

RULE IMPACT STATEMENT

TITLE 10. OKLAHOMA ACCOUNTANCY BOARD

CHAPTER 15. LICENSURE AND REGULATION OF ACCOUNTANCY

Brief Description of the Purpose of the Proposed Rules:

These changes to the administrative rules will clean-up and modernize the Oklahoma Accountancy Board rules. First, we are updating our continuing professional education (CPE) requirements to specify that, for those CPAs holding a permit, at least 20 hours of CPE a year must be in technical subjects. The allowable subjects are broad to reflect the diverse nature of a CPA's work and include accounting, auditing, taxes, specialized knowledge, and information technology. This will ensure that our CPAs who are serving the public are properly educated in an ever-changing world. These changes can be found in 10:15-1-2, 10-15-30-5, and 10:15-32-1.

The second change found in 10:15-30-8 is to address the notary requirement for CPE exemption affidavits. This requirement has become a burden to some of our registrants and does not fulfill a public protection need. As such, we are eliminating this requirement.

Finally, there is additional clean-up language in 10:15-30-8. This clarifies when a CPA may claim a CPE Reciprocity exemption. If their home state does not require CPE or the CPA operates under a CPE exemption in their home state which does not correspond to an Oklahoma CPE exemption, the CPA must continue to complete CPE to maintain their Oklahoma certificate.

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:

This will affect CPAs both in-state and out-of-state. The CPE requirements are specification of requirements versus the addition of more CPE for license maintenance. At this time, all CPAs not operating under a CPE exemption must complete at least 20 hours of CPE a year. This change will simply specify the type for those holding a permit.

This may have an impact on any CPA who is operating under an Oklahoma CPE Reciprocity exemption utilizing a home-state CPE exemption that is not recognized by Oklahoma. They will need to begin completing CPE to serve Oklahoma clients. At this moment, the number of CPAs affected is expected to be in the single digits.

The remaining change will lower the burden for our registrants submitting a CPE exemption affidavit and may prove a small cost savings to them, depending on where they go for notary services.

We have not received a cost impact from any public or private entity.

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

The public will benefit from being assured that their CPAs are maintaining their knowledge in relevant areas of practice as the financial world continues to change. CPAs who live out of state but are licensed in Oklahoma will have clarity on their CPE requirements under Oklahoma rule. Those CPAs who need to leave the financial workforce for reasons that range from sickness to retirement to raising children will no longer have to find a notary to apply for a CPE exemption.

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. As mentioned above, a very small number of CPAs who live out of state may have to begin to complete CPE if they are operating under a CPE exemption in their home state not recognized by Oklahoma.

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:

We do not anticipate significant costs in implementing any changes referenced above, and there should be no significant change in revenue to the state.

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:

Benefits of the proposed rule changes include removing barriers to applying for a CPE exemption and also providing clarity on maintaining the CPA certificate. The cost of these changes is negligible.

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:

Prepared: November 19, 2024
Modified: N/A

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