

**COMMITTEE AMENDMENT**  
HOUSE OF REPRESENTATIVES  
State of Oklahoma

SPEAKER:

CHAIR:

I move to amend SB1010  
\_\_\_\_\_ Of the printed Bill  
Page \_\_\_\_\_ Section \_\_\_\_\_ Lines \_\_\_\_\_  
\_\_\_\_\_ Of the Engrossed Bill

By striking the Title, the Enacting Clause, the entire bill, and by inserting in lieu thereof the following language:

**AMEND TITLE TO CONFORM TO AMENDMENTS**

Adopted: \_\_\_\_\_

Amendment submitted by: Rob Johnson

\_\_\_\_\_

\_\_\_\_\_  
Reading Clerk

1 STATE OF OKLAHOMA

2 2nd Session of the 51st Legislature (2008)

3 PROPOSED COMMITTEE SUBSTITUTE  
4 FOR ENGROSSED

5 SENATE BILL NO. 1010

By: Morgan of the Senate

and

Johnson (Rob) of the House

7  
8  
9  
10 PROPOSED COMMITTEE SUBSTITUTE

11 ( Professions and occupations - Oklahoma Accountancy  
12 Act - modifying provision - designating certain  
13 professional standards -  
14 emergency )

15  
16  
17 BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:

18 SECTION 1. AMENDATORY 59 O.S. 2001, Section 15.1A, as  
19 last amended by Section 2, Chapter 125, O.S.L. 2004 (59 O.S. Supp.  
20 2007, Section 15.1A), is amended to read as follows:

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

22 1. "Accountancy" means the profession or practice of  
23 accounting;

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

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

7           4. "Assurance" means independent professional services that  
8 improve the quality of information, or its context, for decision  
9 makers;

10          5. "Attest" means providing the following financial statement  
11 services:

12           a. any audit or other engagement to be performed in  
13 accordance with ~~generally accepted~~ auditing standards  
14 generally accepted in the United States, government  
15 auditing standards generally accepted in the United  
16 States or international auditing standards,

17           b. any review of a financial statement to be performed in  
18 accordance with the Statements on Standards for  
19 Accounting and Review Services (SSARS), ~~and~~

20           c. any report performed in accordance with the Statements  
21 on Standards for Attestation Engagements (SSAE), and

22           d. any engagement to be performed in accordance with the  
23 standards of the Public Company Auditing Oversight  
24 Board (PCAOB).

1       The statements on standards specified in this definition shall  
2 be adopted by reference by the Board pursuant to rulemaking and  
3 shall be those developed for general application by recognized  
4 national accountancy organizations;

5       6. "Audit" can only be performed by an individual or entity who  
6 is registered with the Board and holding a valid permit issued  
7 pursuant to the Oklahoma Accountancy Act and means a systematic  
8 investigation or appraisal of information, procedures, or operations  
9 performed in accordance with generally accepted auditing standards  
10 in the United States, for the purpose of determining conformity with  
11 established criteria and communicating the results to interested  
12 parties;

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

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

17       9. "Certificate" means the Oklahoma document issued by the  
18 Board to a candidate upon successful completion of the certified  
19 public accountant examination designating the holder as a certified  
20 public accountant pursuant to the laws of Oklahoma. "Certificate"  
21 shall also mean the Oklahoma document issued by reciprocity to an  
22 individual who has previously been certified in another  
23 jurisdiction;

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

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

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

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

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

13 ~~15.~~ "Designee" means the National Association of State Boards  
14 of Accountancy (NASBA), American Institute of Certified Public  
15 Accountants (AICPA) or other professional bodies approved as  
16 acceptable to the Board to provide a qualification appraisal in  
17 determining whether any jurisdiction's qualifications for  
18 certificate or license are substantially equivalent to Oklahoma's  
19 requirements;

20 ~~16.~~ 15. "Entity" means an organization whether for profit or  
21 not, recognized by the State of Oklahoma to conduct business;

22 ~~17.~~ 16. "Examination" means the test administered, supervised,  
23 and graded by, or at the direction of, the Board or other  
24

1 jurisdiction that is required for a certificate as a certified  
2 public accountant or a license as a public accountant;

3 ~~18.~~ 17. "Executive director" means the chief administrative  
4 officer of the Board;

5 ~~19.~~ 18. "Financial statements" means statements and footnotes  
6 related thereto that undertake to present an actual or anticipated  
7 financial position as of a point in time, or results of operations,  
8 cash flow, or changes in financial position for a period of time, in  
9 conformity with generally accepted accounting principles or another  
10 comprehensive basis of accounting. The term does not include  
11 incidental financial data included in management advisory service  
12 reports to support recommendations to a client; nor does it include  
13 tax returns and supporting schedules;

14 ~~20.~~ 19. "Firm" means an entity that is either a sole  
15 proprietorship, partnership, professional limited liability company,  
16 professional limited liability partnership, limited liability  
17 partnership or professional corporation, or any other professional  
18 form of organization recognized by the State of Oklahoma and issued  
19 a permit in accordance with Section 15.15A of this title, including  
20 individual partners or shareholders, that is engaged in accountancy;

21 ~~21.~~ 20. "Holding out" means any representation by an individual  
22 that he or she holds a certificate or license and a valid permit, or  
23 by an entity that it holds a valid permit. Any such representation  
24 is presumed to invite the public to rely upon the professional

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

3 21. "Home office" means the location specified by the client as  
4 the address to which a service described in Section 15.12A is  
5 directed;

6 22. "Individual" means a human being;

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

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

16 25. "Management advisory services", also known as "management  
17 consulting services", "management services", "business advisory  
18 services" or other similar designation, hereinafter collectively  
19 referred to as "MAS", means the function of providing advice and/or  
20 technical assistance, performed in accordance with standards for MAS  
21 engagements and MAS consultations such as those issued by the  
22 American Institute of Certified Public Accountants, where the  
23 primary purpose is to help the client improve the use of its

24

1 capabilities and resources to achieve its objectives including but  
2 not limited to:

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

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

18 26. "NASBA" means the National Association of State Boards of  
19 Accountancy;

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

21 28. "Partnership" means a contractual relationship based upon a  
22 written, oral, or implied agreement between two or more individuals  
23 who combine their resources and activities in a joint enterprise and  
24 share in varying degrees and by specific agreement in the management



1 and in the profits or losses. A partnership may be general or  
2 limited as the laws of this state define those terms;

3 29. “PCAOB” means the Public Company Auditing Oversight Board;

4 30. “Peer Review” means a review performed pursuant to a set of  
5 peer review rules established by the Board. The term “peer review”  
6 also encompasses the term “quality review”;

7 ~~30.~~ 31. “Permit” means the written authority granted annually  
8 by the Board to individuals or firms to practice public accounting  
9 in Oklahoma, which is issued pursuant to the Oklahoma Accountancy  
10 Act;

11 ~~31.~~

12 32. a. “Practice of public accounting”, also known as  
13 “practice public accounting”, “practice” and “practice  
14 accounting”, refers to the activities of a registrant  
15 in reference to accountancy. An individual or firm  
16 shall be deemed to be engaged in the practice of  
17 public accounting if the individual or firm holds  
18 itself out to the public in any manner as one skilled  
19 in the knowledge, science, and practice of accounting  
20 and auditing, taxation and management advisory  
21 services and is qualified to render such professional  
22 services as a certified public accountant or public  
23 accountant, and performs the following:

24

- 1 (1) maintains an office for the transaction of  
2 business as a certified public accountant or  
3 public accountant,
- 4 (2) offers to prospective clients to perform or who  
5 does perform on behalf of clients professional  
6 services that involve or require an audit,  
7 verification, investigation, certification,  
8 presentation, or review of financial transactions  
9 and accounting records or an attestation  
10 concerning any other written assertion,
- 11 (3) prepares or certifies for clients reports on  
12 audits or investigations of books or records of  
13 account, balance sheets, and other financial,  
14 accounting and related schedules, exhibits,  
15 statements, or reports which are to be used for  
16 publication or for the purpose of obtaining  
17 credit, or for filing with a court of law or with  
18 any governmental agency, or for any other  
19 purpose,
- 20 (4) generally or incidentally to the work described  
21 herein, renders professional services to clients  
22 in any or all matters relating to accounting  
23 procedure and to the recording, presentation, or  
24 certification of financial information or data,

1 (5) keeps books, or prepares trial balances,  
2 financial statements, or reports, all as a part  
3 of bookkeeping services for clients,

4 (6) prepares or signs as the tax preparer, tax  
5 returns for clients, consults with clients on tax  
6 matters, conducts studies for clients on tax  
7 matters and prepares reports for clients on tax  
8 matters, unless the services are uncompensated  
9 and are limited solely to the registrant's, or  
10 the registrant's spouse's lineal and collateral  
11 heirs,

12 (7) prepares personal financial or investment plans  
13 or provides to clients products or services of  
14 others in implementation of personal financial or  
15 investment plans, or

16 (8) provides management advisory services to clients.

17 b. An individual or firm not holding a certificate,  
18 license or permit shall not be deemed to be engaged in  
19 the practice of public accounting if the individual or  
20 firm does not hold itself out, solicit, or advertise  
21 for clients using the certified public accountant or  
22 public accountant designation and engages only in the  
23 following services:  
24

- 1 (1) keeps books, or prepares trial balances,  
2 financial statements, or reports, provided such  
3 instruments do not use the terms "audit",  
4 "audited", "exam", "examined", "review" or  
5 "reviewed" or are not exhibited as having been  
6 prepared by a certified public accountant or  
7 public accountant. Nonregistrants may use the  
8 following disclaimer language in connection with  
9 financial statements to not be in violation of  
10 the Oklahoma Accountancy Act: "I (we) have not  
11 audited, examined or reviewed the accompanying  
12 financial statements and accordingly do not  
13 express an opinion or any other form of assurance  
14 on them.",
- 15 (2) prepares or signs as the tax preparer, tax  
16 returns for clients, consults with clients on tax  
17 matters, conducts studies for clients on tax  
18 matters and prepares reports for clients on tax  
19 matters,
- 20 (3) prepares personal financial or investment plans  
21 or provides to clients products or services of  
22 others in implementation of personal financial or  
23 investment plans, or
- 24 (4) provides management advisory services to clients.

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

12 d. A person is not deemed to be practicing public  
13 accounting within the meaning of this section solely  
14 by displaying a CPA certificate or a PA license in an  
15 office, identifying himself or herself as a CPA or PA  
16 on letterhead or business cards, or identifying  
17 himself or herself as a CPA or PA. However, the  
18 designation of CPA or PA on such letterheads, business  
19 cards, public signs, advertisements, publications  
20 directed to clients or potential clients, or financial  
21 or tax documents of a client constitutes the practice  
22 of public accounting and requires a permit;

23 ~~32.~~ 33. "Principal place of business" means that physical  
24 location identified by an individual to another jurisdiction's

1 accountancy regulatory agency where substantial administrative or  
2 management activities are conducted. For purposes of substantial  
3 equivalency, the physical location cannot be in this state-;

4 ~~33.~~ 34. "Professional corporation" means a corporation  
5 organized pursuant to the laws of this state;

6 ~~34.~~ 35. "Professional" means arising out of or related to the  
7 specialized knowledge or skills associated with CPAs or ~~Pas~~ PAs;

8 ~~35.~~ 36. "Public accountant" means any individual who has  
9 received a license from the Board;

10 ~~36.~~ 37. "Public interest" means the collective well-being of  
11 the community of people and institutions the profession serves;

12 ~~37.~~ 38. "Registrant" means a CPA, PA, or firm composed of  
13 certified public accountants or public accountants or combination of  
14 both currently registered with the Board pursuant to the authority  
15 of the Oklahoma Accountancy Act;

16 ~~38.~~ 39. "Report", when used with reference to financial  
17 statements, or specified elements, accounts or items of a financial  
18 statement, means an opinion, report or other form of language that  
19 states or implies assurance as to the reliability of any financial  
20 statements, or specified elements, accounts or items of a financial  
21 statement, and that also includes or is accompanied by any statement  
22 or implication that the person or firm issuing it has special  
23 knowledge or competence in accounting or auditing. Such a statement  
24 or implication of special knowledge or competence may arise from use

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

23 ~~39.~~ 40. "Representation" means any oral or written  
24 communication including but not limited to the use of title or

1 legends on letterheads, business cards, office doors,  
2 advertisements, and listings conveying the fact that an individual  
3 or entity holds a certificate, license or permit;

4 ~~40.~~ 41. "Review", when used with reference to financial  
5 statements, means a registrant performing inquiry and analytical  
6 procedures that provide the registrant with a reasonable basis for  
7 expressing limited assurance that there are no material  
8 modifications that should be made to the statements in order for  
9 them to be in conformity with generally accepted accounting  
10 principles or if applicable, with another comprehensive basis of  
11 accounting; and

12 ~~41.~~ 42. "Substantial equivalency" is a determination by the  
13 Oklahoma Accountancy Board or its designee that:

- 14 a. the education, examination and experience requirements  
15 contained in the statutes and administrative rules of  
16 another jurisdiction are comparable to, or exceed, the  
17 education, examination and experience requirements  
18 contained in the Oklahoma Accountancy Act and rules of  
19 the Board, or  
20 b. that an individual certified public accountant's or  
21 public accountant's education, examination and  
22 experience qualifications are comparable to or exceed  
23 the education, examination and experience requirements  
24



1 contained in the Oklahoma Accountancy Act and rules of  
2 the Board.

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

6 Section 15.5 A. The Oklahoma Accountancy Board shall be  
7 responsible for the administration and enforcement of the Oklahoma  
8 Accountancy Act. A majority of the Board shall constitute a quorum  
9 for the transaction of business.

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

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

15 2. Keep correct records of all official proceedings including  
16 minutes of meetings, applications and related documents of  
17 applicants, registry of the names and addresses of registrants,  
18 official documents filed in any hearings conducted by the Board and  
19 in any proceeding in any court arising out of any provision of the  
20 Oklahoma Accountancy Act or the rules and regulations adopted by the  
21 Board. Copies of said records certified by the secretary under the  
22 seal of the Board shall, if material, be admissible in evidence;

23 3. Employ such executive staff as may be necessary to implement  
24 and administer the Oklahoma Accountancy Act, to fix and pay their

1 salaries or fees. Such executive staff shall include an Executive  
2 Director, Deputy Director and legal counsel. The Board shall have  
3 the authority to employ other staff and contract with or hire  
4 special prosecutors, investigators, expert witnesses, hearing  
5 examiners and clerical personnel in furtherance of its duties under  
6 the Oklahoma Accountancy Act;

7 4. Lease office space and pay the rent thereon, purchase office  
8 equipment and supplies, and make such other expenditures as are  
9 necessary for the administration and enforcement of the provisions  
10 of the Oklahoma Accountancy Act;

11 5. Pay the costs of such research programs in accounting and  
12 other subjects as in the determination of the Board would be  
13 beneficial to registrants; and

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

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

19 SECTION 3. AMENDATORY 59 O.S. 2001, Section 15.8, as  
20 last amended by Section 8, Chapter 125, O.S.L. 2004 (59 O.S. Supp.  
21 2007, Section 15.8), is amended to read as follows:

22 Section 15.8 A. An applicant ~~for the examination~~ to qualify as  
23 a candidate shall file an ~~application for qualification on~~ a form to  
24 be approved by the Oklahoma Accountancy Board. The fee for the

1 qualification application shall be determined by the Board and shall  
2 not exceed Three Hundred Dollars (\$300.00). Every applicant for the  
3 examination for the certificate of certified public accountant or  
4 license of public accountant must be of good moral character, shall  
5 submit to a national criminal history record check, must be a  
6 resident of this state immediately prior to making application and,  
7 except as otherwise provided in this section, shall meet the  
8 education and experience requirements provided in this section.

9 B. On or after July 1, 1999, every applicant for the license of  
10 public accountant shall have graduated from an accredited four-year  
11 college or university with a major in accounting or with a  
12 nonaccounting major supplemented by what the Oklahoma Accountancy  
13 Board determines to be the equivalent of an accounting major of any  
14 four-year college or university in this state or any other four-year  
15 college or university recognized by the Board. Such major in  
16 accounting or nonaccounting major shall include satisfactory  
17 completion of forty-eight (48) semester hours, or the equivalent  
18 thereof, in accounting and related subjects. At least thirty (30)  
19 semester hours, or the equivalent thereof, of said forty-eight (48)  
20 semester hours, shall be in accounting courses, at least one of  
21 which shall be in auditing. The remainder of said forty-eight (48)  
22 semester hours, or the equivalent thereof, shall be in said related  
23 subjects, which shall be in any or all of the subjects of economics,  
24 statistics, business law, finance, business management, marketing,

1 business communication, financial information systems or computer  
2 science or the equivalent of such subjects as determined by the  
3 Board.

4 C. On or after July 1, 2003, every applicant for examination  
5 for the certificate of certified public accountant shall have at  
6 least one hundred fifty (150) semester hours, or the equivalent  
7 thereof, of college education including a baccalaureate or higher  
8 degree conferred by a college or university acceptable to the Board  
9 from an accredited four-year college or university in this state or  
10 any other accredited four-year college or university recognized by  
11 the Board. A minimum of seventy-six (76) semester hours must be  
12 earned at the upper-division level of college or above or the  
13 equivalent thereof as determined by the Board; this education  
14 requirement shall have been completed prior to submitting an  
15 application to the Board; the total educational program of the  
16 applicant for examination shall include an accounting concentration  
17 or its equivalent as determined acceptable by the Board which shall  
18 include not less than thirty (30) semester hours, or the equivalent  
19 thereof, in accounting courses above principles of accounting or  
20 introductory accounting, with at least one course in auditing or  
21 assurance; the remaining accounting courses shall be selected from  
22 financial accounting, accounting theory, cost/managerial accounting,  
23 federal income tax, governmental, not for profit accounting,  
24 accounting information systems, accounting history and other

1 accounting electives; at least nine (9) semester hours shall be from  
2 any or all of the subjects of economics, statistics, business law,  
3 finance, business management, marketing, business communication,  
4 risk management, insurance, management information systems or  
5 computer science at the upper-division level of college or above or  
6 the equivalent of such subjects as determined by the Board; all the  
7 remaining semester hours, if any, shall be elective but shall be at  
8 the upper-division level of college or above.

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

11 SECTION 4. AMENDATORY 59 O.S. 2001, Section 15.9, as  
12 last amended by Section 9, Chapter 125, O.S.L. 2004 (59 O.S. Supp.  
13 2007, Section 15.9), is amended to read as follows:

14 Section 15.9 A. Upon payment of appropriate fees, the Oklahoma  
15 Accountancy Board shall grant a certificate or license to any  
16 individual of good character who meets the applicable education,  
17 experience and testing requirements provided for in this section and  
18 in Sections 15.8 and 15.10 of this title. For purposes of this  
19 subsection, good character means an individual who does not have a  
20 history of dishonest acts as demonstrated by documented evidence and  
21 has not been convicted, pled guilty, or pled nolo contendere to a  
22 felony charge. The Board may refuse to grant a certificate or  
23 license to an applicant for failure to satisfy the requirement of  
24 good character. The Board shall provide to the denied applicant

1 written notification specifying grounds for denial of a certificate  
2 or license including failure to meet the good character criterion.  
3 Appeal of the action of the Board may be made in accordance with the  
4 provisions of the Administrative Procedures Act.

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

12 C. The Board shall, upon request, issue licenses as public  
13 accountants only to those applicants who shall have qualified and  
14 complied with the provisions of ~~this act~~ the Oklahoma Accountancy  
15 Act and the rules of the Board, and shall have passed an examination  
16 in accounting, auditing, and other related subjects not to exceed  
17 seventy-five percent (75%) of the CPA Examination subjects with such  
18 grades that satisfy the Board that each applicant is competent to  
19 practice as a public accountant. The subjects examined shall be  
20 covered by the same examination, and grading thereon for passing, as  
21 those used by the Board to test candidates for the certified public  
22 accountant's certificate.

23

24

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

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

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

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

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

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

16 SECTION 6. AMENDATORY 59 O.S. 2001, Section 15.12, as  
17 last amended by Section 13, Chapter 125, O.S.L. 2004 (59 O.S. Supp.  
18 2007, Section 15.12), is amended to read as follows:

19 Section 15.12 An individual who is not a certified public  
20 accountant or public accountant in any jurisdiction may serve as an  
21 employee of a firm composed of certified public accountants or  
22 public accountants holding a valid permit ~~provided that such~~. Such  
23 employee or assistant shall not issue any accounting or financial  
24 statements over the employee's or assistant's name.



1 SECTION 7. AMENDATORY Section 8, Chapter 312, O.S.L.  
2 2002, as amended by Section 14, Chapter 125, O.S.L. 2004 (59 O.S.  
3 Supp. 2007, Section 15.12A), is amended to read as follows:  
4 Section 15.12A A. 1. An individual whose principal place of  
5 business is not in this state, ~~having~~ and who holds a valid  
6 certificate or license as a certified public accountant or public  
7 accountant from any jurisdiction which the Oklahoma Accountancy  
8 Board or its designee has verified to be ~~substantially equivalent in~~  
9 substantial equivalence to the ~~Certified Public Accountant and~~  
10 ~~Public Accountant~~ certified public accountant or public accountant  
11 licensure requirements of this title, shall be presumed to have  
12 qualifications substantially equivalent to this state's requirements  
13 and shall have all the privileges, including responsibilities and  
14 obligations, of certificate and license holders of this state  
15 without the need to obtain a certificate, license or permit required  
16 under Sections 15.9, ~~and~~ 15.13, 15.14A, 15.15 and 15.15A of this  
17 title. ~~However~~ Notwithstanding any other provision of law, an  
18 individual ~~shall notify the Board of the individual's intent to~~  
19 ~~practice in the state under this provision. Notification shall be~~  
20 ~~waived to a certificate or license holder of another jurisdiction~~  
21 ~~exercising the privilege afforded under this section by that~~  
22 ~~jurisdiction to an Oklahoma certificate or license holder for the~~  
23 ~~equivalent privilege to practice in that jurisdiction~~ who offers or  
24 renders professional services, whether in person, by mail, telephone

1 or electronic means, shall, as provided in this section, be granted  
2 practice privileges in this state and no notice or submission shall  
3 be provided by any such individual; provided, the individual shall  
4 be subject to the requirements in paragraph 3 of this subsection.

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

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

11 3. Any individual certificate holder or license holder of  
12 another jurisdiction exercising the privilege afforded under this  
13 section and the certified public accounting or public accounting  
14 firm which employs that certificate holder or license holder hereby  
15 ~~consents~~ simultaneously consent, as a condition of the granting of  
16 this privilege:

- 17 a. to the personal and subject matter jurisdiction and  
18 disciplinary authority of the Board,
- 19 b. to comply with the Oklahoma Accountancy Act and the  
20 Board's rules, ~~and~~
- 21 c. that in the event the certificate or license from the  
22 jurisdiction of the certificate holder's or license  
23 holder's principal place of business is no longer  
24 valid, the individual will cease offering or rendering

1 professional services in this state individually or on  
2 behalf of a certified public accounting or public  
3 accounting firm, and

4 d. to the appointment of the state board which issued the  
5 ~~individual's~~ license as the ~~individual's~~ agent upon  
6 whom process may be served in any action or proceeding  
7 by the Board against the certificate or license  
8 holder.

9 4. ~~The Oklahoma Accountancy Board shall charge a fee to a~~  
10 ~~certificate or license holder of another jurisdiction exercising the~~  
11 ~~privilege afforded under this section in an amount equal to the~~  
12 ~~fees charged by that jurisdiction to an Oklahoma certificate or~~  
13 ~~license holder for the equivalent privilege to practice in that~~  
14 ~~jurisdiction~~ An individual who has been granted practice privileges  
15 under this section who, for any entity with its home office in this  
16 state, performs any of the following services:

- 17 a. any financial statement audit or other engagement to  
18 be performed in accordance with Statements on Auditing  
19 Standards,
- 20 b. any examination of prospective financial information  
21 to be performed in accordance with Statements on  
22 Standards for Attestation Engagements, or

1           c. any engagement to be performed in accordance with  
2                   Public Company Accounting Oversight Board (PCAOB)  
3                   auditing standards,  
4 may only do so through a firm which has obtained a permit issued  
5 under Section 15.15A of this title.

6           B. The provisions of this section shall apply only in the event  
7 that the jurisdiction of the principal place of business of the  
8 individual seeking practice privileges in this state makes a similar  
9 provision to allow an individual with an Oklahoma certificate or  
10 license to obtain a comparable designation from that state.

11           C. A registrant of this state offering or rendering services or  
12 using the registrant's CPA or PA title in another jurisdiction shall  
13 be subject to disciplinary action in this state for an act committed  
14 in another jurisdiction which would subject the certificate or  
15 license holder to discipline in that jurisdiction. The Board shall  
16 be required to investigate any complaint made by the board of  
17 accountancy of another jurisdiction.

18           SECTION 8.           AMENDATORY           59 O.S. 2001, Section 15.14, as  
19 last amended by Section 17, Chapter 125, O.S.L. 2004 (59 O.S. Supp.  
20 2007, Section 15.14), is amended to read as follows:

21           Section 15.14 A. In addition to obtaining a certificate or  
22 license, certified public accountants and public accountants shall  
23 register with the Oklahoma Accountancy Board and pay a registration  
24 fee.

1 B. All valid certificates and licenses ending in an odd number  
2 shall expire on July 31 of each odd-numbered year. All valid  
3 certificates and licenses ending in an even number shall expire on  
4 July 31 of each even-numbered year. All such registrations shall  
5 expire on the last day of July and may be renewed for a period of  
6 two (2) years. The Board shall implement rules for the scheduling  
7 of expiration and renewal of certificates and licenses, including  
8 the prorating of fees.

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

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

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

21 1. Upon failure of an individual to pay registration fees on or  
22 before July 31, the Board shall notify the individual in writing by  
23 certified mail to the last known address of the individual, as  
24

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

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

6 3. Any individual whose certificate or license is automatically  
7 revoked by this provision may be reinstated by the Board upon  
8 payment of:

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

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

15 However, an individual whose certificate or license has been  
16 expired, surrendered or revoked under this section for five (5)  
17 years or more may not renew the certificate or license. The  
18 individual may obtain a new certificate or license by complying with  
19 the requirements and procedures, including the examination  
20 requirements, for obtaining an original certificate or license.  
21 This provision shall not apply to an individual who is licensed to  
22 practice in another jurisdiction five (5) years prior to  
23 reapplication.

24

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

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

13 H. At the direction of the Board, a register may be printed  
14 and/or published in any media format the Board considers appropriate  
15 for public distribution. Any such publication shall contain the  
16 names arranged alphabetically of all individuals and firms holding  
17 valid certificates, licenses, permits, the names of the members of  
18 the Board, and such other information as may be deemed appropriate  
19 by the Board.

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

22 Section 15.14A A. Before any individual may practice public  
23 accounting or hold himself or herself out as being engaged in the  
24 practice of public accounting as a certified public accountant or



1 public accountant in this state such person shall obtain a permit  
2 from the Oklahoma Accountancy Board. Any individual, corporation or  
3 partnership or any other entity who provides any of the services  
4 defined hereinabove as the "practice of public accounting" without  
5 ~~being~~ holding a license and permit ~~holder~~, or without holding a  
6 certificate and permit ~~holder~~, shall be assessed a fine not to  
7 exceed Ten Thousand Dollars (\$10,000.00) for each separate offense.

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

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

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

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

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

20 C. All such individuals shall, upon application and compliance  
21 with the rules establishing qualifications for obtaining a permit  
22 and payment of the fees, be granted an annual permit to practice  
23 public accounting in this state. All permits issued shall expire on  
24 ~~June 30~~ July 31 of each year and may be renewed from year to year.

1 The Board may issue interim permits upon payment of the same fees  
2 required for annual permits.

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

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

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

11 Section 15.14B After notice and hearing the Oklahoma  
12 Accountancy Board may impose any one or more of the penalties  
13 authorized in Section 15.24 of this title on a certified public  
14 accountant or a public accountant for any one or more of the  
15 following causes:

16 1. Fraud or deceit in obtaining a certificate, license or  
17 permit;

18 2. Dishonesty, fraud, or gross negligence in accountancy or  
19 financially related activities;

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

24

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

6 5. Failure to comply with professional standards in the Board's  
7 professional code of conduct as to the attest and/or compilation  
8 competency requirement for those who supervise attest and/or  
9 compilation engagements and sign the report on financial statements  
10 or other compilation communications with respect to financial  
11 statements; and

12 6. Violation of any of the provisions of the Oklahoma  
13 Accountancy Act and rules promulgated for its implementation by the  
14 Board.

15 SECTION 11. AMENDATORY 59 O.S. 2001, Section 15.15, as  
16 last amended by Section 19, Chapter 125, O.S.L. 2004 (59 O.S. Supp.  
17 2007, Section 15.15), is amended to read as follows:

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

23 B. All such registrations shall expire on ~~May 31~~ June 30 of  
24 each year and may be renewed annually for a period of one (1) year

1 by registrants in good standing upon filing the registration and  
2 upon payment of the annual fee not later than ~~May 31~~ June 30 of each  
3 year.

4 C. Interim registrations shall be at full rates.

5 D. Upon failure of a firm to pay registration fees on or before  
6 the last day of ~~May~~ June, the Board shall notify the firm in writing  
7 by certified mail to the last known address of the firm, as  
8 reflected in the records of the Board, of the firm's failure to  
9 comply with the Oklahoma Accountancy Act.

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

13 F. A firm whose registration is automatically revoked pursuant  
14 to this section may be reinstated by the Board upon payment of a fee  
15 to be set by the Board which shall not exceed Two Hundred Dollars  
16 (\$200.00).

17 SECTION 12. AMENDATORY 59 O.S. 2001, Section 15.15A, as  
18 last amended by Section 20, Chapter 125, O.S.L. 2004 (59 O.S. Supp.  
19 2007, Section 15.15A), is amended to read as follows:

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

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

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

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

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

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

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

18 1. Changes in the partners or shareholders of the firm;

19 2. Changes in the structure of the firm;

20 3. Change of the designated manager of the firm;

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

22 and

23

24

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

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

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

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

15        3. The date the dissolution became effective.

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

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

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

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

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

11           1. Each partner or shareholder is engaged in the practice of  
12 public accounting in ~~the State of Oklahoma~~ this state as public  
13 accountants; and

14           2. Each designated manager of an office in this state has  
15 received an Oklahoma license and permit to practice as a public  
16 accountant or certificate and permit to practice as a certified  
17 public accountant.

18           SECTION 13.           AMENDATORY           59 O.S. 2001, Section 15.35, as  
19 last amended by Section 30, Chapter 125, O.S.L. 2004 (59 O.S. Supp.  
20 2007, Section 15.35), is amended to read as follows:

21           Section 15.35 A. In order to assure continuing professional  
22 competence of individuals in accountancy, and as a condition for  
23 issuance of a certificate or license and/or renewal of a permit to  
24

1 practice, certificate and license holders shall furnish evidence of  
2 participation in continuing professional education.

3 ~~B. All certificate and license holders shall complete a minimum~~  
4 ~~of forty (40) hours of continuing professional education per~~  
5 ~~compliance period to obtain a permit to practice. Continuing~~  
6 professional education compliance periods shall be established by  
7 rule.

8 C. ~~Effective January 1, 2006, all~~ All certificate and license  
9 holders shall complete at least one hundred twenty (120) hours of  
10 continuing professional education within a three-year period with  
11 completion of not less than twenty (20) hours of continuing  
12 professional education in any year.

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

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

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

21 3. Adopt standards for determining approved continuing  
22 professional education courses.

23 SECTION 14. It being immediately necessary for the preservation  
24 of the public peace, health and safety, an emergency is hereby



1 declared to exist, by reason whereof this act shall take effect and  
2 be in full force from and after its passage and approval.

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