

RULE IMPACT STATEMENT

TITLE 10. OKLAHOMA ACCOUNTANCY BOARD

CHAPTER 15. LICENSURE AND REGULATION OF ACCOUNTANCY

Brief Description of the Purpose of the Proposed Rules:

Part of the process of becoming a certified public accountant in Oklahoma is taking the CPA exam. This is a four-part exam which covers a large amount of accounting knowledge and requires extensive study. In order to pass the test, the candidate must pass all four sections within an 18-month window. Each section may be taken on a different day or a couple sections could be taken together. It is up to the candidate. During the past three years, candidates sitting for the Certified Public Accountant exam have faced multiple challenges ranging from COVID to an exam change. These rules are designed to address this situation.

Across the nation, two proposals are being put forth. The most tenured proposal is that no scores which are active on January 1, 2024, will expire before June 30, 2025. This is to allow for an adjustment period for the start of a new exam structure and any technical and scheduling delays which may occur. At this moment, every state and territory in the United States has voted to extend the scores on this date. The OAB has voted in support of this proposal and wishes to make it effective through emergency rule.

The second proposal is to extend all CPA exam scores which expired between January 30, 2020, and May 11, 2023, until June 30, 2025. During this time, the United States experienced turbulent times including the closure of test centers and universities, difficulties traveling, and other hurdles to completing the exam. This is heavily supported by CPA state societies and other interested parties as a way to bring people back into the process of becoming a CPA. At this time, several states have moved forward with this proposal, and it is gaining traction.

Description of the classes of persons who most likely will be affected by the proposed rules, including classes that will bear the costs of the proposed rules, and any information on cost impact received by the agency from any private or public entities:

Both former and current CPA candidates have the potential of benefitting from these changes. It gives them a hand up in gaining their CPA credential. If this is not adopted into administrative rule, Oklahoma candidates will suffer compared to their counterparts in other states. Candidates in those states who have their scores restored under the second provision will have a head start in gaining the CPA designation compared to Oklahoma candidates who may have to retake the section they lost. Regarding the first provision, Oklahoma candidates will have to face any glitches or problems that come with the change in the CPA exam without the additional leeway given to candidates in every other state through the extension of scores on January 1, 2024.

There should be no costs incurred to any classes of individuals as a result of the proposed rule changes. The agency has not received any information on the cost impact from any private or public entities.

Description of the classes of persons who will benefit from the proposed rule:

Both former and current CPA candidates have the potential of benefitting from these changes. They can have their credits which expired between January 30, 2020, and May 11, 2023, extended to June 30, 2025. This is even if their candidacy has expired. They can re-enter the CPA process already ahead. For those with any credits, either extended or still operating under the 18-month window, those credits still valid on January 1, 2024, will have them extended to June 30, 2025, holding them through any turbulence which comes from the update of the CPA exam.

Description of the probable economic impact of the proposed rule upon affected classes of persons or political subdivisions, including a listing for all fee changes and, whenever possible, separate justification for each fee change:

The OAB does not anticipate the proposed rule changes will have any significant negative impact upon classes of persons or political subdivisions. There are no fee changes in the proposed rules.

The probable costs and benefits to the agency and to any other agency of the implementation and enforcement of the proposed rule, the source of revenue to be used for implementation and enforcement of the proposed rule, and any anticipated effects on state revenues, including a projected net loss or gain in such revenues if it can be projected by the agency:

The estimated financial impact is minimal. The hope is this will encourage more individuals to finish the CPA exam which could lead to the possibility of an increase in revenue through registration fees though it is not expected to be large.

A determination of whether implementation of the proposed rule will have an economic impact on any political subdivision or require their cooperation in implementing or enforcement the rule:

No economic impact on any political subdivision is anticipated at this time, nor will a political subdivision be required to cooperate in implementing or enforcing the proposed rules.

A determination of whether implementation of the proposed rule may have an adverse economic effect on small business as provided by the Oklahoma Small Business Regulatory Flexibility Act:

No adverse economic impact on small business is anticipated.

An explanation of the measures the agency has taken to minimize compliance costs and a determination of whether there are less costly or non-regulatory methods or less intrusive methods for achieving the purpose of the proposed rule:

The cost of these changes is negligible. This will save CPA candidates money as it will keep them from possibly having to retake a section which expired/will expire.

A determination of the effect of the proposed rule on the public health, safety and environment and, if the proposed rule is designed to reduce significant risks to the public health, safety and environment, an explanation of the nature of the risk and to what extent the proposed rule will reduce the risk.

The proposed rules should have no effect on the public health, safety and environment.

Date the rule impact statement was prepared and the date modified:

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Prepared by:

Ashley Plyushko
Executive Director
Oklahoma Accountancy Board
201 NW 63rd Street, Suite 210
Oklahoma City, OK 73116
Ashley.plyushko@oab.ok.gov
405-522-4464