

# 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.

**"Non-Technical fields of study"** are subjects that contribute to the maintenance and/or improvement of the competence of a CPA in areas that indirectly relate to the CPA's field of business. These fields of study include, but are not limited to: (a) Business management and organization; (b) Communications and marketing; (c) Computer software and applications; (d) Personal development; (e) Personnel/human resources; and (f) Production.

**"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.

"Technical fields of study" are technical subjects that contribute to the maintenance and/or improvement of the competence of a CPA in the profession of accountancy and that directly relate to the CPA's field of business. These fields of study include, but are not limited to: (a) Accounting; (b) Accounting (government); (c) Auditing; (d) Auditing (government); (e) Business law; (f) Economics; (g) Finance; (h) Information technology; (i) Management services; (j) Ethics; (k) Specialized knowledge; (l) Statistics; and (m) Taxes.

"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 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. Effective January 1, 2026, certificate or license holders holding a permit to practice public accounting shall complete a minimum of twenty (20) hours of CPE in a technical field of study each calendar year. This requirement shall not apply to the calendar year in which a permit is initially issued, to the calendar year in which a lapsed permit is renewed, or to the calendar year in which a certificate or license holder does not hold a permit to practice public accounting.~~

(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 and who demonstrate compliance with the resident state's CPE requirements. Registrants whose state of residence does not have a CPE requirement or are operating under a CPE exemption issued in their home state not consistent with (A), (B), (C), or (D) of this subsection 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, 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**

#### **10:15-32-1. Standards for certificate and license holders**

(a) All certificate and license holders should participate in learning activities that maintain and/or improve their professional competence.

(1) Selection of learning activities should be a thoughtful, reflective process addressing the individual registrant's current and future professional plans, current knowledge and skills level, and desired or needed additional competence to meet future opportunities and/or professional responsibilities.

(2) Registrants' fields of employment do not limit the need for CPE. Those performing professional services need to have a broad range of knowledge, skills, and abilities. Thus, the concept of professional competence should be interpreted broadly.

Accordingly, acceptable continuing education encompasses programs contributing to the development and maintenance of both technical and non-technical professional skills.

(3) Acceptable subjects include ~~accounting, assurance/auditing, consulting services, specialized knowledge and applications, management, taxation, and ethics. Other subjects, including personal development, may also be acceptable if they maintain and/or improve the registrant's professional competence.~~ technical and non-technical fields of study as defined in OAC 10:15-1-2.

(4) To help guide their professional development, registrants may find it useful to develop a learning plan. The learning plan can be used to evaluate learning and professional competence development. It should be reviewed periodically and modified as professional competence needs change.

(b) Certificate and license holders should comply with all applicable CPE requirements and should claim CPE credit only for CPE programs when the CPE program sponsors have complied with the Standards for CPE Program Presentation and Standards for CPE Program Reporting.

(1) Certificate and license holders are responsible for compliance with all applicable CPE requirements, rules, and regulations of state licensing bodies, other governmental entities, membership associations, and other professional organizations or bodies. They should contact each appropriate entity to which they report to determine its specific requirements or any exceptions it may have to the standards presented herein.

(2) Periodically, registrants participate in learning activities which do not comply with all applicable CPE requirements, for example specialized industry programs offered through industry sponsors. If registrants propose to claim credit for such learning activities, they should retain all relevant information regarding the program to provide documentation to state licensing bodies and/or all other professional organizations or bodies that the learning activity is equivalent to one which meets all these Standards.

(c) Registrants are responsible for accurate reporting of the appropriate number of CPE credits earned and should retain appropriate documentation of their participation in learning activities, including:

(1) name and contact information of CPE program sponsor;

(2) title and description of content;

(3) date(s) of program; and

(4) number of CPE credits, all of which should be included in documentation provided by the CPE program sponsor.

(d) To protect the public interest, regulators require CPAs and PAs to document maintenance and enhancement of professional competence through periodic reporting of CPE. For convenience, measurement is expressed in CPE credits. However, the objective of CPE must always be maintenance/enhancement of professional competence, not attainment of credits. Compliance with regulatory and other requirements mandates that registrants keep documentation of their participation in activities designed to maintain and/or improve professional competence. In the absence of legal or other requirements, a reasonable policy is to retain documentation for a minimum of five years from the end of the year in which the learning activities were completed.

(e) Participants must document their claims of CPE credit. Examples of acceptable evidence of completion include:

(1) For group and independent study programs, a certificate or other verification supplied by the CPE program sponsor;

(2) For self-study programs, 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, (1) a copy of the publication (or in the case of a CPE program, course development documentation) that names the writer as author or contributor, (2) a statement from the writer in a format prescribed by the Board supporting the number of CPE hours claimed, and (3) the name and contact information of the independent reviewer(s) or publisher.

(f) Individuals who complete sponsored learning activities that maintain or improve their professional competence should claim the CPE credits recommended by CPE program sponsors.

(g) Registrants may participate in a variety of sponsored learning activities, such as workshops, seminars and conferences, self-study courses, Internet-based programs, and independent study. While CPE program sponsors determine credits, CPAs should claim credit only for activities through which they maintained or improved their professional competence. CPAs who participate in only part of a program should claim CPE credit only for the portion they attended or completed.

(h) Registrants may engage in independent study under the direction of a CPE program sponsor who has met the applicable standards for CPE program sponsors when the subject matter and level of study maintain or improve their professional competence.

(i) Independent study is an educational process designed to permit a participant to learn a given subject under the guidance of a CPE program sponsor one-on-one. Participants in an independent study program should:

(1) Enter into a written learning contract with a CPE program sponsor who must comply with the applicable standards for CPE program sponsors.

(2) Accept the written recommendation of the CPE program sponsor as to the number of credits to be earned upon successful completion of the proposed learning activities. CPE credits will be awarded only if:

(A) All the requirements of the independent study as outlined in the learning contract are met;

(B) The CPE program sponsor reviews and signs the participant's report;

(C) The CPE program sponsor reports to the participant the actual credits earned; and

(D) The CPE program sponsor provides the participant with contact information.

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

(4) Complete the program of independent study in 15 weeks or less.

(j) 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.