

1 3. "Applicant" means an individual or entity that has made
2 application to the Board for a certificate, license, or permit and
3 said application has not been approved;

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

7 5. "Attest" means providing the following services:

- 8 a. any audit or other engagement to be performed in
9 accordance with the Statements on Auditing Standards
10 (SAS),
- 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),
- 14 c. any engagement performed in accordance with the
15 Statements on Standards for Attestation Engagements
16 (SSAE), and
- 17 d. any engagement to be performed in accordance with the
18 Auditing Standards of the Public Company Accounting
19 Oversight Board (PCAOB).

20 The statements on standards specified in this definition shall
21 be adopted by reference by the Board pursuant to rulemaking and
22 shall be those developed for general application by recognized
23 national accountancy organizations, such as the AICPA, IFAC and the
24 PCAOB;

1 6. "Audit" can only be performed by an individual or entity who
2 is registered with the Board and holding a valid permit issued
3 pursuant to the Oklahoma Accountancy Act, or an individual granted
4 practice privileges under Section 15.12A of this title, and means a
5 systematic investigation or appraisal of information, procedures, or
6 operations performed in accordance with generally accepted auditing
7 standards in the United States, for the purpose of determining
8 conformity with established criteria and communicating the results
9 to interested parties;

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

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

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

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

23 11. "Client" means the individual or entity which retains a
24 registrant, an individual granted practice privileges under Section

1 15.12A of this title, or a firm exempt from the permit and
2 registration requirements under Section 15.15C of this title to
3 perform professional services;

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

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

9 14. "Designated manager" means the Oklahoma certified public
10 accountant or public accountant appointed by the firm partners or
11 shareholders to be responsible for the administration of the office;

12 15. "Designee" means the National Association of State Boards
13 of Accountancy (NASBA) or other entities so designated by the Board;

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

16 17. "Examination" means ~~the test sections of Auditing and~~
17 ~~Attestation, Business Environment and Concepts, Financial Accounting~~
18 ~~and Reporting, and Regulation or their successors, administered,~~
19 ~~supervised, and graded by, or at the direction of, the Board or~~
20 ~~other jurisdiction that is required for a certificate as a certified~~
21 ~~public accountant or a license as a public accountant~~ all or any
22 part of the Uniform Certified Public Accountant Examination
23 developed and scored by the American Institute of Certified Public
24 Accountants as approved or designated by the Board;

1 18. "Executive director" means the chief administrative officer
2 of the Board;

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

12 20. "Firm" means an entity that is either a sole
13 proprietorship, partnership, professional limited liability company,
14 professional limited liability partnership, limited liability
15 partnership or professional corporation, or any other professional
16 form of organization organized under the laws of ~~the State of~~
17 ~~Oklahoma~~ this state or the laws of another jurisdiction and issued a
18 permit in accordance with Section 15.15A of this title or exempt
19 from the permit requirement under Section 15.15C of this title,
20 including individual partners or shareholders, that is engaged in
21 accountancy;

22 21. "Holding out" means any representation by an individual
23 that he or she holds a certificate or license and a valid permit, or
24 by an entity that it holds a valid permit. Any such representation

1 is presumed to invite the public to rely upon the professional
2 skills implied by the certificate or license and valid permit in
3 connection with the services or products offered;

4 22. "Home office" means the location specified by the client as
5 the address to which a service described in Section 15.12A of this
6 title is directed;

7 23. "IFAC" means the International Federation of Accountants;

8 24. "Individual" means a human being;

9 25. "Jurisdiction" means any state or territory of the United
10 States and the District of Columbia;

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

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

1 primary purpose is to help the client improve the use of its
2 capabilities and resources to achieve its objectives including but
3 not limited to:

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

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

19 28. "NASBA" means the National Association of State Boards of
20 Accountancy;

21 29. "PA" or "P.A." means public accountant;

22 30. "Partnership" means a contractual relationship based upon a
23 written, oral, or implied agreement between two or more individuals
24 who combine their resources and activities in a joint enterprise and

1 share in varying degrees and by specific agreement in the management
2 and in the profits or losses. A partnership may be general or
3 limited as the laws of this state define those terms;

4 31. "PCAOB" means the Public Company Accounting Oversight
5 Board;

6 32. "Peer Review" means a review performed pursuant to a set of
7 peer review rules established by the Board. The term "peer review"
8 also encompasses the term "quality review";

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

12 34. 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 an individual granted practice privileges under
16 Section 15.12A of this title, or a firm exempt from
17 the permit and registration requirements under Section
18 15.15C of this title in reference to accountancy. An
19 individual or firm shall be deemed to be engaged in
20 the practice of public accounting if the individual or
21 firm holds itself out to the public in any manner as
22 one skilled in the knowledge, science, and practice of
23 accounting and auditing, taxation and management
24 advisory services and is qualified to render such

1 professional services as a certified public accountant
2 or public accountant, and performs the following:

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

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

13 (3) prepares or certifies for clients reports on
14 audits or investigations of books or records of
15 account, balance sheets, and other financial,
16 accounting and related schedules, exhibits,
17 statements, or reports which are to be used for
18 publication or for the purpose of obtaining
19 credit, or for filing with a court of law or with
20 any governmental agency, or for any other
21 purpose,

22 (4) generally or incidentally to the work described
23 herein, renders professional services to clients
24 in any or all matters relating to accounting

- 1 procedure and to the recording, presentation, or
2 certification of financial information or data,
3 (5) keeps books, or prepares trial balances,
4 financial statements, or reports, all as a part
5 of bookkeeping services for clients,
6 (6) prepares or signs as the tax preparer, tax
7 returns for clients, consults with clients on tax
8 matters, conducts studies for clients on tax
9 matters and prepares reports for clients on tax
10 matters, unless the services are uncompensated
11 and are limited solely to the registrant's, or
12 the registrant's spouse's lineal and collateral
13 heirs,
14 (7) prepares personal financial or investment plans
15 or provides to clients products or services of
16 others in implementation of personal financial or
17 investment plans, or
18 (8) provides management advisory services to clients.

19 b. Except for an individual granted practice privileges
20 under Section 15.12A of this title or a firm exempt
21 from the permit and registration requirements under
22 Section 15.15C of this title, an individual or firm
23 not holding a certificate, license or permit shall not
24 be deemed to be engaged in the practice of public

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

6 (1) keeps books, or prepares trial balances,
7 financial statements, or reports, provided such
8 instruments do not use the terms "audit",
9 "audited", "exam", "examined", "review" or
10 "reviewed" or are not exhibited as having been
11 prepared by a certified public accountant or
12 public accountant. Except for an individual
13 granted practice privileges under Section 15.12A
14 of this title or a firm exempt from the permit
15 and registration requirements under Section
16 15.15C of this title, nonregistrants may use the
17 following disclaimer language in connection with
18 financial statements and be in compliance with
19 the Oklahoma Accountancy Act: "I (we) have not
20 audited, examined or reviewed the accompanying
21 financial statements and accordingly do not
22 express an opinion or any other form of assurance
23 on them.",
24

1 (2) 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,

6 (3) prepares personal financial or investment plans
7 or provides to clients products or services of
8 others in implementation of personal financial or
9 investment plans, or

10 (4) provides management advisory services to clients.

11 c. Only permit holders, individuals granted practice
12 privileges under Section 15.12A of this title, or
13 firms exempt from the permit and registration
14 requirements under Section 15.15C of this title may
15 render or offer to render any attest service, as
16 defined herein, or issue a report on financial
17 statements which purport to be in compliance with the
18 Statements on Standards for Accounting and Review
19 Services (SSARS). This restriction shall not prohibit
20 any act of a public official or public employee in the
21 performance of that person's duties. This restriction
22 shall not be construed to prohibit the performance by
23 any unlicensed individual of other services as set out
24 in subparagraph b of this paragraph.

1 d. A person is not deemed to be practicing public
2 accounting within the meaning of this section solely
3 by displaying an Oklahoma CPA certificate or a PA
4 license in an office, identifying himself or herself
5 as a CPA or PA on letterhead or business cards, or
6 identifying himself or herself as a CPA or PA.
7 However, the designation of CPA or PA on such
8 letterheads, business cards, public signs,
9 advertisements, publications directed to clients or
10 potential clients, financial or tax documents of a
11 client, performance of any attest service or issuance
12 of a report constitutes the practice of public
13 accounting and requires a permit, practice privileges
14 under Section 15.12A of this title, or an exemption
15 from the permit and registration requirements under
16 Section 15.15C of this title;

17 35. "Preissuance review" means a review performed pursuant to a
18 set of procedures that include review of engagement document,
19 report, and clients' financial statements in order to permit the
20 reviewer to assess compliance with all applicable professional
21 standards;

22 36. "Principal place of business" means the office location
23 designated by the licensee for the purposes of substantial
24 equivalency and reciprocity;

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

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

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

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

9 41. "Qualification applicant" means an individual who has made
10 application to the Board to qualify to become a candidate for
11 examination;

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

16 43. "Report", when used with reference to any attest or
17 compilation service, means an opinion, report or other form of
18 language that states or implies assurance as to the reliability of
19 the attested information or complied financial statements, and that
20 also includes or is accompanied by any statement or implication that
21 the person or firm issuing it has special knowledge or competence in
22 accounting or auditing. Such a statement or implication of special
23 knowledge or competence may arise from use by the issuer of the
24 report of names or titles indicating that the person or firm is an

1 accountant or auditor, or from the language of the report itself.
2 The term "report" includes any form of language which disclaims an
3 opinion when such form of language is conventionally understood to
4 imply any positive assurance as to the reliability of the attested
5 information or compiled financial statements referred to and/or
6 special competence on the part of the person or firm issuing such
7 language; and it includes any other form of language that is
8 conventionally understood to imply such assurance and/or such
9 special knowledge or competence. This definition is not intended to
10 include a report prepared by a person not holding a certificate or
11 license or not granted practice privileges under Section 15.12A of
12 this title. 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. Except for an individual granted practice
18 privileges under Section 15.12A of this title or a firm exempt from
19 the permit and registration requirements under Section 15.15C of
20 this title, nonregistrants may use the following disclaimer language
21 in connection with financial statements not to be in violation of
22 the Oklahoma Accountancy Act: "I (we) have not audited, examined,
23 or reviewed the accompanying financial statements and accordingly do
24 not express an opinion or any other form of assurance on them.";

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

6 45. "Review", when used with reference to financial statements,
7 means a registrant or an individual granted practice privileges
8 under Section 15.12A of this title, or a firm exempt from the permit
9 and registration requirements under Section 15.15C of this title
10 performing inquiry and analytical procedures that provide the
11 registrant with a reasonable basis for expressing limited assurance
12 that there are no material modifications that should be made to the
13 statements in order for them to be in conformity with generally
14 accepted accounting principles or, if applicable, with another
15 comprehensive basis of accounting; and

16 46. "Substantial equivalency" is a determination by the
17 Oklahoma Accountancy Board or its designee that:

- 18 a. the education, examination and experience requirements
19 contained in the statutes and administrative rules of
20 another jurisdiction are comparable to, or exceed, the
21 education, examination and experience requirements
22 contained in the AICPA/NASBA Uniform Accountancy Act,
23 or

24

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

7 In ascertaining substantial equivalency as used in the Oklahoma
8 Accountancy Act, the Board or its designee shall take into account
9 the qualifications without regard to the sequence in which
10 experience, education, or examination requirements were attained.

11 SECTION 2. This act shall become effective November 1, 2022.

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13 COMMITTEE REPORT BY: COMMITTEE ON BUSINESS AND COMMERCE, dated
14 04/06/2022 - DO PASS.
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