

1 ENGROSSED SENATE
2 BILL NO. 1010

By: Morgan of the Senate

3 and

4 Johnson (Rob) of the House

5
6 [professions and occupations - Oklahoma Accountancy

7 Act - modifying provision - designating certain

8 professional standards -

9 emergency]

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

12 SECTION 1. AMENDATORY 59 O.S. 2001, Section 15.1A, as
13 last amended by Section 2, Chapter 125, O.S.L. 2004 (59 O.S. Supp.
14 2007, Section 15.1A), is amended to read as follows:

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

16 1. "Accountancy" means the profession or practice of
17 accounting;

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

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

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1 4. "Assurance" means independent professional services that
2 improve the quality of information, or its context, for decision
3 makers;

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

- 6 a. any audit or other engagement to be performed in
7 accordance with ~~generally accepted~~ auditing standards
8 generally accepted in the United States, government
9 auditing standards generally accepted in the United
10 States or international auditing standards,
11 b. any review of a financial statement to be performed in
12 accordance with the Statements on Standards for
13 Accounting and Review Services (SSARS), ~~and~~
14 c. any report performed in accordance with the Statements
15 on Standards for Attestation Engagements (SSAE), and
16 d. any engagement to be performed in accordance with the
17 standards of the Public Company Auditing Oversight
18 Board (PCAOB).

19 The statements on standards specified in this definition shall
20 be adopted by reference by the Board pursuant to rulemaking and
21 shall be those developed for general application by recognized
22 national accountancy organizations;

23 6. "Audit" can only be performed by an individual or entity who
24 is registered with the Board and holding a valid permit issued

1 pursuant to the Oklahoma Accountancy Act and means a systematic
2 investigation or appraisal of information, procedures, or operations
3 performed in accordance with generally accepted auditing standards
4 in the United States, for the purpose of determining conformity with
5 established criteria and communicating the results to interested
6 parties;

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

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

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

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

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

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

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

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

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

14 ~~16.~~ 15. "Entity" means an organization whether for profit or
15 not, recognized by the State of Oklahoma to conduct business;

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

20 ~~18.~~ 17. "Executive director" means the chief administrative
21 officer of the Board;

22 ~~19.~~ 18. "Financial statements" means statements and footnotes
23 related thereto that undertake to present an actual or anticipated
24 financial position as of a point in time, or results of operations,

1 cash flow, or changes in financial position for a period of time, in
2 conformity with generally accepted accounting principles or another
3 comprehensive basis of accounting. The term does not include
4 incidental financial data included in management advisory service
5 reports to support recommendations to a client; nor does it include
6 tax returns and supporting schedules;

7 ~~20.~~ 19. "Firm" means an entity that is either a sole
8 proprietorship, partnership, professional limited liability company,
9 professional limited liability partnership, limited liability
10 partnership or professional corporation, or any other professional
11 form of organization recognized by the State of Oklahoma and issued
12 a permit in accordance with Section 15.15A of this title, including
13 individual partners or shareholders, that is engaged in accountancy;

14 ~~21.~~ 20. "Holding out" means any representation by an individual
15 that he or she holds a certificate or license and a valid permit, or
16 by an entity that it holds a valid permit. Any such representation
17 is presumed to invite the public to rely upon the professional
18 skills implied by the certificate or license and valid permit in
19 connection with the services or products offered;

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

23 22. "Individual" means a human being;

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

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

10 25. "Management advisory services", also known as "management
11 consulting services", "management services", "business advisory
12 services" or other similar designation, hereinafter collectively
13 referred to as "MAS", means the function of providing advice and/or
14 technical assistance, performed in accordance with standards for MAS
15 engagements and MAS consultations such as those issued by the
16 American Institute of Certified Public Accountants, where the
17 primary purpose is to help the client improve the use of its
18 capabilities and resources to achieve its objectives including but
19 not limited to:

- 20 a. counseling management in analysis, planning,
21 organizing, operating, risk management and controlling
22 functions,

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- 1 b. conducting special studies, preparing recommendations,
2 proposing plans and programs, and providing advice and
3 technical assistance in their implementation,
4 c. reviewing and suggesting improvement of policies,
5 procedures, systems, methods, and organization
6 relationships, and
7 d. introducing new ideas, concepts, and methods to
8 management.

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

13 26. "NASBA" means the National Association of State Boards of
14 Accountancy;

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

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

22 29. "PCAOB" means the Public Company Auditing Oversight Board;
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1 30. "Peer Review" means a review performed pursuant to a set of
2 peer review rules established by the Board. The term "peer review"
3 also encompasses the term "quality review";

4 ~~30.~~ 31. "Permit" means the written authority granted annually
5 by the Board to individuals or firms to practice public accounting
6 in Oklahoma, which is issued pursuant to the Oklahoma Accountancy
7 Act;

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

21 (1) maintains an office for the transaction of
22 business as a certified public accountant or
23 public accountant,

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

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

9 (7) prepares personal financial or investment plans
10 or provides to clients products or services of
11 others in implementation of personal financial or
12 investment plans, or

13 (8) provides management advisory services to clients.

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

21 (1) keeps books, or prepares trial balances,
22 financial statements, or reports, provided such
23 instruments do not use the terms "audit",
24 "audited", "exam", "examined", "review" or

1 "reviewed" or are not exhibited as having been
2 prepared by a certified public accountant or
3 public accountant. Nonregistrants may use the
4 following disclaimer language in connection with
5 financial statements to not be in violation of
6 the Oklahoma Accountancy Act: "I (we) have not
7 audited, examined or reviewed the accompanying
8 financial statements and accordingly do not
9 express an opinion or any other form of assurance
10 on them.",

11 (2) prepares or signs as the tax preparer, tax
12 returns for clients, consults with clients on tax
13 matters, conducts studies for clients on tax
14 matters and prepares reports for clients on tax
15 matters,

16 (3) prepares personal financial or investment plans
17 or provides to clients products or services of
18 others in implementation of personal financial or
19 investment plans, or

20 (4) provides management advisory services to clients.

21 c. Only permit holders may render or offer to render any
22 attest service, as defined herein, or issue a report
23 on financial statements which purport to be in
24 compliance with the Statements on Standards for

1 Accounting and Review Services (SSARS). This
2 restriction shall not prohibit any act of a public
3 official or public employee in the performance of that
4 person's duties. This restriction shall not be
5 construed to prohibit the performance by any
6 unlicensed individual of other services as set out in
7 subparagraph b of this paragraph~~7~~.

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

19 ~~32.~~ 33. "Principal place of business" means that physical
20 location identified by an individual to another jurisdiction's
21 accountancy regulatory agency where substantial administrative or
22 management activities are conducted. For purposes of substantial
23 equivalency, the physical location cannot be in this state~~;~~;

1 ~~33.~~ 34. "Professional corporation" means a corporation
2 organized pursuant to the laws of this state;

3 ~~34.~~ 35. "Professional" means arising out of or related to the
4 specialized knowledge or skills associated with CPAs or ~~Pa~~ PAs;

5 ~~35.~~ 36. "Public accountant" means any individual who has
6 received a license from the Board;

7 ~~36.~~ 37. "Public interest" means the collective well-being of
8 the community of people and institutions the profession serves;

9 ~~37.~~ 38. "Registrant" means a CPA, PA, or firm composed of
10 certified public accountants or public accountants or combination of
11 both currently registered with the Board pursuant to the authority
12 of the Oklahoma Accountancy Act;

13 ~~38.~~ 39. "Report", when used with reference to financial
14 statements, or specified elements, accounts or items of a financial
15 statement, means an opinion, report or other form of language that
16 states or implies assurance as to the reliability of any financial
17 statements, or specified elements, accounts or items of a financial
18 statement, and that also includes or is accompanied by any statement
19 or implication that the person or firm issuing it has special
20 knowledge or competence in accounting or auditing. Such a statement
21 or implication of special knowledge or competence may arise from use
22 by the issuer of the report of names or titles indicating that the
23 person or firm is an accountant or auditor, or from the language of
24 the report itself. The term "report" includes any form of language

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

20 | ~~39.~~ 40. "Representation" means any oral or written
21 | communication including but not limited to the use of title or
22 | legends on letterheads, business cards, office doors,
23 | advertisements, and listings conveying the fact that an individual
24 | or entity holds a certificate, license or permit;

1 ~~40.~~ 41. "Review", when used with reference to financial
2 statements, means a registrant performing inquiry and analytical
3 procedures that provide the registrant with a reasonable basis for
4 expressing limited assurance that there are no material
5 modifications that should be made to the statements in order for
6 them to be in conformity with generally accepted accounting
7 principles or if applicable, with another comprehensive basis of
8 accounting; and

9 ~~41.~~ 42. "Substantial equivalency" is a determination by the
10 Oklahoma Accountancy Board or its designee that:

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

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

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

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

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

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

21 3. Employ such executive staff as may be necessary to implement
22 and administer the Oklahoma Accountancy Act, to fix and pay their
23 salaries or fees. Such executive staff shall include an Executive
24 Director, Deputy Director and legal counsel. The Board shall have

1 the authority to employ other staff and contract with or hire
2 special prosecutors, investigators, expert witnesses, hearing
3 examiners and clerical personnel in furtherance of its duties under
4 the Oklahoma Accountancy Act;

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

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

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

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

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

20 Section 15.8 A. An applicant ~~for the examination~~ to qualify as
21 a candidate shall file an ~~application for qualification on~~ a form to
22 be approved by the Oklahoma Accountancy Board. The fee for the
23 qualification application shall be determined by the Board and shall
24 not exceed Three Hundred Dollars (\$300.00). Every applicant for the

1 examination for the certificate of certified public accountant or
2 license of public accountant must be of good moral character, shall
3 submit to a national criminal history record check, must be a
4 resident of this state immediately prior to making application and,
5 except as otherwise provided in this section, shall meet the
6 education and experience requirements provided in this section.

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

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1 science or the equivalent of such subjects as determined by the
2 Board.

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

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

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

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

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

1 or license including failure to meet the good character criterion.
2 Appeal of the action of the Board may be made in accordance with the
3 provisions of the Administrative Procedures Act.

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

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

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

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

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

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

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

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

13 SECTION 6. AMENDATORY 59 O.S. 2001, Section 15.12, as
14 last amended by Section 13, Chapter 125, O.S.L. 2004 (59 O.S. Supp.
15 2007, Section 15.12), is amended to read as follows:

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

22 SECTION 7. AMENDATORY Section 8, Chapter 312, O.S.L.
23 2002, as amended by Section 14, Chapter 125, O.S.L. 2004 (59 O.S.
24 Supp. 2007, Section 15.12A), is amended to read as follows:

1 Section 15.12A A. 1. An individual whose principal place of
2 business is not in this state, ~~having~~ and who holds a valid
3 certificate or license as a certified public accountant or public
4 accountant from any jurisdiction which the Oklahoma Accountancy
5 Board or its designee has verified to be ~~substantially equivalent~~ in
6 substantial equivalence to the ~~Certified Public Accountant and~~
7 ~~Public Accountant~~ certified public accountant or public accountant
8 licensure requirements of this title, shall be presumed to have
9 qualifications substantially equivalent to this state's requirements
10 and shall have all the privileges, including responsibilities and
11 obligations, of certificate and license holders of this state
12 without the need to obtain a certificate, license or permit required
13 under Sections 15.9, ~~and~~ 15.13, 15.14A, 15.15 and 15.15A of this
14 title. ~~However,~~ Notwithstanding any other provision of law, an
15 individual ~~shall notify the Board of the individual's intent to~~
16 ~~practice in the state under this provision. Notification shall be~~
17 ~~waived to a certificate or license holder of another jurisdiction~~
18 ~~exercising the privilege afforded under this section by that~~
19 ~~jurisdiction to an Oklahoma certificate or license holder for the~~
20 ~~equivalent privilege to practice in that jurisdiction~~ who offers or
21 renders professional services, whether in person, by mail, telephone
22 or electronic means, shall, as provided in this section, be granted
23 practice privileges in this state and no notice or submission shall
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1 be provided by any such individual; provided, the individual shall
2 be subject to the requirements in paragraph 3 of this subsection.

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

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

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

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

1 behalf of a certified public accounting or public
2 accounting firm, and

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

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

16 a. any financial statement audit or other engagement to
17 be performed in accordance with Statements on Auditing
18 Standards,

19 b. any examination of prospective financial information
20 to be performed in accordance with Statements on
21 Standards for Attestation Engagements, or

22 c. any engagement to be performed in accordance with
23 Public Company Accounting Oversight Board (PCAOB)
24 auditing standards,

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

3 B. 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:

24

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;

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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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