 has not verified to be ~~substantially equivalent~~ in substantial
11 equivalence to the ~~CPA and PA~~ certified public accountant or public
12 accountant licensure requirements of this title, shall be presumed
13 to have qualifications substantially equivalent to this state's
14 requirements and shall have all the privileges, including
15 responsibilities and obligations, of certificate and license holders
16 of this state without the need to obtain a certificate, license or
17 permit required under Sections 15.9 ~~and~~, 15.13, 15.14A, 15.15 and
18 15.15A of this title, if such individual obtains from the Board or
19 its designee verification that such individual's ~~CPA or PA~~ certified
20 public accountant or public accountant qualifications are
21 substantially equivalent to the ~~CPA or PA~~ certified public
22 accountant or public accountant licensure requirements of this
23 title. ~~However, such individuals shall notify the Board of their~~
24 ~~intent to practice in the state under this provision. Notification~~

1 ~~shall be waived to a certificate or license holder of another~~
2 ~~jurisdiction exercising the privilege afforded under this section by~~
3 ~~that jurisdiction to an Oklahoma certificate or license holder for~~
4 ~~the equivalent privilege to practice in that jurisdiction~~
5 Notwithstanding any other provisions of law, an individual who
6 offers or renders professional services, whether in person, by mail,
7 telephone or electronic means, shall, as provided in this section,
8 be granted practice privileges in this state and no notice or
9 submission shall be provided by any such individual; provided, the
10 individual shall be subject to the requirements in paragraph 4 of
11 this subsection.

12 3. A certified public accounting or public accounting firm that
13 is licensed and has its primary place of business in another state
14 and does not provide the professional services described in
15 subparagraphs a, b and c of paragraph 5 of this subsection may
16 practice in this state without a firm license, permit, or notice to
17 the Board if the firm's practice in this state is performed by an
18 individual who is licensed in this state or who has been granted
19 practice privileges as provided in paragraphs 1 and 2 of this
20 subsection.

21 4. Any individual certificate holder or license holder of
22 another jurisdiction exercising the privilege afforded under this
23 section and the certified public accounting or public accounting
24 firm which employs that certificate holder or license holder hereby

1 ~~consents~~ simultaneously consent, as a condition of the granting of
2 this privilege:

3 a. to the personal and subject matter jurisdiction and
4 disciplinary authority of the Board,

5 b. to comply with the Oklahoma Accountancy Act and the
6 Board's rules, ~~and~~

7 c. that in the event the certificate holder or license
8 holder from the jurisdiction of the individual's
9 principal place of business is no longer valid, the
10 individual will cease offering or rendering
11 professional services in this state individually or on
12 behalf of a certified public accounting or public
13 accounting firm, and

14 d. to the appointment of the state board which issued the
15 ~~individual's~~ license as the ~~individual's~~ agent upon
16 whom process may be served in any action or proceeding
17 by the Board against the certificate or license
18 holder.

19 ~~4. The Oklahoma Accountancy Board shall charge a fee to a~~
20 ~~certificate or license holder of another jurisdiction exercising the~~
21 ~~privilege afforded under this section in an amount equal to the~~
22 ~~fees charged by that jurisdiction to an Oklahoma certificate or~~
23 ~~license holder for the equivalent privilege to practice in that~~
24 ~~jurisdiction.~~

1 5. An individual who has been granted practice privileges under
2 this section who, for any entity with its home office in this state,
3 performs any of the following services:

4 a. any financial statement audit or other engagement to
5 be performed in accordance with Statements on Auditing
6 Standards,

7 b. any examination of prospective financial information
8 to be performed in accordance with Statements on
9 Standards for Attestation Engagements, or

10 c. any engagement to be performed in accordance with
11 Public Company Accounting Oversight Board (PCAOB)
12 auditing standards,

13 may only do so through a firm which has obtained a permit issued
14 under Section 15.15A of this title.

15 B. Notwithstanding any other provision of law, an individual
16 who offers or renders professional services, whether in person, by
17 mail, telephone or electronic means, shall, as provided in this
18 section, be granted practice privileges in this state and no notice
19 or submission shall be provided by any such individual; provided,
20 the individual shall be subject to the requirements in paragraph 4
21 of subsection A of this section.

22 C. The provisions of this section shall apply only in the event
23 that the jurisdiction of the principal place of business of the
24 individual seeking practice privileges in this state makes a similar

1 provision to allow an individual with an Oklahoma certificate or
2 license to obtain a comparable designation from that state.

3 D. A registrant of this state offering or rendering services or
4 using the registrant's CPA or PA title in another jurisdiction shall
5 be subject to disciplinary action in this state for an act committed
6 in another jurisdiction which would subject the certificate or
7 license holder to discipline in that jurisdiction. The Board shall
8 be required to investigate any complaint made by the board of
9 accountancy of another jurisdiction.

10 SECTION 8. AMENDATORY 59 O.S. 2001, Section 15.14, as
11 last amended by Section 17, Chapter 125, O.S.L. 2004 (59 O.S. Supp.
12 2007, Section 15.14), is amended to read as follows:

13 Section 15.14 A. In addition to obtaining a certificate or
14 license, certified public accountants and public accountants shall
15 register with the Oklahoma Accountancy Board and pay a registration
16 fee.

17 B. All valid certificates and licenses ending in an odd number
18 shall expire on July 31 of each odd-numbered year. All valid
19 certificates and licenses ending in an even number shall expire on
20 July 31 of each even-numbered year. All such registrations shall
21 expire on the last day of July and may be renewed for a period of
22 two (2) years. The Board shall implement rules for the scheduling
23 of expiration and renewal of certificates and licenses, including
24 the prorating of fees.

1 C. After the initial registration, renewal of registrations
2 shall be accomplished by registrants in good standing upon filing of
3 the registration and upon payment of the registration fee not later
4 than July 31. Interim registration shall be at full rates.

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

10 E. A certificate or license shall be renewed by payment of a
11 registration renewal fee set by the Board which shall not exceed Two
12 Hundred Dollars (\$200.00) for each two-year period.

13 1. Upon failure of an individual to pay registration fees on or
14 before July 31, the Board shall notify the individual in writing by
15 certified mail to the last known address of the individual, as
16 reflected in the records of the Board, of the individual's failure
17 to comply with the Oklahoma Accountancy Act.

18 2. A certificate or license granted under authority of the
19 Oklahoma Accountancy Act shall automatically be revoked if the
20 individual fails to pay registration fees on or before August 31.

21 3. Any individual whose certificate or license is automatically
22 revoked by this provision may be reinstated by the Board upon
23 payment of:

1 a. a fee set by the Board which shall not exceed Three
2 Hundred Dollars (\$300.00) for a renewal within one (1)
3 year of the due date, or

4 b. a fee set by the Board which shall not exceed Six
5 Hundred Dollars (\$600.00) for a renewal after the
6 expiration of a year.

7 However, an individual whose certificate or license has been
8 expired, surrendered or revoked under this section for five (5)
9 years or more may not renew the certificate or license. The
10 individual may obtain a new certificate or license by complying with
11 the requirements and procedures, including the examination
12 requirements, for obtaining an original certificate or license.
13 This provision shall not apply to an individual who is licensed to
14 practice in another jurisdiction five (5) years prior to
15 reapplication.

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

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

4 H. At the direction of the Board, a register may be printed
5 and/or published in any media format the Board considers appropriate
6 for public distribution. Any such publication shall contain the
7 names arranged alphabetically of all individuals and firms holding
8 valid certificates, licenses, permits, the names of the members of
9 the Board, and such other information as may be deemed appropriate
10 by the Board.

11 SECTION 9. AMENDATORY 59 O.S. 2001, Section 15.14A, is
12 amended to read as follows:

13 Section 15.14A A. Before any individual may practice public
14 accounting or hold himself or herself out as being engaged in the
15 practice of public accounting as a certified public accountant or
16 public accountant in this state such person shall obtain a permit
17 from the Oklahoma Accountancy Board. Any individual, corporation or
18 partnership or any other entity who provides any of the services
19 defined hereinabove as the "practice of public accounting" without
20 ~~being~~ holding a license and permit ~~holder~~, or without holding a
21 certificate and permit ~~holder~~, shall be assessed a fine not to
22 exceed Ten Thousand Dollars (\$10,000.00) for each separate offense.

23 B. The Board shall promulgate rules establishing the
24 qualifications for obtaining a permit to practice public accounting

1 in this state. Such rules shall include but not be limited to
2 provisions that:

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

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

7 3. Any individual seeking a permit must meet continuing
8 professional education requirements as set forth by ~~this act~~ the
9 Oklahoma Accountancy Act and rules promulgated by the Board; and

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

11 C. All such individuals shall, upon application and compliance
12 with the rules establishing qualifications for obtaining a permit
13 and payment of the fees, be granted an annual permit to practice
14 public accounting in this state. All permits issued shall expire on
15 ~~June 30~~ July 31 of each year and may be renewed from year to year.
16 The Board may issue interim permits upon payment of the same fees
17 required for annual permits.

18 D. Failure to apply for and obtain a permit shall disqualify an
19 individual from practicing public accounting in this state until
20 such time as a valid permit has been obtained.

21 E. The Board shall charge a fee for each individual permit not
22 to exceed One Hundred Dollars (\$100.00).

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1 SECTION 10. AMENDATORY 59 O.S. 2001, Section 15.14B, as
2 amended by Section 18, Chapter 125, O.S.L. 2004 (59 O.S. Supp. 2007,
3 Section 15.14B), is amended to read as follows:

4 Section 15.14B After notice and hearing the Oklahoma
5 Accountancy Board may impose any one or more of the penalties
6 authorized in Section 15.24 of this title on a certified public
7 accountant or a public accountant for any one or more of the
8 following causes:

9 1. Fraud or deceit in obtaining a certificate, license or
10 permit;

11 2. Dishonesty, fraud, or gross negligence in accountancy or
12 financially related activities;

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

17 4. Conviction, plea of guilty, or plea of nolo contendere of
18 any misdemeanor, an element of which is dishonesty or fraud,
19 pursuant to the laws of the United States or any jurisdiction if the
20 acts involved would have constituted a misdemeanor under the laws of
21 this state;

22 5. Failure to comply with professional standards ~~as~~ in the
23 Board's professional code of conduct to the attest and/or
24 compilation competency requirement for those who supervise attest

1 and/or compilation engagements and sign the report on financial
2 statements or other compilation communications with respect to
3 financial statements; and

4 6. Violation of any of the provisions of the Oklahoma
5 Accountancy Act and rules promulgated for its implementation by the
6 Board.

7 SECTION 11. AMENDATORY 59 O.S. 2001, Section 15.15, as
8 last amended by Section 19, Chapter 125, O.S.L. 2004 (59 O.S. Supp.
9 2007, Section 15.15), is amended to read as follows:

10 Section 15.15 A. The Oklahoma Accountancy Board, upon
11 application, shall register any firm seeking to provide public
12 accounting services to the public in this state. All firms, except
13 sole proprietorships, shall pay an annual registration fee not to
14 exceed One Hundred Dollars (\$100.00).

15 B. All such registrations shall expire on ~~May 31~~ June 30 of
16 each year and may be renewed annually for a period of one (1) year
17 by registrants in good standing upon filing the registration and
18 upon payment of the annual fee not later than ~~May 31~~ June 30 of each
19 year.

20 C. Interim registrations shall be at full rates.

21 D. Upon failure of a firm to pay registration fees on or before
22 the last day of ~~May~~ June, the Board shall notify the firm in writing
23 by certified mail to the last known address of the firm, as
24

1 reflected in the records of the Board, of the firm's failure to
2 comply with the Oklahoma Accountancy Act.

3 E. A registration granted under authority of this section shall
4 automatically be revoked if the firm fails to renew its registration
5 on or before June 30.

6 F. A firm whose registration is automatically revoked pursuant
7 to this section may be reinstated by the Board upon payment of a fee
8 to be set by the Board which shall not exceed Two Hundred Dollars
9 (\$200.00).

10 SECTION 12. AMENDATORY 59 O.S. 2001, Section 15.15A, as
11 last amended by Section 20, Chapter 125, O.S.L. 2004 (59 O.S. Supp.
12 2007, Section 15.15A), is amended to read as follows:

13 Section 15.15A A. The Oklahoma Accountancy Board, upon
14 application, shall issue a permit to practice public accounting to
15 each firm seeking to provide professional services to the public in
16 this state. Renewals of firm permits shall be applied for during
17 the month of ~~May~~ June of each year.

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

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

23

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

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

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

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

- 13 1. Changes in the partners or shareholders of the firm;
- 14 2. Changes in the structure of the firm;
- 15 3. Change of the designated manager of the firm;
- 16 4. Changes in the number or location of offices of the firm;

17 and

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

21 D. The Board shall be notified in the event the firm is
22 dissolved. Such notification shall be made within thirty (30)
23 calendar days of the dissolution. The Board shall adopt rules for
24 notice and rules appointing the responsible party to receive such

1 notice for the various types of firms authorized to receive permits.
2 Such notice of dissolution shall contain but not be limited to the
3 following information:

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

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

8 3. The date the dissolution became effective.

9 E. The Board shall set a fee of not more than Two Hundred
10 Dollars (\$200.00) for each initial or renewal firm permit except for
11 sole proprietorships.

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

16 1. Each partner or shareholder is engaged in the practice of
17 public accounting in the United States and ~~is~~ holding a certificate
18 as a certified public accountant in one or more jurisdictions; and

19 2. Each designated manager of an office in this state is a
20 holder of a valid Oklahoma certificate and permit to practice as a
21 certified public accountant.

22 G. Each firm seeking a permit to practice accounting as a PA
23 firm shall be issued a permit by the Board upon application and
24

1 payment of appropriate fees. A firm applying for a permit shall
2 provide documentary proof to the Board that:

3 1. Each partner or shareholder is engaged in the practice of
4 public accounting in ~~the State of Oklahoma~~ this state as public
5 accountants; and

6 2. Each designated manager of an office in this state has
7 received an Oklahoma license and permit to practice as a public
8 accountant or certificate and permit to practice as a certified
9 public accountant.

10 SECTION 13. AMENDATORY 59 O.S. 2001, Section 15.35, as
11 last amended by Section 30, Chapter 125, O.S.L. 2004 (59 O.S. Supp.
12 2007, Section 15.35), is amended to read as follows:

13 Section 15.35 A. In order to assure continuing professional
14 competence of individuals in accountancy, and as a condition for
15 issuance of a certificate or license and/or renewal of a permit to
16 practice, certificate and license holders shall furnish evidence of
17 participation in continuing professional education.

18 B. ~~All certificate and license holders shall complete a minimum~~
19 ~~of forty (40) hours of continuing professional education per~~
20 ~~compliance period to obtain a permit to practice.~~ Continuing
21 professional education compliance periods shall be established by
22 rule.

23 C. ~~Effective January 1, 2006, all~~ All certificate and license
24 holders shall complete at least one hundred twenty (120) hours of

1 continuing professional education within a three-year period with
2 completion of not less than twenty (20) hours of continuing
3 professional education in any year.

4 D. The Oklahoma Accountancy Board shall adopt rules and
5 regulations regarding such continuing professional education. Such
6 rules shall include but not be limited to:

7 1. Requiring reporting of continuing professional education to
8 coincide with the annual permit renewal date;

9 2. Provisions for exempting retired, inactive and disabled
10 individuals as defined by the Board in the rules from the
11 requirement of continuing professional education; and

12 3. Adopt standards for determining approved continuing
13 professional education courses.

14 SECTION 14. It being immediately necessary for the preservation
15 of the public peace, health and safety, an emergency is hereby
16 declared to exist, by reason whereof this act shall take effect and
17 be in full force from and after its passage and approval."

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1 Passed the House of Representatives the 24th day of April, 2008.

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4 Presiding Officer of the House of
Representatives
5

6 Passed the Senate the ____ day of _____, 2008.

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