

TITLE 10. OKLAHOMA ACCOUNTANCY BOARD

CHAPTER 15. LICENSURE AND REGULATION OF ACCOUNTANCY

SUBCHAPTER 1. GENERAL PROVISIONS

10:15-1-2. Definitions

In addition to the terms defined in the Oklahoma Accountancy Act, the following words or terms shall be applied when implementing that Act and, when used in this Chapter shall have the following meaning, unless the context clearly indicates otherwise:

"Accounting information system (AIS)" means a subsystem of the management information system within an organization. The accounting information system collects and records financial and related information used to support management decision making and to meet both internal and external financial reporting requirements. An AIS system includes, but is not limited to, the accounting for transactions cycles such as revenues and receivables, purchases and payables, payroll, inventory, cash receipts and cash disbursements, and related data based systems.

"Act" means the Oklahoma Accountancy Act, Oklahoma Statutes, Title 59, §§ 15.1 through 15.38, dealing with the practice of public accountancy in Oklahoma.

"Active" when used to refer to the status of a registrant, describes an individual who possesses a certificate or license and who has not otherwise been granted "retired" or "inactive" status.

"Advanced" means the learning activity level most useful for individuals with mastery of the particular topic. This level focuses on the development of in-depth knowledge, a variety of skills, or a broader range of applications. Advanced level programs are often appropriate for seasoned professionals within organizations; however, they may also be beneficial for other professionals with specialized knowledge in a subject area.

"Basic" means the learning activity level most beneficial to registrants new to a skill or an attribute. These individuals are often at the staff or entry level in organizations, although such programs may also benefit a seasoned professional with limited exposure to the area.

"Code" means Title 10 of the Oklahoma Administrative Code.

"Compensation" means the receipt of any remuneration of any kind for public accounting services, including but not limited to salary, wages, bonuses or receipt of any tangible or intangible thing of value.

"Continuing Professional Education" means the set of activities that enables registrants to maintain and improve their professional competence. It is an integral part of the lifelong learning required to provide competent service.

"CPE" means continuing professional education.

"CPE credit" means fifty minutes of participation in a group, independent study or self-study program. One-half CPE credit increments (equal to 25 minutes) are permitted after the first credit has been earned in a given learning activity with such standard remaining through December 31, 2024, whereupon the amount of CPE credit accepted by the Board may be in any decimal increment.

"CPE program sponsor" means the individual or organization responsible for setting learning objectives, developing the program materials to achieve such

objectives, offering a program to participants, and maintaining the documentation required by these standards. The term CPE program sponsor may include associations of CPAs or PAs, whether formal or informal, as well as employers who offer in-house programs.

"Evaluative feedback" means specific response to incorrect answers to questions in self-study programs. Unique feedback must be provided for each incorrect response, as each one is likely to be wrong for differing reasons.

"Examining Authority" means the agency, board or other entity, of the District of Columbia, or any state or territory of the United States, entrusted with the responsibility for the governance, discipline, registration, examination and award of certificates, licenses or conditional credits for certified public accountants or public accountants and the practice of public accountancy in said jurisdictions.

"Generally accepted accounting principles" means the same as Financial Accounting Standards Board (FASB) Accounting Standards Codification Section 105, "Generally Accepted Accounting Principles."

"Generally accepted auditing standards" means those standards which are used to measure the quality of the performance of auditing procedures and the objectives to be obtained by their use. Statements on Auditing Standards issued by the American Institute of Certified Public Accountants, Standards for Audit of Government Organizations, Programs, Activities and Functions issued by the Comptroller General of the United States, Standards of the Public Company Accounting Oversight Board (PCAOB) and other pronouncements having similar generally recognized authority, are considered to be interpretations of generally accepted auditing standards, and departures from such pronouncements, where they are applicable, must be justified by those who do not follow them.

"Group program" means an educational process designed to permit a participant to learn a given subject through interaction with an instructor and other participants either in a classroom or conference setting or by using the Internet.

"Immediate family members" means the registrant's, or his/her spouse's, lineal and collateral heirs.

"Inactive" used to refer to the status of a registrant who is exempt from complying with the CPE requirements as provided in Subchapter 10:15-30-8(1)(B),(C),(D), and (E). However, inactive status does not preclude volunteer services for which the inactive registrant receives no direct or indirect compensation so long as the inactive registrant does not sign any documents related to such services as a CPA or PA.

"Independent study" means an educational process designed to permit a participant to learn a given subject under a learning contract with a CPE program sponsor.

"Instructional methods" means delivery strategies such as case studies, computer-assisted learning, lectures, group participation, programmed instruction, teleconferencing, use of audiovisual aids, or work groups employed in group, self-study, or independent study programs.

"Intermediate" means learning activity level that builds on a basic program, most appropriate for registrants with detailed knowledge in an area. Such persons are

often at a mid-level within the organization, with operational and/or supervisory responsibilities.

"Internet-based programs" means a learning activity, through a group program or a self-study program, that is designed to permit a participant to learn the given subject matter via the Internet. To qualify as either a group or self-study program, the Internet learning activity must meet the respective standards.

"Learning activity" means an educational endeavor that maintains or improves professional competence.

"Learning contract" means a written contract signed by an independent study participant and a qualified CPE program sponsor prior to the commencement of the independent study that:

(A) Specifies the nature of the independent study program and the time frame over which it is to be completed, not to exceed 15 weeks.

(B) Specifies that the output must be in the form of a written report that will be reviewed by the CPE program sponsor or a qualified person selected by the CPE program sponsor.

(C) Outlines the maximum CPE credit that will be awarded for the independent study program, but limits credit to actual time spent.

"Learning objectives" means specifications on what participants should accomplish in a learning activity. Learning objectives are useful to program developers in deciding appropriate instructional methods and allocating time to various subjects.

"Learning plans" means structured processes that help registrants guide their professional development. They are dynamic instruments used to evaluate and document learning and professional competence development. This may be reviewed regularly and modified, as registrants' professional competence needs change. Plans include:

(A) A self-assessment of the gap between current and needed knowledge, skills, and abilities;

(B) A set of learning objectives arising from this assessment; and

(C) Learning activities to be undertaken to fulfill the learning plan.

"Licensee" means an individual designated as a CPA, PA, or equivalent designation in another state.

"Management information system (MIS)" means a computer or manual system, or a group of systems, within an organization that is responsible for collecting and processing data to ensure that all levels of management have the information needed to plan, organize, and control the operations of the organization and to meet both internal and external reporting requirements.

"Nano-learning" a nano-learning course is a tutorial program designed to permit a participant to learn a given subject in a ten-minute increment using electronic media and without interaction with a real time instructor.

"Office" means a building, room, or series of rooms which are owned, leased, or rented by an individual or firm for the purpose of holding out or carrying out the practice of public accounting.

"Organization" includes a corporation, government or governmental subdivision or agency, business trust, estate, trust, partnership, limited liability company, sole

proprietorship, an association, two or more persons having a joint or common interest, an employer of CPAs or PAs, or any other legal or commercial entity.

"Other professional standards" means those standards as defined by Statements on Management Advisory Services, Statements on Responsibilities in Tax Practice, Statements on Standards for Accounting and Review Services and Statements of Quality Control Standards, where applicable, issued by the American Institute of Certified Public Accountants.

"Overview" means learning activity level that provides a general review of a subject area from a broad perspective. These programs may be appropriate for professionals at all organizational levels.

"Personal development" means a field of study that covers such skills as communications, managing the group process, dealing effectively with others, interviewing, counseling, and career planning.

"Pilot test" means sampling of at least three independent individuals representative of the intended participants to measure the average completion time to determine the recommended CPE credit for self-study programs.

"Professional competence" means having requisite knowledge, skills, and abilities to provide quality services as defined by the technical and ethical standards of the profession. The expertise needed to undertake professional responsibilities and to serve the public interest.

"Reinforcement feedback" means specific responses to correct answers to questions in self-study programs. Such feedback restates why the answer selected was correct.

"Renewal permit" refers to a permit applied for prior to the expiration of the current permit.

"Retired" means a registrant who holds a certificate or license and verifies to the Board that the registrant is no longer practicing public accounting or employed. However, retired status does not preclude volunteer services for which the retired registrant receives no direct or indirect compensation so long as the retired registrant does not sign any documents related to such services as a CPA or PA.

"Rolling three (3) calendar year period" means that active status registrants are required to complete 120 hours of CPE in any three-calendar-year period.

"Self-study program" means an educational process designed to permit a participant to learn a given subject without major involvement of an instructor. Self-study programs use a pilot test to measure the average completion time from which the recommended CPE credit is determined.

"Sole Proprietorship" means an unincorporated business enterprise which is owned entirely by one (1) certificate or license holder.

"State" means the District of Columbia, any state, or territory of the United States.

"Update" means learning activity level that provides a general review of new developments. This level is for participants with a background in the subject area who desire to keep current.

SUBCHAPTER 3. REQUIREMENTS TO PRACTICE PUBLIC ACCOUNTANCY

10:15-3-1. Who may practice public accountancy

Except for qualified individuals practicing under substantial equivalency, public accounting may be practiced in this state only by a registrant which holds a valid permit to practice issued by the Board. Registrants may not practice public accounting through an entity which does not hold a valid permit ~~except under the provisions of 10:15-39-8(a)(2)~~ or is not operating under Section 15.15 of Title 59. The Board grants certificates, licenses, or permits to practice to applicants on condition that the registrants comply with the provisions of the Oklahoma Accountancy Act and the rules adopted for the implementation of that Act.

10:15-3-2. Certificate as a certified public accountant

A certificate may be issued to a qualified applicant only after:

(1) The examination has been satisfactorily completed;

(2) Transcripts have been submitted verifying the educational requirements as set out in Title 59, Section 15.9(D) have been met;

~~(2)~~(3) Evidence, by means established in Title 59, Section 15.9 of the Act, is obtained to substantiate that the applicant is of good moral character;

~~(3)~~(4) Documentation has been provided that the certification applicant has a total of Eighteen hundred (1,800) hours of part time or full time work experience in accounting as described in Title 59, Section 15.9.E of the Act. Work experience must have been obtained within the four (4) years immediately prior to filing the application for certification. This requirement may be satisfied through work experience in government, industry, academia, or public practice. Acceptable work experience includes accounting, attest, tax, and related services. Approved documentation of experience must be provided in a format prescribed by the Board. If the work experience is denied, the applicant may file a written request with the Board for a review of the denial. The applicant shall have the burden of demonstrating to the Board that the requirements under this section have been met. Any evidence submitted by the applicant shall be in documentary form, and

~~(4)~~(5) Evidence of successful completion of the AICPA ethics examination or its equivalent as determined by the Board has been provided.

SUBCHAPTER 18. COMPUTER-BASED EXAMINATION

10:15-18-1. Applications for examination

(a) An application for qualification in a format prescribed by the Board, will not be considered filed until the application and all required fees as provided by §15.8 of the Act and supporting documents, including but not limited to photographs and official transcripts as proof that the applicant has satisfied the education requirement, are received by the Board. The Board will consider the equivalent of a bachelor's degree to mean when all requirements of a bachelor's degree have been completed with final awarding only delayed by the completion of a master's degree when the student is in a dual degree program, or an administrative process being carried out by the college before the formal awarding of the degree.

(b) Evidence, by submission to a national criminal history record search, that the applicant has not committed a criminal offense that would disqualify the applicant from holding a certificate or license;

(c) A candidate's application for examination will not be considered filed until the application in a format prescribed by the Board and the application fee as provided in Subchapter 27 are received by the Board.

(d) Failure of a candidate to furnish all information requested by the Board within the time frame set by the Board shall be grounds for denying such candidate admission to the examination.

(e) Any candidate who gives false information to the Board in order to be eligible to take the examination shall be subject to disciplinary action by the Board.

10:15-18-3. Retake and granting of credit requirements

(a) A grade of seventy-five (75) in each required test section shall be the minimum passing grade for purposes of granting credit.

(b) A candidate may take the required test sections individually and in any order. Credit for any test section(s) passed shall be valid for ~~eighteen~~thirty months from the date ~~the candidate took that test section~~the passing score for such test section is released by NASBA, without having to attain a minimum score on any failed test section(s) and without regard to whether the candidate has taken other test sections. A CPA candidate must pass all four test sections of the AICPA Uniform CPA Examination within a rolling ~~eighteen~~thirty-month period, which begins on the date that the first test section(s) ~~passed~~is taken~~passing score(s) is released by NASBA to the candidate.~~ The rolling thirty-month period concludes on the date the candidate sits for the final test section passed, regardless of when the score is released by NASBA for the final test section. In the event all four test sections of the AICPA Uniform CPA Examination are not passed within the rolling ~~eighteen~~thirty-month period, credit for any test section(s) passed outside the ~~eighteen~~thirty-month period will expire and that/those test section(s) must be retaken. A new rolling thirty-month period shall begin on the date the first remaining unexpired passing score(s) was released by NASBA to the candidate and continue for thirty-months from that date. This period calculation method will be applied each time a test section credit expires.

(c) A candidate shall be deemed to have passed the CPA examination once the candidate holds at the same time valid credit for passing each of the four test sections of the examination within the rolling ~~eighteen~~thirty-month period. For purposes of this section, credit for passing a test section of the computer-based examination is valid from the actual date of the testing event for that test section, ~~regardless of the date the candidate actually receives notice of the passing grade~~that the first test section(s) passing score(s) is released by NASBA to the candidate.

(d) Provided, however, that regardless of the language in subsections (b) and (c) that restricts valid exam credits to a rolling thirty-month period, the Board may authorize time-limited credit and candidacy extensions consistent with national standards and practice.

(e) A candidate may not retake a failed test section until the candidate has been notified of the score for the most recent attempt of that failed test section.

10:15-18-4. Educational requirements

(a) A qualification applicant shall show, to the satisfaction of the Board, that the applicant has graduated from an accredited four-year college or university.

(1) As to an applicant whose college credits are reflected in quarter hours, each quarter hour of credit shall be considered as two-thirds (2/3) of one (1) semester hour when determining semester hour credits necessary to qualify for examination or transfer of credits.

(2) When determining eligibility based on educational qualifications, the Board shall consider only educational credit reflected on official transcripts, from an accredited two-year or four-year college or university.

(3) The Board may accept as temporary consideration, an official letter signed and sealed by the registrar's office of any two-year or four-year college or university attesting to the completion of educational qualifications of any qualification applicant, provided that official transcripts are submitted to the Board prior to any score release.

(4) The specific requirement that each applicant shall have completed at least one (1) course in auditing may only be satisfied with an auditing or assurance course taken for credit from an accredited two-year or four-year college or university. Such course must have a concentration on external auditing standards including but not limited to Statements on Auditing Standards (SAS).

(b) When determining eligibility of a qualification applicant, the Board shall not consider any combination of education and experience.

(c) The Board will also consider a qualification applicant who has graduated from a college or university located outside the United States if an educational evaluation performed by a national credential evaluation service, as approved by the Board, certifies in writing that the applicant's course of study and degree are equivalent to the requirements set forth in Section 15.8 of the Act.

(d) One hundred ~~fifty (150)~~ twenty (120) semester hours or its equivalent of collegiate education is required to qualify for any examination as set forth in Section ~~15.8.C.15.8(B)~~ of the Oklahoma Accountancy Act. Any MIS or AIS course, or derivative thereof, as defined in 10:15-1-2, used by the applicant to qualify must have a substantial relationship, either direct or indirect, to the accounting profession. ~~However, only AIS courses will qualify for the core accounting courses as required in Section 15.8.C.~~

(e) Any candidate who has qualified to take the examination on the basis of education prior to July 1, 2003, is not subject to subparagraph (d) of this subsection.

10:15-18-11. Requests for extension of time

(a) A candidate may apply for an extension of the time limits set by this Subchapter if the candidate is called to active military service, ~~or~~ becomes incapacitated as a result of illness or injury, or experiences another significant event beyond the candidate's control.

(b) The candidate shall file a written request with the Board for an extension ~~after receiving the call to active military service and shall furnish a copy of the orders to active military service or furnish written evidence of incapacitation or injury.~~

(1) If requesting an extension because of a call to active military service, after receiving the call the candidate shall furnish a copy of the orders to active military service to the Board.

(2) If requesting an extension because of illness or injury, furnish written evidence of incapacitation or injury to the Board along with the written extension request. The candidate shall furnish a copy of an original and signed diagnosis directly

related to the injury or illness from a licensed, qualified physician. The professional must provide a precise statement setting forth the determination that the illness or injury precludes the candidate from testing and the time period involved. The Board will follow federal Health Insurance portability and Accountability Act (HIPAA) guidelines.

(3) If requesting an extension because of a significant event beyond the candidate's control, the candidate must outline the circumstances, how this will prevent them from successfully testing, and any measures the candidate has or will take to attempt to overcome the obstacle to testing. In this narrative the candidate must demonstrate the circumstances were beyond the candidate's control.

(c) Within sixty (60) calendar days after the candidate is discharged from active military service, the candidate shall furnish the Board with copies of the discharge orders. The candidate shall ~~then be required to take one (1) test section for which the candidate is eligible within the next six (6) months following the candidate's discharge from military service or rehabilitation from incapacitation or injury~~resolution of the circumstances which prevented the candidate from testing.

~~(d) The candidate shall file a written request with the Board for an extension should serious illness or injury incapacitate the candidate to the extent that the illness or injury prevents the candidate from examination testing. The candidate shall furnish a copy of an original and signed diagnosis directly related to the injury or illness from a licensed, qualified physician. The professional must provide a precise statement setting forth the determination that the illness or injury precludes the candidate from testing and the time period involved. The Board will follow federal Health Insurance Portability and Accountability Act (HIPAA) guidelines.~~

10:15-18-13. Requirements to qualify for transfer of credits

(a) Upon the filing of an application to transfer credits on the AICPA Uniform Certified Public Accountant Examination, the Board shall accept and transfer such credits, if, at the time the application to transfer credits is filed with the Board, the applicant has met the following requirements:

(1) The credits were earned by the applicant while taking an examination administered by the examining authority responsible for conducting such examinations pursuant to the laws of any jurisdiction.

(2) The applicant was examined and passed all subjects of the AICPA Uniform Certified Public Accountant Examination in the same manner as required for Oklahoma candidates.

(3) All credits were earned pursuant to Rule 10:15-18-3 immediately preceding the date the application to transfer credits is filed with the Board.

(b) In the case of an applicant for examination who has met all eligibility requirements and seeks to transfer credits, the acceptance of such credits by the Board shall result in the applicant being approved to take the examination in the subjects for which no credit was transferred.

(c) In the case of an applicant for a certificate who has met all requirements as provided in §15.9 and seeks to transfer the four (4) credits, the acceptance of such credits by the Board shall result in the issuance of a certificate to the applicant.

~~(d) In the case of an applicant for a license who has met all requirements as provided in §15.9 and seeks to transfer the three (3) credits, the acceptance of such credits by the Board shall result in the issuance of a license to the applicant.~~

10:15-18-14. Failure to apply to take succeeding examinations

If a candidate fails to sit for a test section for ~~eighteen (18)~~thirty (30) months after approval, or fails to sit for one (1) test section for ~~an eighteen (18)~~a thirty (30) month period, that individual shall no longer be considered a candidate and must reapply as a qualification applicant and meet the qualification requirements in effect at the time of making application.

SUBCHAPTER 22. SUBSTANTIAL EQUIVALENCY [REVOKED]

~~10:15-22-2. Sole proprietorship firm permit~~

~~— A qualified non-resident sole proprietorship seeking practice privileges in this state to perform attest services shall be required to register the firm and obtain a permit to practice public accounting within thirty (30) days after the firm knowingly avails itself of the laws of this state by accepting an attest engagement.~~

SUBCHAPTER 23. REGISTRATION

10:15-23-2. Registration of firms

(a) On or before June 30 of each year all firms of certified public accountants and all firms of public accountants qualified and required to register shall file a registration statement with the Board in a format prescribed by the Board.

(b) The registration statement filed on behalf of a firm of certified public accountants shall be made by a partner or shareholder.

(c) The statement filed on behalf of a firm of public accountants shall be made by a partner or shareholder.

(d) Evaluation of qualifications and approval of registrations filed by firms shall be performed by the Executive Director or his/her designee, subject to the review and supervision of the Board.

(e) Denial of firm registrations shall be by the Board.

(f) Except for sole proprietorships, all registration statements filed on behalf of a firm shall be accompanied by an annual registration fee and the applicable permit fee for the firm, as provided in Subchapter 27.

(g) Firm filings delivered to the Board office via carrier service with a postmark or ship date on or before June 30 shall be deemed timely filed.

10:15-23-2.1. Non-CPA owners of public accounting firms or affiliated entities

(a) A firm which includes non-CPA owners may not qualify for a firm registration and permit unless every non-CPA owner of the firm:

(1) is an individual;

(2) is actively providing personal services in the nature of management of some portion of the firm's business interest or performing services for clients of the firm or an affiliated entity;

- (3) is of good character as defined in Section 15.9 of the Act;
 - (4) is not a suspended or revoked CPA or PA;
 - (5) who is a resident of Oklahoma is registered with the Board in the same manner as a CPA under Section 15.14 of the Oklahoma Accountancy Act on a form prescribed by the Board.
- (b) Each of the non-CPA owners who are residents of Oklahoma must:
- ~~(1) be in compliance with Oklahoma tax laws;~~
 - ~~(2)~~(1) provide evidence of the successful completion (90% or better), within the past 365 days prior to initial registration, of the AICPA Ethics Examination or its equivalent as determined by the Board;
 - ~~(3)~~(2) comply with the Rules of Professional Conduct as set out in 10:15-39-1;
 - ~~(4)~~(3) hold a baccalaureate or graduate degree conferred by a college or university, or equivalent education as determined by the Board;
 - ~~(5)~~(4) maintain any professional designation held by the individual in good standing with the appropriate organization or regulatory body that is identified or used in an advertisement, letterhead, business card, or other firm-related communication;
 - ~~(6)~~(5) maintain continuing education in accordance with Section 10:15-32-1, provided credit shall be given for any other professional CPE or equivalent professional continuing education earned;
 - ~~(7)~~(6) submit to a national criminal history record check. The costs associated with the record check shall be paid by the non-CPA owner.
 - (7) consent to the personal and subject matter jurisdiction and disciplinary authority of the Board.
- (c) A "Non-CPA Owner" includes any individual who has any financial interest in the firm or any voting rights in the firm.

SUBCHAPTER 27. FEES

10:15-27-14. Peer review fee

There shall be a peer review fee of not greater than One Hundred Twenty-five Dollars (\$125.00), ~~(\$125.00)~~ (\$100.00) for every modified, pass with deficiency, fail, or report which requires follow up filed with the Board.

SUBCHAPTER 30. CONTINUING PROFESSIONAL EDUCATION

10:15-30-5. Reporting and documentation by certificate and license holders

(a) Certificate and license holders not otherwise exempt must complete one hundred twenty (120) hours of qualifying CPE within a rolling three (3) calendar year period. A certificate or license holder's rolling three (3) calendar year period begins January 1 in the year the certificate or license holder was required to earn CPE. A minimum of twenty (20) hours of acceptable CPE, shall be completed each calendar year.

Effective January 1, 2009, four hours of professional ethics must be completed within each rolling three (3) calendar year period.

(b) Each certificate or license holder shall annually report CPE for the preceding calendar year or claim an exemption to the CPE requirement for the preceding

calendar year. This reporting shall take place in conjunction with the filing of the certificate or license holder's annual registration renewal based on the certificate or license holder's birth month.

(c) The professional ethics requirement as mandated in this section may be met by courses from other licensed professional disciplines that relate directly to the practice of public accounting, such as law or securities and may be met by courses on ethical codes in jurisdictions other than Oklahoma.

(d) CPE hours claimed for credit may be claimed only for the compliance period in which the course was completed and credit granted.

(e) Each letter or certificate of completion shall include the date of completion of the seminar or course as evidenced by:

- (1) Date the in-attendance course was completed;
- (2) Date a self-study course was completed and evidenced by the date of certified mailing or date of facsimile transmission to the program sponsor;
- (3) Date an internet self-study course is transmitted to the program sponsor or the online exam is passed.

(f) At the time of completing each course, or within sixty (60) days thereafter, the certificate or license holder shall obtain a letter or certificate attesting to completion of the course from the sponsor of the course. Such letters or certificates shall be retained for a period of five (5) years after the end of the calendar year in which the program is completed and shall include the specific information set forth in the Board's CPE Standards in 10:15-32-6(a).

(g) Participants in CPE programs shall also retain descriptive material for five (5) years which reflects the content of a course in the event the participant is requested by the Board to substantiate the course content. Examples of such descriptive materials might include:

- (1) course descriptions;
- (2) course outlines; and
- (3) course objectives.

(h) If a certificate or license holder's main area of employment is industry and the certificate or license holder holds a permit to practice, at least seventy-two (72) hours of the one hundred twenty (120) hour requirement within a rolling three (3) calendar year period of the qualifying CPE completed by the certificate or license holder shall be in subjects related to the practice of public accounting and shall earn a minimum of eight (8) hours in the areas of taxation, accounting or assurance per calendar year.

(i) Effective January 1, 2011, if a certificate or license holder is actively involved in the supervision or review of compilation engagements for third party reliance, the certificate or license holder must complete a minimum of four (4) credits of CPE in the subject area of compilation engagements in each calendar year. This requirement shall be waived if:

- (1) the certificate or license holder works for a public accounting firm currently enrolled in a peer review program with an approved sponsoring organization; or
- (2) the certificate or license holder is a sole proprietorship currently enrolled in a peer review program with an approved sponsoring organization.

10:15-30-8. Exceptions to CPE reporting requirements

All certificate and license holders must comply with CPE reporting requirements unless exempted below.

(1) The Board exempts from the requirements of CPE the following classifications:

(A) Retired certificate or license holders who are no longer employed or practicing public accounting;

(B) Certificate or license holders who are on active military service;

(C) Disabled certificate or license holders who are no longer employed or practicing public accounting due to medical circumstances;

(D) Certificate or license holders who are (A) not employed due to circumstances other than retirement, military service or disability or (B) certificate or license holders employed but not performing any services associated with accounting work. For purposes of this section, the term "associated with accounting work" shall include but is not limited to the following:

(i) working or supervising work performed in the areas of financial accounting and reporting; tax compliance, planning or advice; management advisory services; accounting information systems; treasury, finance or audit or preparing personal financial statements or investment plans; or

(ii) representing to the public, including an employer, that the registrant is a CPA or PA in connection with the performance or sale of any services or products involving accounting work, including such designation on a business card, letterhead, promotional brochure, advertisement, office, website or any electronic media.

(E) Certificate or license holders who reside and are registered as a CPA or PA in another state, ~~who do not serve Oklahoma clients~~, and who demonstrate compliance with the resident state's CPE requirements. Registrants whose state of residence does not have a CPE requirement shall comply with Oklahoma CPE reporting requirements.

(F) Other good cause as determined by the Board on an individual basis.

(2) In order to be granted an exemption based on 10:15-30-8(1) above, certificate and license holders must request an exemption each year in a format prescribed by the Board as required in 10:15-30-5(b). An exemption may be denied at any time if it is determined that the certificate or license holder was not eligible for the exemption claimed.

(3) In order for an exemption to be granted under 10:15-30-8(1) above, the Board may require the following affidavits:

(A) The registrant completes and forwards to the Board a sworn affidavit indicating that the registrant will not be associated with accounting work during the period for which the exemption is requested. A registrant who has been granted this exemption and who re-enters the work force shall be required to comply with 10:15-30-9; and

(B) The registrant forwards to the Board a sworn affidavit from the employer or organization indicating no association with accounting work. The affidavit shall include, as a minimum, a brief description of the duties

performed, job title, and verification by the registrant's immediate supervisor that there is no reliance on the registrant's expertise as a CPA or PA.

(C) The registrant completes and forwards to the Board a sworn affidavit indicating that the registrant resides out of state, is registered as a CPA or PA in that state, ~~is not serving Oklahoma clients,~~ and is compliant with the resident state's CPE requirement.

(4) The Executive Director or his/her designee may grant extensions or exemptions for good cause on a case by case basis, and a report of such actions shall be provided to the Board.

(5) A certificate or license holder exempt from the requirement of CPE by reason of retirement or inactive status must indicate "retired" or "inactive" if they use their "CPA" or "PA" designation in any manner.

SUBCHAPTER 32. STANDARDS FOR CONTINUING PROFESSIONAL EDUCATION (CPE) PROGRAMS

10:15-32-3. Standards for CPE Program Development

(a) Sponsored learning activities must be based on relevant learning objectives and outcomes that clearly articulate the knowledge, skills, and abilities that can be achieved by participants in the learning activities. Learning activities provided by CPE program sponsors for the benefit of CPAs should specify the level, content, and learning objectives so that potential participants can determine if the learning activities are appropriate to their professional competence development needs. Levels include, for example, basic, intermediate, advanced, update, and overview.

(b) CPE program sponsors should develop and execute learning activities in a manner consistent with the prerequisite education, experience, and/or advance preparation of participants. To the extent it is possible to do so, CPE program sponsors should make every attempt to equate program content and level with the backgrounds of intended participants. All programs must clearly identify prerequisite education, experience, and/or advance preparation, if any, in precise language so that potential participants can readily ascertain whether they qualify for the program.

(c) CPE program sponsors must use activities, materials, and delivery systems that are current, technically accurate, and effectively designed. CPE program sponsors must be qualified in the subject matter.

(1) To best facilitate the learning process, sponsored programs and materials must be prepared, presented and updated timely. Learning activities must be developed by individuals or teams having expertise in the subject matter. Expertise may be demonstrated through practical experience or education.

(2) CPE program sponsors must review the course materials periodically to assure that they are accurate and consistent with currently accepted standards relating to the program's subject matter.

(d) CPE program sponsors of group and self-study programs must ensure learning activities are reviewed by qualified persons other than those who developed them to assure that the program is technically accurate and current and addresses the stated learning objectives. These reviews must occur before the first presentation of these

materials and again after each significant revision of the CPE programs. Individuals or teams qualified in the subject matter must review programs. When it is impractical to review certain programs in advance, such as lectures given only once, greater reliance should be placed on the recognized professional competence of the instructors or presenters. Using independent reviewing organizations familiar with these standards may enhance quality assurance.

(e) CPE program sponsors of independent study learning activities must be qualified in the subject matter. A CPE program sponsor of independent study learning activities must have expertise in the specific subject area related to the independent study. The CPE program sponsor must also:

(1) Review, evaluate, approve and sign the proposed independent study learning contract, including agreeing in advance on the number of credits to be recommended upon successful completion.

(2) Review and sign the written report developed by the participant in independent study.

(3) Retain the necessary documentation to satisfy regulatory requirements as to the content, inputs, and outcomes of the independent study.

(f) Self-study programs must employ learning methodologies that clearly define learning objectives, guide the participant through the learning process, and provide evidence of a participant's satisfactory completion of the program.

(1) To guide participants through a learning process, CPE program sponsors of self-study programs must elicit participant responses to test for understanding of the material, offer evaluative feedback to incorrect responses, and provide reinforcement feedback to correct responses. To provide evidence of satisfactory completion of the course, CPE program sponsors of self-study programs must require participants to successfully complete a final examination with a minimum-passing grade of at least 70 percent before issuing CPE credit for the course. To provide evidence of satisfactory completion of a nano-learning course, CPE program sponsors must require participants to successfully complete a final examination with a 100 percent score before issuing CPE credit for that course. Examinations may contain questions of varying format, (for example, multiple-choice, essay and simulations.) If objective type questions are used, at least five questions per CPE credit must be included on the final examination. For example, the final examination for a five-credit course must include at least 25 questions.

(2) Self-study programs must be based on materials specifically developed for instructional use. Self-study programs requiring only the reading of general professional literature, IRS publications, or reference manuals followed by a test will not be acceptable. However, the use of the publications and reference materials in self-study programs as supplements to the instructional materials could qualify if the self-study program complies with each of the CPE standards.

10:15-32-5. Standards for CPE program measurement

(a) Sponsored learning activities are measured by program length, with one 50-minute period equal to one CPE credit. One-half CPE credit increments (equal to 25 minutes) are permitted after the first credit has been earned in a given learning activity with such

standard remaining through December 31, 2024, whereupon the amount of CPE credit accepted by the Board may be in any decimal increment.

- (1) For learning activities in which individual segments are less than 50 minutes, the sum of the segments should be considered one total program. For example, five 30-minute presentations would equal 150 minutes and should be counted as three CPE credits. When the total minutes of a sponsored learning activity are greater than 50, but not equally divisible by 50, the CPE credits granted ~~should be rounded down to the nearest one-half credit. Thus, learning activities with segments totaling 140 minutes should be granted two and one-half CPE credits~~ will be the total number of minutes divided by fifty.
 - (2) While it is the participant's responsibility to report the appropriate number of credits earned, CPE program sponsors must monitor group learning activities to assign the correct number of CPE credits.
 - (3) For university or college credit courses that meet these CPE Standards, each unit of college credit shall equal the following CPE credits:
 - (A) Semester System 15 credits; and
 - (B) Quarter System 10 credits;
 - (4) For university or college non-credit courses that meet these CPE standards, CPE credits shall be awarded only for the actual classroom time spent in the non-credit course.
 - (5) Credit is not granted to participants for preparation time.
 - (6) Only the portions of committee or staff meetings that are designed as programs of learning and comply with these standards qualify for CPE credit.
- (b) CPE credit for self-study learning activities must be based on a pilot test of the average completion time. A sample of intended professional participants should be selected to test program materials in an environment and manner similar to that in which the program is to be presented. The sample group of at least three individuals must be independent of the program development group and possess the appropriate level of knowledge before taking the program. The sample does not have to ensure statistical validity. CPE credits should be recommended based on the average completion time for the sample. If substantive changes are subsequently made to program materials further pilot tests of the revised program materials should be conducted to affirm or amend, as appropriate, the average completion time. Self-study courses considered for CPE credit must be:
- (1) offered by sponsors registered with NASBA; or
 - (2) courses offered by the AICPA or other such organizations as determined by the Board.
- (c) Instructors or discussion leaders of learning activities should receive CPE credit for both their preparation and presentation time to the extent the activities maintain or improve their professional competence and meet the requirements of these CPE standards.
- (1) Instructors, discussion leaders, or speakers who present a learning activity for the first time should receive CPE credit for actual preparation time up to two times the number of CPE credits to which participants would be entitled, in addition to the time for presentation.

(2) Instructors of university or college courses can claim a maximum of fifteen (15) CPE credits per college credit hour taught to the extent the preparation required for the course maintains or improves their professional competence.

(3) For repeat presentations, CPE credit as provided in (1) and (2) above can be claimed only if it can be demonstrated that the learning activity content was substantially changed and such change required significant additional study or research.

(d) Writers of published articles, books, or CPE programs should receive CPE credit for their research and writing time to the extent it maintains or improves their professional competence. CPE credit from this activity shall be limited to 10 CPE credits per calendar year and will be determined by the Board on a case by case basis. Writing articles, books, or CPE programs for publication is a structured activity that involves a process of learning. CPE credits should be claimed only upon publication.

(e) CPE credits recommended by a CPE program sponsor of independent study must not exceed the time the participant devoted to complete the learning activities specified in the learning contract. The credits to be recommended by an independent study CPE program sponsor should be agreed upon in advance and should be equated to the effort expended to improve professional competence. The credits cannot exceed the time devoted to the learning activities and may be less than the actual time involved.

(f) CPE credits earned through nano-learning courses are limited by number of courses, with no more than twenty nano-learning courses being allowed each calendar year.

10:15-32-6. Standards for CPE Program Reporting

(a) CPE program sponsors must provide program participants with documentation of their participation, which includes the following:

- (1) CPE program sponsor name and contact information;
- (2) Participant's name;
- (3) Course title;
- (4) Course field of study;
- (5) Date offered or completed;
- (6) Type of instructional/delivery method used;
- (7) Amount of CPE credit recommended; and
- (8) Verification by CPE program sponsor representative.

(b) CPE program sponsors should provide participants with documentation to support their claims of CPE credit. Acceptable evidence of completion includes:

- (1) For group and independent study programs, a certificate or other verification supplied by the CPE program sponsor;
- (2) For self-study programs, including nano-learning, a certificate supplied by the CPE program sponsor after satisfactory completion of an examination;
- (3) For instruction credit, a certificate or other verification supplied by the CPE program sponsor;
- (4) For a university or college course that is successfully completed for credit, a record or transcript of the grade the participant received;
- (5) For university or college non-credit courses, a certificate of attendance issued by a representative of the university or college; and
- (6) For published articles, books, or CPE programs,

- (A) A copy of the publication (or in the case of a CPE program, course development documentation) that names the writer as author or contributor; and
 - (B) A statement from the writer in a format prescribed by the Board supporting the number of CPE hours claimed.
- (c) CPE program sponsors must retain adequate documentation for five years to support their compliance with these standards and the reports that may be required of participants.
- (1) Evidence of compliance with responsibilities set forth under these Standards which is to be retained by CPE program sponsors includes, but is not limited to:
 - (A) Records of participation;
 - (B) Dates and locations;
 - (C) Instructor names and credentials;
 - (D) Number of CPE credits earned by participants; and
 - (E) Results of program evaluations.
 - (2) Information to be retained by developers includes copies of program materials, evidence that the program materials were developed and reviewed by qualified parties, and a record of how CPE credits were determined.
 - (3) For CPE program sponsors offering self-study programs, appropriate pilot test records must be retained regarding the following:
 - (A) When the pilot test was conducted;
 - (B) The intended participant population;
 - (C) How the sample was determined;
 - (D) Names and profiles of sample participants; and
 - (E) A summary of participants' actual completion time.

SUBCHAPTER 33. PEER REVIEW

10:15-33-5. Effect of consecutive deficient reports

- ~~(a) Peer reviews for a firm, including a succeeding firm which receives two (2) consecutive pass with deficiencies reports and/or one (1) fail report, may be required by the Board or its designee to have an accelerated peer review. The year-end and due date of such peer review is to be determined by the Board giving consideration of the time required for the firm to implement remedial actions.~~
- ~~(b) If the accelerated review required by subsection (a) above results in a deficient report:~~
- ~~(1) The firm may complete any service requiring a peer review for which field work has already begun only if:

 - ~~(A) Prior to issuance of any report, the engagement is reviewed and approved by a third party reviewer acceptable to the Board or its designee; and~~
 - ~~(B) The engagement is completed within ninety (90) days of the acceptance of the peer review report, and letter of response (when applicable) by the sponsoring organization;~~~~
 - ~~(2) The firm shall be referred to the Vice Chair of the Board for enforcement investigation.~~
 - ~~(3) A firm may petition the Board for a waiver from the provisions of this rule.~~

A firm, including a succeeding firm, which receives two (2) consecutive pass with deficiencies reports and/or one (1) fail report, may be referred to enforcement for further action by the Board or its designee.

10:15-33-6. Reporting to the board

(a) Any report or document required to be submitted under this subsection shall be made available to the Board by a secure website or other secure means unless the sponsoring organization does not have access to a secure website or other secure means. In such case the report may be directly submitted by the firm.

(b) Any report or document required to be submitted under this subsection shall be filed with the Board within thirty (30) days of receipt from the sponsoring organization. Such report shall contain:

(1) A copy of the report and the final letter of acceptance from the sponsoring organization, if such report is pass; or

(2) A copy of the report, letter of response, ~~the signed agreement to the conditional letter of acceptance~~, and final letter of acceptance when corrective actions are complete if the report is pass with deficiencies or fail.

(3) A copy of the Public Company Accounting Oversight Board (PCAOB) report, if applicable.

(c) Any document submitted to the Board under this subsection is confidential pursuant to the Act.

10:15-33-7. Peer review oversight committee

(a) The Board shall appoint a Peer Review Oversight Committee for the purpose of:

(1) Monitoring sponsoring organizations to provide reasonable assurance that peer reviews are being conducted and reported on in accordance with peer review minimum standards;

(2) Reviewing the policies and procedures of sponsoring organization applicants as to their conformity with the peer review minimum standards; and

(3) Reporting to the Board on the conclusions and recommendations reached as a result of performing functions in paragraphs (A) and (B) of this subsection.

(b) The Peer Review Oversight Committee shall consist of three (3) members nominated by the Chair and approved by the Board, none of whom is a current member of the Board. Subsequent committee members shall serve three (3) year terms. Compensation of Peer Review Oversight Committee members shall be set annually by the Board. Each member of the Peer Review Oversight Committee must be active in the practice of public accounting at a supervisory level or above in the accounting or auditing function while serving on the committee or any employee involved at a supervisory level or above in an audit function of a state or local government. The member, member's firm or consulting clients must be enrolled in an approved practice/monitoring program and have received a pass report on its most recently completed peer review.

(1) No more than one Peer Review Oversight Committee member may be from the same firm.

(2) A Peer Review Oversight Committee member may not concurrently serve as a member of the AICPA's or any state's CPA society ethics or peer review committee.

(3) A Peer Review Oversight Committee member may not participate in any discussion or have any vote with respect to a reviewed firm when the committee member lacks independence or has a conflict of interest. The Board may appoint alternate committee member(s) to serve in these situations.

(c) Information gleaned from meetings involving the Report Acceptance Body (RAB) concerning a specific firm or reviewer obtained by the Peer Review Oversight Committee during oversight activities shall be confidential, and the firm's or reviewer's identity shall not be reported to the Board. Reports Official reports submitted to the Board under this subsection (e)(5)(C) will not contain information concerning specific registrants, firms or reviewers.

(d) As determined by the Board, the Peer Review Oversight Committee shall make periodic recommendations to the Board, but not less than annually, as to the continuing qualifications of each sponsoring organization as an approved sponsoring organization.

(e) The Peer Review Oversight Committee may:

(1) Establish and perform procedures for ensuring that reviews are performed and reported on in accordance with the AICPA Standards for Performing and Reporting on Peer Reviews or other standards as approved by the Board and the rules promulgated herein by the Board;

(2) Review remedial and correction actions prescribed that address the deficiencies in the reviewed firm's system of quality control policies and procedures;

(3) Monitor the prescribed remedial and corrective actions to determine compliance by the reviewed firm;

(4) Establish a report acceptance process, which facilitates the exchange of viewpoints among committee members and sponsoring organization; and

(5) Communicate to the Board on a recurring basis:

(A) Problems experienced by the enrolled registrants in their systems of quality control as noted in the peer reviews conducted by the sponsoring organization;

(B) Problems experienced in the implementation of the peer review program; and

(C) A summary of the historical results of the peer review program.

(f) Committee members shall become disqualified to serve on Peer Review Oversight Committee if any of the provisions that qualify the committee member no longer exist or by majority vote of the Board.

SUBCHAPTER 43. ATTEST ENGAGEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

10:15-43-1. Registration

Pursuant to Title 74 Oklahoma Statutes Section 212A(B), all registrants, prior to entering into contracts to perform an attest engagement of a governmental entity, must register, in a format prescribed by the Board which attests to the registrant's compliance with Government Auditing Standards except as provided by Title 11 Oklahoma Statutes 17-105 for municipalities.

10:15-43-4. Denial of registration

(a) Any registrant whose registration has been denied shall be notified in writing. The written notice shall include the reason(s) for the denial.

(b) If a registration is denied, the registrant may file a written request with the Board for a review of the denial. The registrant shall have the burden of demonstrating to the Board that the qualifications to perform attest engagements in accordance with Government Auditing Standards, or other standards as allowed by law, have been met. Any evidence submitted by the registrant shall be in documentary form.