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**DIVISION 1**

**PROCEDURAL RULES**

**801-001-0000**

**Notice of Proposed Rule**

Prior to the adoption, amendment or repeal of any rule, the State Board of Accountancy shall give notice of the intended action:

(1) In the Secretary of State's Bulletin referred to in ORS 183.360 at least 21 days prior to the effective date of the rule.

(2) By mailing a copy of the notice to persons on the Board of Accountancy's mailing list established pursuant to ORS 183.335(7) at least 28 days before the effective date of the rule; and

(3) By mailing or furnishing a copy of the notice to:

- (a) Capitol Press Room;
- (b) Associated Press;
- (c) Oregon Society of Certified Public Accountants; and
- (d) Oregon Association of Independent Accountants.

Stat. Auth.: ORS 183, ORS 670 & ORS 673

Stats. Implemented: ORS 183

Hist.: 1AB 37, f. & ef. 12-3-75; 1AB 2-1982, f. & ef. 4-20-82; AB 4-1992, f. & cert. ef. 8-10-92; AB 1-1995, f. & cert. ef. 1-25-95

**801-001-0005**

**Model Rules or Procedure**

Pursuant to ORS 183.341, the State Board of Accountancy adopts the Attorney General's Model Rules of Procedure under the Administrative Procedures Act in effect as of May 16, 1998.

[ED. NOTE: The full text of the Attorney General's Model Rules of Procedure is available from the office of the Attorney General or the Board of Accountancy.]

Stat. Auth.: ORS 297 & ORS 673

Stats. Implemented: ORS 297 & ORS 673

Hist.: 1AB 20A, f. 1-17-72, ef. 2-1-72; 1AB 25, f. 9-15-72, ef. 10-1-72; 1AB 33, f. 11-6-73, ef. 11-25-73; 1AB 38, f. & ef. 2-10-76; 1AB 3-1978, f. & ef. 3-23-78; 1AB 1-1980, f. & ef. 2-26-80; 1AB 1-1982, f. & ef. 1-8-82; AB 5-1988, f. & cert. ef. 10-31-88; AB 6-1991, f. & cert. ef. 12-18-91; AB 3-1994, f. &

cert. ef. 8-10-94; AB 1-1-96, f. & cert. ef. 1-29-96; BOA 6-1998, f. & cert. ef. 7-29-98

**801-001-0010  
Screening and Selection Procedures for Personal Services Contracts**

The Board of Accountancy hereby adopts by reference the Department of Administrative Services, Personal Contract Rules as its procedures for entering into personal services contracts for the Board in effect as of May 16, 1998.

[ED. NOTE: The full text of the screening of selection procedures is available from the agency.]

Stat. Auth.: ORS 297 & ORS 673

Stats. Implemented: ORS 297 & ORS 673

Hist.: AB 4-1992, f. & cert. ef. 8-10-92; BOA 6-1998, f. & cert. ef. 7-29-98

**801-001-0015  
Board Agenda Items**

All items to be listed on the Board agenda must be received and complete at least seven days prior to the Board meeting date in order to be listed on the Board agenda.

Stat. Auth.: ORS 670.310

Stats. Implemented: ORS 192.640

Hist.: AB 6-1995, f. & cert. ef. 10-2-95

**DIVISION 5**

**DEFINITIONS AND SAFE HARBOR LANGUAGE**

**801-005-0010  
Definitions and Safe Harbor Language**

As used in ORS 673.010 to 673.455 and OAR Chapter 801:

(1) **“Applicant”** means a person applying for a permit to practice public accounting.

(2) **“Candidate”** means a person applying for the Uniform CPA Exam.

(3) **“Client”** or **“Potential Client”** means any person or entity to whom public accounting services are offered or for whom public accounting services are performed.

(4) **“Direct supervision”** means that there is a clear connection between the supervisor and the person being supervised in terms of planning, coordinating, guiding, inspecting, controlling, and evaluating activities, and in discharging the employe being supervised.

(5) **“Enterprise”** means any person or entity, whether organized for profit or not, for which a licensee provides public accounting services.

(6) **“Financial statements”** means a presentation of financial data, including accompanying notes, derived from accounting records and intended to communicate an entity’s economic resources or obligations at a point in time, or the changes therein, and the results of operations for a period of time, in accordance with generally accepted accounting principles or a comprehensive basis of accounting other than generally accepted accounting principles. Financial presentations included in tax returns are not financial statements. Incidental financial data included in management advisory services reports to support recommendations to a client are not financial statements. The method of preparation (for example, manual or computer preparation) is not relevant to the definition of a financial statement.

(7) **“Firm”** means a proprietorship, partnership, professional corporation, or other business form engaged in the practice of public accounting, including individual partner, limited or provisional partner, shareholder, owner, member or comparable person thereof.

(8) **“Generally accepted accounting principles”** means accounting principles or standards generally accepted in the United States, including, but not limited to, and Statements of Financial Accounting Standards and interpretations thereof as published by the Financial Accounting Standards Board and statements of Governmental Accounting standards and interpretations thereof as published by the Government Accounting Standards Board in effect as of November 17, 1997.

(9) **“Generally accepted auditing standards”** means the generally accepted auditing standards adopted by the American Institute of Certified Public Accountants, together with interpretations thereof, as set forth in Statements on Auditing Standards as published by the American Institute of Certified Public Accountants and, for Federal audits, the Single Audit Act of 1984 and related U.S. Office of Management and Budget Circulars the General Accounting Office (the “Yellow Book” as it currently exists) in effect as of November 17, 1997.

(10) **“Holding out as a CPA or PA”** or to **“hold out as a CPA or PA”** means to assume or use the titles or designations “certified public accountant” or “public accountant” or the abbreviations “CPA” or “PA” or any other title, sign, card or device tending to indicate that the person is a certified public accountant or a public accountant.

(11) **“Licensee”** means a person who holds a certificate issued under ORS 673.060 or a license issued under ORS 673.100, a partnership or any other business form registered under ORS 673.090, 673.130, or 673.132 and a corporation registered with the Board under ORS 58.345.

(12) **“Other business form”** means any form of business organization authorized by Oregon law that is not a proprietorship, partnership or professional corporation.

(13) **“Practice of public accounting”** means performance of or any offering to perform one or more services for a client or potential client involving the use of auditing or accounting skills, and including issuance of reports on financial statements, performance of management advisory or consulting services, the preparation of tax returns or the furnishing of advice on tax matters, including the performance of such services in the employ of another person.

(14) **“Professional services”** means any services performed or offered to be performed by a licensee for a client or potential client in the course of the practice of public accounting.

(15) **“Standards for accounting and review services”** means Statements on Standards for Accounting and Review Services published by the American Institute of Certified Public Accountants in effect as of November 17, 1997.

(16) Standards for Board-Approved Quality Review Programs means the standards published by the American Institute of Certified Public Accountants *Standards for Performing and Reporting on Peer Reviews* in effect as of May 16, 1998.

[Publications: The publication(s) referred to or incorporated by reference in this rule are available from the agency.]

Stat. Auth.: ORS 673.310

Stats. Implemented: ORS 673.310

Hist.: 1AB 2-1982, f. & ef. 10-15-86 AB 1-1989, f. & cert. ef. 1-25-89; AB 2-1990, f. & cert. ef. 4-9-90; AB 1-1992, f. & cert. ef. 2-18-92; AB 1-1993, f. 1-14-93, cert. ef. 1-15-93; AB 6-1993(Temp), f. 11-2-93, cert. ef. 11-4-93; AB 1-1994, f. & cert. ef. 1-21-94; AB 4-1994, f. & cert. ef. 9-27-94; AB 5-1994, f. & cert. ef. 11-10-94; AB 2-1995, f. & cert. ef. 3-22-95; AB 3-1995, f. & cert. ef. 5-19-95; AB 4-1995, f. & cert. ef. 8-8-95; AB 1-1996, f. & cert. ef. 1-29-96; AB 2-1996, f. & cert. ef. 9-25-96; AB 2-1997, f. & cert. ef. 3-10-97; BOA 1-1998, f. & cert. ef. 1-26-98; BOA 6-1998, f. & cert. ef. 7-29-98

**801-005-0200  
Report**

For purposes of ORS 673.410(5), “report,” when used with reference to financial statements, means an opinion, report, or other form of language that states or implies assurance as to the reliability of any financial statements and that also includes or is accompanied by any statement or implication that the person or firm issuing it has special knowledge or competence in accounting or auditing. Such a statement or implication of special knowledge or competence may arise from use by the issuer of the report of names or titles indicating that the issuer is an accountant or auditor, or from the language of the report itself. The term “report” includes any form of language which disclaims an opinion when such form of language is conventionally understood to imply any positive assurance as to the reliability of the financial statements referred to or special competence on the part of the person or firm issuing such language; and it includes any other form of language that is conventionally understood to imply such assurance or such special knowledge or competence.

Stat. Auth.: ORS 670 & ORS 673  
 Stats. Implemented: ORS 673.410(5)  
 Hist.: 1AB 2-1986, f. & ef. 10-15-86; AB 1-1995, f. & cert. ef. 1-25-95

**801-005-0300**

**Language Not Constituting a Report**

The following statement signed by a person who does not hold a permit issued under ORS 673.150 shall not constitute a report under ORS 673.320, so long as the statement is not accompanied by any wording indicating the person is an accountant or auditor or other language prohibited by ORS 673.020, 673.030, or 673.310:

**“The accompanying balance sheet (or) of XYZ Company as of \_\_\_\_\_, 19\_\_ and the related statements of income, (or retained earnings, or cash flows) for the year then ended have been prepared by me (us). The information presented in these financial statements is the representation of management (owners).”**

Stat. Auth.: ORS 670 & ORS 673  
 Stats. Implemented: ORS 673.320  
 Hist.: 1AB 2-1986, f. & ef. 10-15-86; AB 3-1990, f. 5-22-90, cert. ef. 5-23-90

**801-005-0400**

**Financial Statement Preparation**

Preparation of financial statements or reports (as defined by OAR 801-005-0200) is limited to CPAs and PAs, unless prepared in accordance with OAR 801-005-0300.

Stat. Auth.: ORS 673.320  
 Stats. Implemented: ORS 673.320  
 Hist.: BOA 6-1998, f. & cert. ef. 7-29-98; BOA 4-1999, f. & cert. ef. 7-23-99

**DIVISION 10**

**FEES, APPLICATIONS, REQUIREMENTS, PROCEDURES, AND P.C.'S**

**801-010-0010**

**Fees**

For the purpose of ORS 673.010 to 673.455 and ORS 297.670 to 297.740, fees charged shall be:

- (1) **Examination Fees:**
  - (a) All subjects — \$150;
  - (b) Auditing — \$50;
  - (c) Business Law & Professional Responsibilities (LPR) — \$50;
  - (d) Financial Accounting & Reporting (FARE) — \$ 50;
  - (e) Accounting & Reporting (ARE) — \$ 50;
  - (f) Proctor Fee — \$100.
- (2) **Application Fees:**
  - (a) Initial Permit — \$ 75;
  - (b) Certificate — \$100;
  - (c) Municipal Auditor — \$100.
  - (d) Firm — \$ 50.
- (3) **Biennial Renewal Fees:**
  - (a) Permit — \$100;
  - (b) Inactive/Retired Status — \$ 50;
  - (c) Municipal — \$100;
  - (d) Firm — \$100.
- (4) **Late Renewal Penalty Fee:**
  - (a) Permit — \$ 50;
  - (b) Inactive/Retired — \$ 35;
  - (c) Firm — \$ 35.
- (5) **Quality Review Fees:**
  - (a) Administrative Fee — \$360 per firm plus \$15 per professional over one.
  - (b) Technical Review Fee — \$60 per hour plus expenses, if any.
- (6) **Miscellaneous Fee:**
  - (a) Lists:
    - (A) CPA/PA List — \$ 275;
    - (B) Exam Candidates — \$ 75;
    - (C) Candidates Passing Exam — \$ 50;
    - (D) Firms — \$ 50;
    - (E) Municipal Auditors—\$ 50; (will be provided gratis to municipal entities subject to audit law)

- (F) Other lists by special request — up to \$500.
- (b) Copies — \$2.50 for up to five pages then 25 cents per page.

**NOTE:** Make check or money orders payable to: OREGON BOARD OF ACCOUNTANCY.

(7) The Board accepts Visa and Mastercard in person or by mail or fax. Any Visa or Mastercard that is rejected by the bank and requested to be confiscated will be held by the Board office and returned to the bank. All payments by Visa or Mastercard that are rejected must be paid in full by a check or money order within 10 days from notification of rejection. Payments received after Board deadlines, including, but not limited to renewals, applications, civil penalties, etc., will be considered late and late fees and penalties shall be assessed.

Stat. Auth.: ORS 673.050  
 Stats. Implemented: ORS 673.050  
 Hist.: 1AB 41, f. & ef. 12-2-76; 1AB 2-1979, f. & ef. 2-21-79; 1AB 2-1981, f. & ef. 1-6-81; AB 8-1989, f. & cert. ef. 10-3-89; AB 1-1990, f. & cert. ef. 1-26-90; AB 5-1990, f. & cert. ef. 8-16-90; AB 4-1991, f. & cert. ef. 7-1-91; AB 2-1992, f. & cert. ef. 2-18-92; AB 2-1993, f. 1-14-93, cert. ef. 1-15-93; AB 5-1993, f. & cert. ef. 8-16-93; AB 6-1993(Temp), f. 11-2-93, cert. ef. 11-4-93; AB 1-1994, f. & cert. ef. 1-21-94; AB 3-1994, f. & cert. ef. 8-10-94; AB 5-1994, f. & cert. ef. 11-10-94; AB 1-1995, f. & cert. ef. 1-25-95; AB 2-1995, f. & cert. ef. 3-22-95; AB 5-1995, f. & cert. ef. 8-22-95; BOA 6-1998 f. & cert. ef. 7-29-98

**801-010-0040**

**Certificate of C.P.A. to Remain Property of the Board**

Every certificate of Certified Public Accountant and license of Public Accountant shall, while it remains in the possession of the holder, be preserved by the holder, but such certificate or license shall nevertheless remain the property of the Board. In the event that the certificate or license is revoked in the manner prescribed by law, it shall on demand be delivered by the holder to the Board of Accountancy.

Stat. Auth.: ORS 670 & ORS 673  
 Stats. Implemented: ORS 673.040  
 Hist.: 1AB 9, f. 6-24-60; 1AB 41, f. & ef. 12-2-76; AB 4-1994, f. & cert. ef. 9-27-94

**801-010-0050**

**Application for C.P.A. Examination**

(1) Every application for examination must be made on a form provided by the Board. No application shall be accepted unless complete in every particular and accompanied by the statutory fee. The act of filing an application for examination shall be considered to be and shall constitute an agreement upon the part of the applicant that the applicant will observe and conform to the rules adopted by the Board.

(2) Every application for examination shall be accompanied by a statement signed by the candidate stating he/she will not violate the confidentiality of the non-disclosed exam.

(3)(a) The Board shall give examinations in May and November of each year and at such other times as the Board may direct; and

(b) Every applicant shall file an application for the May examination on or before March 1 of each year and for the November examination on or before September 1 of each year, and at such dates as the Board shall prescribe for any additional examinations.

(4)(a) Applicants for admission to the Uniform Certified Public Accountant Examination under the educational requirement, ORS 673.050(1), shall:

(A) Submit satisfactory evidence of completion of graduation requirements from a four-year accredited college or university that is accredited by one of the six regional accrediting associations. The Board may waive the educational requirement for admission to the Uniform CPA Examination provided the applicant furnishes evidence satisfactory to the Board that the applicant is currently enrolled in a college or university recognized by the Board and that the applicant will satisfy the educational requirement on satisfactory completion of courses for which the applicant is currently enrolled at the time of the examination, and that the educational requirement will be met not later than October 1 after the May

exam and April 1 after the November exam under ORS 673.050; or

(B) Be a public accountant who received a license under ORS 673.100 prior to January 1, 2000.

(b) If applying under subsection (4)(a)(A) of this rule then:

(A) Applicants shall be responsible to have the college or university forward to the Board certified copies of all transcripts on file at any school attended. Transcripts must be forwarded directly to the Board by the school. Transcripts shall show the degree granted and successful completion of no less than 30 semester (45 quarter) hours in the study of accounting, business law, economics, and finance, of which no less than 20 semester (30 quarter) hours shall be in the study of accounting; and

(B) Transcripts must be received in the Board office at least 14 days prior to the date of the exam.

(c) Applicants do not need to show proof of residency; and

(d) The requirements of subsection (4)(a) and (b) must be met before the applicant may sit for the exam.

(5) Effective January 1, 2000, applicants:

(a) Shall submit satisfactory evidence of completion of graduation requirements from a four-year accredited college or university recognized by the Board. Satisfactory evidence shall be a transcript showing required courses and a degree granted, or a transcript showing courses taken up to the final semester or quarter and a letter from the Registrar's Office stating the applicant has met the required courses and a degree will be granted and the date to be granted. The Board recognizes colleges or universities listed as accredited in the "Education Directory Colleges and Universities" published by the National Center for Education statistics; and

(b) Must complete 150 semester hours or 225 quarter hours, including a baccalaureate or higher degree, at an accredited college or university, including a minimum of 24 semester hours or 36 quarter hours, or the equivalent in the study of accounting and 24 semester hours or 36 quarter hours in accounting or related subjects. Related subjects are defined as business, finance, economics, and written and oral communication; and

(c) Shall be responsible to have the college or university forward to the Board certified copies of all transcripts on file at any school attended. Transcripts must be forwarded directly to the Board by the school; and

(d) Shall be responsible to make sure the transcripts are received in the Board office at least 14 days prior to the date of the exam; and

(e) Do not need to show proof of residency; and

(f) Must meet the requirements of subsection (4)(a)–(e) before the applicant may sit for the exam.

(6) Applicants possessing a college or university degree who did not complete the required hours of accounting, business, economics, finance, or written and oral communication under ORS 673.050(1) may obtain the required hours by satisfactory completion of hours in accounting, business, finance, economics and written and oral communication taken from divisions of continuing education extended from accredited four-year colleges or universities or from community colleges, providing the courses are transferable as equivalent courses to a four-year college or university. However, completion of courses taken from community colleges or divisions of continuing education shall not be considered as being equivalent to graduation from a four-year degree granting college or university as stated in ORS 673.050(1).

(7) Transitional rules to sit for the exam after January 1, 2000, are as follows:

(a) Any candidate applying for any exam after January 1, 2000, who has not previously sat for the exam must meet the requirements of subsection 5 of this rule (150 semester hours);

(b) Any candidate who wishes to sit for the Uniform CPA Examination after January 1, 2000, without meeting the requirements of subsection 5 of this rule (150 semester hours), must meet the following requirements:

(A) Sat for and received grades for at least one of the Uniform CPA Examinations in 1998 or 1999; and

(B) Sit for the Uniform CPA Examination at least once each year after January 1, 2000.

(8) At least ten days prior to the date set for the examination, each qualified applicant shall be notified by letter, sent to the address given in the application, of the time and place appointed for holding such examination.

(9) The experience requirements as indicated in ORS 673.050(2) shall be those prescribed by OAR 801-010-0065(7) and (8).

(10) The experience used to qualify for admittance to the examination under ORS 673.050(3) cannot also be used to qualify for licensing as a public accountant. An additional one year of public accounting experience, or the equivalent satisfactory to the Board, is required for licensing as a public accountant.

(11) In addition to the specific grounds contained in ORS 673.170(2), the Board of Accountancy may deny admission to the examination for certified public accountant's certificate, and may refuse to issue any certificate described in ORS 673.040 to 673.080 or any public accountant's license to any applicant for such certificate or license if:

(a) The applicant has committed any act or engaged in any conduct that reflects adversely on the candidate's fitness to practice public accounting; or

(b) The applicant has committed any act or engaged in any conduct that reflects moral turpitude or which would cause a reasonable person to have substantial doubts about the applicant's honesty, fairness and respect for the rights of others and for the laws of the state and the nation.

(12) If the act or conduct in question resulted in a conviction of a crime other than a crime described in ORS 673.170(2)(h) or (i), the act or conduct must be rationally connected to the applicant's fitness to practice public accounting.

(13) Violation of the confidentiality of the non-disclosed exam will result in the candidate's scores being invalid and the candidate will be prohibited from taking the exam for ten years.

[Publications: The publications referenced in this rule are available for review at the agency.]

Stat. Auth.: ORS 673.060(3)

Stats. Implemented: ORS 673.060(3)

Hist.: 1AB 10, f. 2-7-63; 1AB 14, f. 8-15-68; 1AB 20, f. 10-22-71, ef. 11-15-71; 1AB 34, f. 1-29-74, ef. 2-25-74; 1AB 41, f. & ef. 12-2-76; 1AB 44, f. & ef. 3-31-77; 1AB 48, f. & ef. 7-21-77; 1AB 6-1978, f. & ef. 6-22-78; 1AB 7-1981, f. & ef. 7-27-81; 1AB 2-1983, f. & ef. 9-20-83; AB 3-1988, f. & cert. ef. 6-9-88; AB 2-1989, f. & cert. ef. 1-25-89; AB 4-1991, f. & cert. ef. 7-1-91; AB 4-1994, f. & cert. ef. 9-27-94; AB 1-1995, f. & cert. ef. 1-25-95; AB 5-1995, f. & cert. ef. 8-22-95; AB 1-1996, f. & cert. ef. 1-29-96; AB 1-1997, f. & cert. ef. 1-28-97; BOA 5-1998, f. & cert. ef. 7-9-98; BOA 6-1998, f. & cert. ef. 7-29-98; BOA 7-1998(Temp), f. & cert. 7-29-98 thru 1-25-99; BOA 8-1998, f. & cert. ef. 10-22-98; BOA 4-1999, f. & cert. ef. 7-23-99

### 801-010-0060

#### Qualifications for C.P.A. Examination

(1) If a candidate is found guilty of misconduct at any examination or a candidate is tardy to any session of the examination, the Board may deny such candidate the right to receive credit for that examination.

(2)(a) A candidate applying by the educational requirement of ORS 673.050(1)(a) to take any part of the examination must take all parts of the examination for which the candidate has not previously received credit.

(b) Effective January 1, 2000, a candidate applying by the experience requirement of ORS 673.050(2) may only take the Audit and ARE section of the examination and must sit for the part(s) of the examination for which the candidate has not previously received credit. These experience candidates may become licensed public accountants.

(c) The Board may waive the requirement of subsection (2)(a) & (b) of this rule upon demonstration satisfactory to the Board that a candidate's absence from part of the examination was caused by extraordinary circumstances over which the candidate had no control.

(3)(a) If, in a single sitting of the examination, a candidate receives a passing grade of no less than 75 percent in any two subjects of the examination and who receives a grade of at least 50

percent in the remaining subjects, the candidate shall be granted credit for subjects passed. However, such credit shall be granted on the condition that the candidate receives a grade of at least 75% in the remaining subjects on re-examination at any one or more of the next six successive examinations.

(b) A candidate who has received conditional credit under subsection (3)(a) of this section and who subsequently receives a grade of 75 percent in any one subject and a grade of at least 50 percent in the remaining subject(s), shall be granted credit for the subject(s) passed, on the condition that the candidate receives a grade of at least 75 percent in the remaining subject(s) on re-examination at any one or more examinations through the sixth successful examination following the first examination at which conditional credit was granted.

(c) A candidate who at one examination receives a passing grade of no less than 75 percent in any three subjects of the examination shall be granted credit for the subjects passed, regardless of the grade received on the remaining subject, on the condition that the candidate receives a grade of no less than 75 percent in the remaining subject on re-examination at any one or more of the next six successive examinations.

(d) Effective January 1, 2000, a candidate qualifying to sit for the Audit and ARE sections of the exam under OAR 801-010-0050(9) who receives a passing grade of no less than 75 percent in one section of the examination and a grade of at least 50 percent in the remaining subject, shall be granted credit for the subject passed, on the condition that the candidate receives a grade of at least 75 percent in the remaining subject on re-examination at any one or more examinations through the sixth successful examination following the first examination at which conditional credit was granted.

(e) Conditional credit granted to a candidate under this rule shall remain valid for six successive exams.

(f) The time limitations stated herein may be extended by the Board because of illness or accident and shall be extended during the time a candidate is in active military service. In the case of military extensions, the candidate shall file a written request for extension upon entering military service. Within 60 days after the candidate is discharged, candidate shall furnish the Board with copy of the discharge papers and will then be required to sit for the next examination for which candidate is qualified.

(4) Subsequent to each examination, the Board shall notify each candidate of the grades received in the examination. All examination papers shall remain the property of the Board.

(5) In the event any examination papers are lost, the liability of the Board will be limited to the fee paid by the applicant for that examination.

(6) The Board may grant credit to any candidate for satisfactory completion of a written examination in any two or more subjects given by the licensing authority in any other state or jurisdiction as specified in ORS 673.060 if the Board shall determine:

(a) That the examination is the Uniform C.P.A. Examination; and

(b) That the candidate received a grade of no less than 75 percent in each subject in which the candidate was examined in another state, and that the candidate did not willfully circumvent the requirements under section 801-010-0060(3).

(7) A candidate who has received a passing grade of no less than 75 percent in any two subjects shall be granted equivalent credit for portions of the examination as follows:

(a) Practice I & II transfers to Accounting & Reporting (ARE);

(b) Auditing transfers to Auditing;

(c) Business Law transfers to Business Law & Professional Responsibilities(LPR); and

(d) Accounting Theory transfers to Financial Accounting & Reporting (FARE).

(8) Cheating on the Uniform CPA Examination is prohibited.

Stat. Auth.: ORS 673.060

Stats. Implemented: ORS 673.060

Hist.: 1AB 12, f. 3-30-65; 1AB 14, f. 8-15-68; 1AB 16, f. 1-30-70, ef. 2-25-70; 1AB 19, f. 10-22-71, ef. 11-15-71; 1AB 21, f. 3-2-72, ef. 3-15-72; 1AB 30, f.

9-18-73, ef. 10-1-73; 1AB 35, f. 10-29-74, ef. 11-25-74; 1AB 36, f. 1-28-75, ef. 2-25-75; 1AB 40, f. & ef. 5-5-76; 1AB 41, f. & ef. 12-2-76; 1AB 43, f. & ef. 3-31-77; 1AB 2-1978, f. & ef. 3-21-78; 1AB 11-1978, f. & ef. 12-1-78; 1AB 3-1979, f. & ef. 12-21-79; 1AB 2-1980, f. & ef. 4-8-80; 1AB 3-1980, f. 10-23-80, ef. 12-1-80; 1AB 5-1981, f. & ef. 7-27-81; 1AB 6-1981, f. & ef. 7-27-81; 1AB 3-1982, f. & ef. 4-20-82; 1AB 2-1984, f. & ef. 5-21-84; 1AB 3-1984, f. 12-19-84, ef. 1-1-85; AB 4-1991, f. & cert. ef. 7-1-91; AB 1-1994, f. & cert. ef. 1-21-94; AB 3-1994, f. & cert. ef. 8-10-94; AB 4-1994, f. & cert. ef. 9-27-94; AB 5-1995, f. & cert. ef. 8-22-95; BOA 5-1998, f. & cert. ef. 7-9-98

**801-010-0065**

**Qualifications for Certification**

(1) Every applicant for the Certificate of Certified Public Accountant shall satisfactorily pass a written examination related to the Code of Professional Ethics promulgated and adopted by the Oregon Board of Accountancy.

(2) In order to fulfill the experience requirements set forth in ORS 673.050 and 673.060, the applicant must obtain a portfolio of experience which encompasses the broad array of services provided by Public Accountants licensed in Oregon and Certified Public Accountants as well as experience sufficient that the applicant can competently practice public accounting by applying the standards of the profession with a minimum of supervision. Applicants should appreciate that meeting the experience requirement is not merely about the passage of time or the performance of tasks. Rather, it is about developing the ability to perform and review engagements demonstrating the CPA competencies described in section (7) of this rule with a minimum of supervision.

(3) Any applicant for the Certificate of Certified Public Accountant who has passed the Uniform CPA Examination without meeting the requirements of OAR 801-010-0050(5) (150 semester hours) must have no less than two years of experience which means at least 24 months of full-time employment, or a total of 4160 hours of part-time employment. One hundred seventy-three (173) hours of part-time employment is equivalent to one month. Qualifying part-time employment shall be at least 20 hours per week. Overtime hours worked are not acceptable toward the experience requirement.

(4) Any applicant for the Certificate of Certified Public Accountant who has passed the Uniform CPA Examination by meeting the requirement of OAR 801-010-0050(5) (150 semester hours) must have no less than one year of experience which means at least 12 months of full-time employment, or a total of 2,080 hours of part-time employment. One hundred seventy-three (173) hours of part-time employment is equivalent to one month. Qualifying part-time employment shall be at least 20 hours per week. Overtime hours worked are not acceptable toward the experience requirement.

(5) All experience must be gained under the direct supervision of a Public Accountant licensed in Oregon or a Certified Public Accountant whose license is not revoked, suspended, lapsed or inactive.

(6) The experience and examination requirements shall be obtained within the eight years preceding the date of application.

(7) The applicant has the primary responsibility for developing a portfolio of experience that shows to the satisfaction of the Board that experience obtained has included all of the following competencies:

(a) Professional Ethics: The candidate must demonstrate an understanding of the code of ethics of the profession.

(b) Assessing the achievement of an entity's objectives: The candidate must demonstrate knowledge of various types of businesses and organizations, understands the objectives and goals of the entity, can develop and analyze performance measures and critical success factors, and understands the economic and regulatory trends that affect an entity's environment.

(c) Experience in preparing working papers that contain sufficient, relevant data to support analysis and conclusions: The candidate must be able to provide sufficient documentation to support the analysis and conclusions required by the applicants work.

(d) Understanding transaction streams and information systems: The candidate must demonstrate an understanding of transaction streams, and how individual transactions aggregate at the

organizational level. The candidate must infer how a particular type of transaction might impact the organization as a whole. The candidate must evaluate the integrity and reliability of various client information systems, including relevant computer aspects.

(e) Risk Assessment and Verification Skills: The candidate must demonstrate a sufficient understanding of accounting and other information systems in order to (1) assess the risk of misstatement in an information system (2) and obtain sufficient, relevant data based on the risk of misstatement and the nature of the engagement. The candidate must demonstrate that he or she can determine the appropriateness of underlying data in terms of its completeness, existence and occurrence, valuation and allocation, rights and obligations and presentation and disclosures.

(f) Decision making, problem solving, and critical thinking in the context of analysis: The candidate must demonstrate the ability to evaluate and interpret sufficient, relevant data in a variety of engagements and settings. For example, the candidate must evaluate an entity's cash flow, profitability, liquidity, solvency, operating cycle, achievement of management's plans, accomplishment of service efforts, or systems reliability.

(g) Quality of communication expressing scope of work, findings and conclusions. The candidate must demonstrate the ability to determine the appropriateness of reports on financial statements, system reliability, or reports expressing scope of work, findings, and conclusions.

(8) The experience required under this rule shall consist solely of experience within activities generally performed by certified public accountant and public accountants licensed in Oregon, including (but not limited to) financial statement audits, financial statement reviews, financial statement compilations, attestation engagements, financial forecasts and projections, proforma financial information, compliance attestations, reporting on an entity's internal controls, management advisory services, tax advisory services, tax return preparation, or personal financial planning.

(9) The foregoing list is neither all inclusive nor exclusive. An applicant who has not achieved a portfolio of experience of the variety and diversity set forth in the foregoing list shall bear the burden of demonstrating to the satisfaction of the Board that the portfolio of experience submitted is of sufficient quality and diversity that it fulfills the entry requirements objective as set forth in section (7) of this rule.

(10) Qualifying experience must be obtained in three general categories: Attest or assurance engagements; other engagements performed in accordance with published professional standards; or, in industry, government and other work.

(a) Attest or Assurance Experience. A portfolio of attest experience that demonstrates the competencies prescribed in section (7) shall be obtained while:

(A) Employed in public practice on the staff of a Public Accountant licensed in Oregon, a Certified Public Accountant, or a firm of public accountants licensed in Oregon or certified public accountants; or

(B) Engaged in employment that is equivalent to that described in section (10)(a)(A) of this rule including internal audit employment.

(C) Any attest-related experience shall be obtained in an organization where employment is equivalent to that described in section (10)(a)(A) of this rule if a quality review is conducted or it is with audit agencies, internal audit departments or other organizations where a quality review is conducted. It shall include:

(i) Conducting attest-oriented functions where third party reliance is an objective of the report;

(ii) Preparing opinions in accordance with professional standards;

(iii) Preparing financial statements with footnotes to generally accepted accounting principles or other comprehensive basis of accounting; and

(iv) The audit agency, internal audit department, or other organization is independent of the entity;

(v) Accounting and review services.

(D) Meeting the requirements of (12) through (15).

(b) Other Professional Standards Based Experience. Any other experience that demonstrates the competencies prescribed in section (7) shall be obtained while:

(A) Employed in public practice on the staff of a public accountant licensed in Oregon, a certified public accountant, or a firm of public accountants licensed in Oregon or certified public accountants or;

(B) Board approved equivalent experience programs in industry, government or other settings.

(C) Experience other than attest related experience described in subsection (10)(b)(B) of this rule should be performed in accordance with the standards of the profession. For example, other experience might be performed in accordance with standards for:

(i) Consulting services;

(ii) Tax practice;

(iii) Personal financial planning;

(iv) Internal audits;

(v) Government finance manager; or

(vi) Regulatory agencies.

(D) Meeting the requirements of (11) through (15).

(E) Any other professional standard based experience shall meet the Board's guidelines.

(c) Industry, Government, and Other Experience not obtained under (10)(b). Qualifying experience that demonstrates the competencies described in section (7) may also be obtained through a variety of work in industry, government, or other settings while:

(A) Employed in industry, government, or other settings under the direct supervision of a public accountant licensed in Oregon, a certified public accountant.

(B) Industry, government or other experience related to section (7)(b), assessing the achievement of an entity's objectives, will include obtaining an understanding of the industry in which the entity operates, including the employer's competition (or other similar service providers in the case of government) and key competitiveness factors that affect the industry.

(C) Industry, government or other experience related to section (7) (d), understanding transaction streams and information systems, will include assessing the adequacy of an entity's internal controls.

(D) Meeting the requirements of (12) through (15).

(E) Experience outside that described in section (10) (a) and (b) of this rule will be thoroughly evaluated by the Board on a case by case basis to ensure that experience is equivalent to section (10)(a) or (b).

(F) It is the applicant's obligation to thoroughly document his/her experience and clearly explain how it meets the standards of evidence of section (10)(c) to the satisfaction of the Board.

(11) "Third party reliance" as used in subsection (10)(a) of this rule means:

(a) Actual third party reliance, such as takes place with respect to the reader of financial statements upon which an audit opinion has been rendered by a Public Accountant licensed in Oregon or a Certified Public Accountant;

(b) Audits performed by government agencies, including tax authorities, on organizations which are not subject to management control by the auditing agency; or

(c) Financial audits performed by independent working groups where the purpose of the audit is reliance by the board of directors on the fairness of the presentation of internally generated financial statements in accordance with generally accepted accounting principles or other comprehensive bases of accounting.

(12) "Direct supervision" as used in this rule means that there is a clear connection between the supervisor and the person being supervised in terms of planning, coordinating, guiding, inspecting, controlling, and evaluating activities, and in discharging the employee being supervised.

(13) In order to qualify as a mentor for the purpose of this rule the person serving as mentor must have held an active CPA license recognized by the state for at least five years prior to serving as a mentor or have held an active PA license issued by Oregon for at least five years prior to serving as a mentor.

(14) An applicant's employer shall act as a mentor and shall attest that the applicant has gained experience under this rule. A mentor's responsibility may also be to attest that the applicant has not gained qualifying experience.

(15) All applicant's files must be complete at least seven days prior to the Board meeting date in order to be listed on the Board agenda.

Stat. Auth.: ORS 673.060

Stats. Implemented: ORS 673.060

Hist.: 1AB 3-1984, f. 12-19-84, ef. 1-1-85; AB 2-1988, f. 3-31-88, cert. ef. 3-30-88; AB 7-1989, f. & cert. ef. 9-11-89; AB 1-1991, f. & cert. ef. 1-2-91; AB 4-1991, f. & cert. ef. 7-1-91; AB 2-1993, f. 1-14-93, cert. ef. 1-15-93; AB 4-1994, f. & cert. ef. 9-27-94; AB 1-1995, f. & cert. ef. 1-25-95; AB 5-1995, f. & cert. ef. 8-22-95; AB 3-1997, f. & cert. ef. 6-5-97; BOA 1-1998, f. & cert. ef. 1-26-98; BOA 3-1998, f. & cert. ef. 6-16-98; BOA 5-1998, f. & cert. ef. 7-9-98; BOA 9-1998, f. & cert. ef. 11-10-98; BOA 1-1999, f. & cert. ef. 1-20-99; BOA 3-1999, f. & cert. ef. 3-26-99

### 801-010-0070

#### Postbaccalaureate Education

(1) For the purpose of ORS 673.060(1)(b), the completion of one year of college or university courses in accounting or related subjects beyond the baccalaureate degree or the equivalent thereof is defined as a Master's degree from a school of business administration or at least 150 semester hours or equivalent quarter hours, including a baccalaureate or higher degree, at an accredited college or university, including a minimum of 30 semester hours or 45 quarter hours, or the equivalent, and which shall include at least 20 semester hours or 30 quarter hours in the study of accounting; the remaining 10 semester hours or 15 quarter hours shall be in accounting or related subjects.

(2) Related subjects under ORS 673.060(1)(b) are defined as business, finance or economics.

(3) An accredited college or university is one that is accredited by one of the six regional accrediting associations. The college or university must be accredited at the time the degree or credits are earned.

(4) For the purpose of ORS 673.060(1)(b), one year of public accounting experience shall be the same as the experience specified in OAR 801-010-0065, except that the total time shall be at least 12 months of full-time employment or a total of 2,080 hours of part-time employment. The experience shall meet all of the other requirements set forth in OAR 801-010-0065.

(5) For the purpose of ORS 673.060(1)(b), any applicant who sat for the CPA examination prior to January 1, 2000, without the completion of the 150 semester hours (225 quarter hours) may complete the requirements in subsection (1) of this rule and be required to complete one year of public accounting as described in subsection (4) of this rule.

[Publications: The publication(s) referred to or incorporated by reference in this rule are available from the agency.]

Stat. Auth.: ORS 673.060

Stats. Implemented: ORS 673.060

Hist.: 1AB 3-1984, f. 12-19-84, ef. 1-1-85; AB 4-1994, f. & cert. ef. 9-27-94; AB 1-1997, f. & cert. ef. 1-28-97; BOA 1-1998, f. & cert. ef. 1-26-98; BOA 5-1998, f. & cert. ef. 7-9-98; BOA 6-1998, f. & cert. ef. 7-29-98; BOA 1-1999, f. & cert. ef. 1-20-99

### 801-010-0073

#### Certification of Applicant's Experience

(1) Any licensee who has been requested by an applicant to submit to The Board or to the licensing agency of another state evidence of the applicant's experience and has refused to do so shall upon request of The Board explain in writing or in person the basis for such refusal.

(2) Any licensee who has furnished evidence of an applicant's experience to The Board shall, upon request by The Board, document the information in writing, by exhibit, in person, or by combination of any of these, in any situation including, but not limited to, the following:

(a) Where there is an alleged disagreement between an applicant and any licensee as to dates, quality, and/or type of work performed;

(b) Where there is satisfactorily answered certification of experience submitted to the Board, but the period of experience appears to be unduly short;

(c) Where the Board seeks to verify, on a sample basis, information submitted by an applicant or attested thereto on a certification of experience; or

(d) Where the Board reasonably believes that the information in the certification of experience may be false or incorrect.

(3) Any false or misleading statement made by a licensee as to material matters in the certification of an applicant's experience shall constitute a violation of ORS 673.170(2)(f) and OAR 801-030-0020(2).

(4) Any applicant may be required to appear before the Board or its representative to supplement or verify evidence of experience in writing, by exhibit, in person, or by a combination of any of these.

(5) The Board may require inspection, by the Board itself or by its representative, of documentation relating to an applicant's claimed experience. The inspection may, at the option of the Board, be made at the Board's offices or such other places as the Board may designate. A licensee or audit agency or group who has custody of the documentation shall produce it upon request.

(6) Certification of experience shall be made on forms provided by the Board. A licensee who completes and submits a certification of experience shall certify to the Board in writing the following:

(a) The nature and extent of the experience, including a detailed list of the engagements on which the applicant gained the experience required under OAR 801-010-0065. The detailed list is the responsibility of the applicant for certification and must be completed by the licensee contemporaneously with the experience.

(b) That the experience obtained under the licensee's supervision is sufficient to fulfill the entry requirements as set forth in OAR 801-010-0065.

(7) Any licensee who submits a certification of experience shall keep the Standards of Evidence Worksheet for a period of three years after certification of the applicant.

(8) It shall be a violation of ORS 673.170(2)(f) and OAR 801-030-0020(2) for any licensee to fail to act or refuse to:

(a) Complete and submit a certification of experience; or  
(b) Comply with a request for explanation of said certification; or

(c) Comply with a request for inspection of documentation supporting any certification or experience.

(9) It shall be a violation of ORS 673.170(2)(f) and OAR 801-030-0020 for any licensee to commit any act which unjustly jeopardizes an applicant's chances for obtaining a certificate in this or any other state or jurisdiction.

Stat. Auth.: ORS 673.070

Stats. Implemented: ORS 673.070

Hist.: 1AB 3-1984, f. 12-19-84, ef. 1-1-85; 1AB 3-1986, f. & ef. 11-17-86; AB 4-1994, f. & cert. ef. 9-27-94; AB 1-1997, f. & cert. ef. 1-28-97; BOA 1-1998, f. & cert. ef. 1-26-98; BOA 6-1998, f. & cert. ef. 7-29-98

### 801-010-0075

#### Public Accountants Becoming Certified Public Accountants

(1) A Public Accountant licensed in Oregon wishing to become a Certified Public Accountant must hold an active license that is not revoked, suspended, lapsed or inactive.

(2) Every applicant for the Certificate of Certified Public Accountant shall successfully complete the remaining part(s) of the Uniform CPA Examination or their equivalent as determined by the Board. Conditional credit must meet the requirements of OAR 801-010-0060.

(3) An application for a certified public accountant certificate under ORS 673.060 shall be made on a form provided by the Board.

(4) All experience must be gained under the direct supervision of a Public Accountant licensed in Oregon or a Certified Public Accountant whose license is not revoked, suspended, lapsed or inactive.

(5) The applicant has the primary responsibility for developing a portfolio of experience that shows to the satisfaction of the Board that experience obtained has included the seven core competencies as set forth in OAR 801-010-0065.

(6) No less than one year of experience, which means at least 12 months of full-time employment, or a total of 2,080 hours of part-time employment. One hundred seventy-three (173) hours of part-time employment is equivalent to one month. Qualifying part-time employment shall be at least 20 hours per week. Overtime hours worked are not acceptable toward the experience requirement. In no event will an application be reviewed with less than one year experience.

(7) "Direct supervision" as used in this rule means that there is a clear connection between the supervisor and the person being supervised in terms of planning, coordinating, guiding, inspecting, controlling, and evaluating activities, and in discharging the employee being supervised.

(8) The experience and examination requirements shall be obtained within the eight years preceding the date of application.

Stat. Auth.: ORS 673.100

Stats. Implemented: ORS 673.100

Hist.: BOA 4-1998, f. & cert. ef. 6-16-98; BOA 2-1999, f. & cert. ef. 2-22-99

### 801-010-0078

#### Experience as a Self -Employed Public Accountant

(1) A Public Accountant licensed in Oregon prior to January 1, 2000 who is self-employed in the practice of public accounting may fulfill up to one year of the experience requirement set forth in ORS 673.050 and ORS 673.060 from such self-employed public accounting experience. The applicant shall show to the satisfaction of the Board that:

(a) The applicant is a Public Accountant licensed in Oregon;

(b) The experience was gained while the applicant was employed full-time, or the equivalent of full-time, in the practice of public accounting. In no case will employment less than 30 hours per week be acceptable under this rule; and

(c) The experience meets all of the requirements of OAR 801-010-0065, except the requirement of direct supervision by a Public Accountant licensed in Oregon or a Certified Public Accountant.

(2) The period of self-employment shall be verified either by a qualified Public Accountant licensed in Oregon or a Certified Public Accountant approved by the Board who shall review the applicant's practice. The applicant shall submit the name of a proposed reviewer to the Board. The reviewer shall hold a valid permit to practice public accounting in Oregon and be in full-time practice. The reviewer shall not be or have been the subject of disciplinary action by the Board, be the subject of ongoing complaints, or have been found to have violated technical standards by the Quality Review Committee. The reviewer shall not be related to or financially affiliated with the applicant. The applicant shall reimburse the reviewer for expenses of the review.

(3) The reviewer shall certify to the Board the following:

(a) The length of time in full-time public practice;

(b) The nature and extent of the work performed by the applicant;

(c) That the work performed by the applicant demonstrates satisfactory knowledge of current practice standards and pronouncements of the accounting profession;

(d) That the applicant has been practicing public accounting as defined in OAR 801-005-0010(13); and

(e) That if not previously obtained the experience is sufficient to meet the entry requirements objective set forth in OAR 801-010-0065, including the seven core competencies.

Stat. Auth.: ORS 673.100

Stats. Implemented: ORS 673.100

Hist.: 1AB 3-1984, f. 12-19-84, ef. 1-1-85; AB 6-1989, f. & cert. ef. 9-11-89; AB 1-1994, f. & cert. ef. 1-21-94; AB 4-1994, f. & cert. ef. 9-27-94; BOA 1-1998, f. & cert. ef. 1-26-98; BOA 5-1998, f. & cert. ef. 7-9-98; BOA 9-1998, f. & cert. ef. 11-10-98; BOA 6-1998, f. & cert. ef. 7-29-98; BOA 2-1999, f. & cert. ef. 2-22-99

### 801-010-0079

#### Experience Obtained in Foreign Countries

Experience obtained outside the United States claimed to be equivalent to public accounting experience obtained in the United States may be acceptable under ORS 673.060 provided that the experience meets all of the requirements of OAR 801-010-0065. The person who directly supervises the applicant's experience must be either a Public Accountant licensed in Oregon or a Certified Public Accountant and hold a valid permit to practice public accounting in the United States, and must certify to the Board that the experience is the same as experience obtained in the practice of public accounting in the United States.

Stat. Auth.: ORS 670 & ORS 673

Stats. Implemented: ORS 673.060

Hist.: 1AB 2-1986, f. & ef. 10-15-86; AB 4-1994, f. & cert. ef. 9-27-94

### 801-010-0080

#### Holders of Certificates in Other States of US Territories

(1) An applicant for a Certified Public Accountant certificate in Oregon who holds or has held a certificate or permit as a Certified Public Accountant issued under the laws of any state or US Territory shall apply under the provisions of ORS 673.080.

(2) An application for a certified public accountant certificate under ORS 673.080 shall be made on a form provided by the Board.

(3) The applicant shall show to the satisfaction of the Board that:

(a) The applicant met all of the requirements of ORS 673.050 and 673.060 in effect at the time the original application in any state was made;

(b) Prior to January 1, 2000, the applicant holds a certified public accountant certificate and a permit to practice issued under the laws of any state or US Territory which certificate and permit are currently valid and unrevoked at the time the application is made, and that such state or US Territory requires two years public accounting experience or the equivalent prior to January 1, 2000, satisfactory to the Board as part of its certification requirements at the time of issuance;

(c) After January 1, 2000, the applicant holds a certified public accountant certificate and a permit to practice issued under the laws of any state or US Territory which certificate and permit are currently valid and unrevoked at the time the application is made, and that such state or US Territory requires 150 semester hours or the equivalent and at least one year public accounting experience or the equivalent, satisfactory to the Board as part of its certification requirements at the time of issuance; or

(d) The applicant holds a Certified Public Accountant certificate and a permit to practice under the laws of any state or US Territory which certificate and permit are currently valid and unrevoked at the time the application is made, and has four years of public accounting experience or the equivalent, satisfactory to the Board, after completing the examination and within the ten years immediately preceding the application; or

(e) The applicant has obtained from NASBA verification of compliance with the Uniform Accountancy Act's CPA registration requirements.

(4) The Board may approve a request to practice in this state as a Certified Public Accountant under ORS 673.080(2) provided that the applicant:

(a) Makes the request in writing to the Board.

(b) Shows to the satisfaction of the Board that the applicant holds a current and valid permit to practice as a Certified Public Accountant in the state or US Territory which issued the certificate on which the application is based.

(c) Files with the Board all of the documents required to complete the application within 90 days from the date of the application.

Stat. Auth.: ORS 673.080

Stats. Implemented: ORS 673.080

Hist.: 1AB 14, f. 8-15-68; 1AB 22, f. 3-2-72, ef. 3-15-72; 1AB 34, f. 1-29-74, ef. 2-25-74; 1AB 3-1982, f. & ef. 4-20-82; 1AB 1-1986, f. & ef. 10-1-86; AB 5-1990, f. & cert. ef. 8-16-90; AB 5-1993, f. & cert. ef. 8-16-93; AB 1-1994, f. & cert. ef. 1-21-94; AB 4-1994, f. & cert. ef. 9-27-94; AB 1-1997, f. & cert. ef.

1-28-97; AB 4-1997, f. & cert. ef. 7-25-97; BOA 5-1998, f. & cert. ef. 7-9-98; BOA 9-1998, f. & cert. ef. 11-10-98

**801-010-0085**

**Holders of Foreign Certificates, Credentials or Degrees**

(1)(a) The Board recognizes the existence of the International Qualifications appraisal Board (IQAB), a joint body of the National Association of State Boards of Accountancy and the American Institute of Certified Public Accountants, which is charged with:

(A) Evaluating the professional credentialing process of certified public accountants, or their equivalents, of countries other than the United States; and

(B) Negotiating principles of reciprocity agreements with the appropriate professional and/or governmental bodies of other countries seeking recognition as having requirements substantially equivalent to U.S. requirements for the certificate of a certified public accountant.

(b) The Board shall honor the terms of all principles of reciprocity agreements issued by IQAB; or

(2) An applicant for a certified public accountant certificate or license in Oregon who has received a certificate, credential or degree in a foreign country which certificate, credential or degree is claimed to be comparable to a certificate or license issued by the Board, or an applicant who has been issued a certificate or license by a licensing body in the United States or US Territories based upon the certificate, credential or degree granted by a foreign country must:

(a) Meet the education requirement of ORS 673.050 for admission to the Certified Public Accountant examination. An applicant must have his/her academic credentials evaluated by a credentialing agency that is a member of the National Association of Credential Evaluation Services, Inc. (NACES); and

(b) Pass the examination required by ORS 673.060(1); and

(c) Meet the experience requirement of ORS 673.060(1)(a) or

(b) and rules adopted thereunder.

Stat. Auth.: ORS 673.080

Stats. Implemented: ORS 673.080

Hist.: 1AB 2-1986, f. & ef. 10-15-86; AB 1-1994, f. & cert. ef. 1-21-94; AB 4-1994, f. & cert. ef. 9-27-94; AB 5-1995, f. & cert. ef. 8-22-95; BOA 6-1998, f. & cert. ef. 7-29-98

**801-010-0100**

**Public Accountant Licenses**

(1) Every Public Accountant license shall, while it remains in the possession of the holder, be preserved by the holder, but such license shall nevertheless remain the property of the Board. In the event that the license is revoked in the manner prescribed by law or the holder ceases to hold a permit issued under ORS 673.150, it shall on demand be delivered by the holder to the Board of Accountancy.

(2) No person shall display a public accounting license unless the person holds a permit issued under ORS 673.150 which is not revoked, suspended, or lapsed.

(3) For the purpose of ORS 673.100, one year of public accounting experience shall be the same as the experience specified in OAR 801-010-0065, except that the total time shall be at least 12 months of full-time employment or a total of 2,080 hours of part-time employment. The experience shall meet all of the other requirements set forth in OAR 801-010-0065, including the seven competencies.

Stat. Auth.: ORS 673.100

Stats. Implemented: ORS 673.100

Hist.: 1AB 9, f. 6-24-60; 1AB 41, f. & ef. 12-2-76; 1AB 4-1982, f. & ef. 5-21-82; 1AB 3-1984, f. 12-19-84, ef. 1-1-85; AB 4-1994, f. & cert. ef. 9-27-94; BOA 1-1998, f. & cert. ef. 1-26-98; BOA 1-1999, f. & cert. ef. 1-20-99

**801-010-0110**

**Renewal of Permits**

(1) Effective June 30, 1991, all Permits issued under ORS 673.150 ending in even numbers shall expire on June 30 of even-numbered years and all permits issued under ORS 673.150 ending in odd numbers shall expire on June 30 of odd-numbered years, if not renewed. To renew an unexpired permit, a certificate or license holder shall, before the time at which the permit would

otherwise expire, apply for renewal on a form provided by the Board, pay the renewal fee prescribed by OAR 801-010-0010 and give evidence to the Board that the continuing education provisions and quality review requirements have been satisfied unless either of those requirements have been waived. Renewal of an unexpired permit shall continue the permit in effect for the two-year period ending on June 30 of the next even- or odd-numbered year, when it shall expire if it is not again renewed.

(2) The Board may waive the initial permit fee where the permit is issued less than 60 days before the date on which it will expire.

Stat. Auth.: ORS 670 & ORS 673

Stats. Implemented: ORS 673.150 & ORS 673.150(2)

Hist.: 1AB 4-1981, f. & ef. 6-17-81; AB 3-1991, f. & cert. ef. 4-10-91; AB 4-1991, f. & cert. ef. 7-1-91; AB 5-1993, f. & cert. ef. 8-16-93; AB 3-1994, f. & cert. ef. 8-10-94; AB 4-1994, f. & cert. ef. 9-27-94; AB 1-1995, f. & cert. ef. 1-25-95

**801-010-0115**

**Resignation of Licensee**

(1) Certified public accountants may resign and surrender their certificates and permits issued under ORS 673.040 to 673.080 and ORS 673.150, and public accountants may resign and surrender their licenses and permits issued under ORS 673.100 and ORS 673.150, by filing with the Board a written resignation, together with their certificate and permit or license and permit, which shall be effective only upon acceptance by the Board.

(2) If charges of misconduct are under investigation by the Board or if disciplinary proceedings are pending against a licensee, then a resignation by such a licensee will be treated as a revocation for misconduct by the Board if the licensee applies in the future for a certificate or license. The Board may decline to accept such a resignation unless the written resignation includes an express acknowledgment that the resigning licensee:

(a) Is aware of the investigation or disciplinary proceedings and does not desire to contest or defend the matter; and

(b) Understands that upon any future application for a license will be treated by the Board as an application by a person whose certificate or license has been revoked for misconduct, and that upon such application, the licensee shall not be entitled to a reconsideration or re-examination of the facts, complaints, or instances of misconduct upon which investigations or disciplinary proceedings were pending at the time of the resignation.

(3) Unless otherwise ordered by the Board, any pending investigation or disciplinary proceeding shall be closed upon acceptance of the resignation.

(4) If no investigation or charges are pending against a licensee, then the licensee's resignation may not be accepted by the Board unless the licensee acknowledges or has been advised by the Board that:

(a) The resignation places the licensee upon reapplication in the same position as a new applicant; and

(b) The licensee must return the licensee's license or certificate to the Board.

(5) Upon resignation, a former licensee immediately shall:

(a) Take all reasonable steps to avoid foreseeable harm to any client; and

(b) Continue to comply with OAR 801-030-0015(1) (confidential information) and OAR 801-030-0015(2) (client records).

Stat. Auth.: ORS 673.185

Stats. Implemented: ORS 673.410

Hist.: AB 2-1996, f. & cert. ef. 9-25-96

**801-010-0120**

**Inactive Status**

(1)(a) "Inactive status" has the meaning given in ORS 673.220.

(b) A licensee who has retired from the practice of public accounting may apply for "retired status." "Retired status" is equivalent to "inactive status."

(2) An application for inactive/retired status shall be made on a form provided by the Board.

(3) The application shall be accompanied by a fee prescribed by OAR 801-010-0010.

(4) The applicant for inactive/retired status shall certify to the Board that:

(a) The applicant holds a permit issued under ORS 673.150 which is not revoked or suspended; and

(b) The applicant does not perform any public accounting services whatever during the period in which the applicant is granted inactive/retired status.

(5) A licensee who is granted inactive/retired status shall not be required to complete continuing education under ORS 673.165 or be subject to the Quality Review Program under 673.455 during the period in which the person is granted inactive status.

(6) A licensee who is granted inactive/retired status may display the person's Certified Public Accountant certificate or Public Accountant license and may use the title if the licensee:

(a) Includes the designation "inactive" or "retired" either before or after the title; and

(b) Does not otherwise violate OAR 801-030-0005(5).

(7) Except as provided in OAR 801-010-0120(6), a licensee who is granted inactive/retired status shall not hold out as a CPA or PA and the licensee shall be subject to disciplinary action under ORS Chapter 673 for violation of this provision.

Stat. Auth.: ORS 673.310

Stats. Implemented: ORS 673.310

Hist.: 1AB 2-1986, f. & ef. 10-15-86; AB 5-1989, f. & cert. ef. 8-2-89; AB 4-1991, f. & cert. ef. 7-1-91; AB 1-1994, f. & cert. ef. 1-21-94; AB 4-1994, f. & cert. ef. 9-27-94; AB 2-1995, f. & cert. ef. 3-22-95; AB 2-1996, f. & cert. ef. 9-25-96

#### 801-010-0125

##### Renewal of Inactive Status

(1) Inactive status granted under ORS 673.220 and rules adopted thereunder shall expire on June 30 of each expiration year according to OAR 801-010-0110 if not renewed.

(2) To renew inactive/retired status, a certificate or license holder shall, before the time at which inactive/retired status would otherwise expire, apply for renewal on a form provided by the Board.

(3) The application shall be accompanied by an application fee prescribed by OAR 801-010-0010.

(4) Renewal of unexpired inactive/retired status shall continue inactive/retired status in effect for the two-year period ending on June 30 of the expiration years as described in OAR 801-010-0110(1).

Stat. Auth.: ORS 670 & ORS 673

Stats. Implemented: ORS 673.220

Hist.: 1AB 2-1986, f. & ef. 10-15-86; AB 4-1991, f. & cert. ef. 7-1-91; AB 4-1994, f. & cert. ef. 9-27-94; AB 2-1995, f. & cert. ef. 3-22-95

#### 801-010-0130

##### Restoration to Active Status

(1) A person who is granted inactive/retired status under ORS 673.220 and rules adopted thereunder who subsequently applies to return to public accounting practice shall submit an application for restoration of the person's permit to practice public accounting. The application shall be made on a form provided by the Board.

(2) The applicant shall pay the permit fee for the renewal period in which restoration is made.

(3) The applicant shall meet the reinstatement continuing education requirement set forth in OAR 801-040-0090. The applicant shall not perform any public accounting services until after reinstatement requirements are met and the applicant has obtained approval of the Board.

(4) The applicant shall meet the quality review requirements set forth in OAR 801, Division 050.

Stat. Auth.: ORS 670 & ORS 673

Stats. Implemented: ORS 673.220

Hist.: 1AB 2-1986, f. & ef. 10-15-86; AB 3-1994, f. & cert. ef. 8-10-94; AB 2-1995, f. & cert. ef. 3-22-95

#### 801-010-0170

##### Publication of Disciplinary Action

(1) The Board may in its discretion publicize disciplinary action taken under ORS 673.170 in such manner and for such period as it may direct.

(2) A certified public accountant or public accountant may be guilty of gross negligence in the practice of public accounting for:

(a) Failure to disclose a known material fact which is not disclosed in the financial statements but disclosure of which is necessary to make the financial statements complete or not misleading; or

(b) Failure to report any known material misstatement to appear in the financial statements.

Stat. Auth.: ORS 670 & ORS 673

Stats. Implemented: ORS 673.170(2)(b) & ORS 673.220

Hist.: 1AB 9, f. 6-24-60; AB 4-1991, f. & cert. ef. 7-1-9; AB 4-1994, f. & cert. ef. 9-27-94

#### 801-010-0190

##### Procedure for Complaints

Under ORS 673.185, the Board has sole authority to deal with complaints against certified public accountants and public accountants. The following procedures govern complaints against certified public accountants and public accountants, and all proceedings in relation to such complaints shall be substantially as follows:

(1) The Board shall take action upon receipt of a written complaint which states in detail the offense alleged to have been committed, and presents the evidence in support of the complaint. The Board may initiate proceedings on its own motion and take action upon information received, if there is sufficient evidence that a violation of the statutes, rules, or regulations may have been committed.

(2) Any person submitting a complaint may be required to support it by personal appearance before the Board.

(3) The Board may employ private investigators to assist it in determining the pertinent facts in any case before it.

(4) The Board may give the individual against whom a complaint has been filed an opportunity to appear before the Board for an informal discussion of the complaint.

(5) The Board shall determine whether an offense as described in the complaint is alleged.

(6) If the Board believes, from the evidence submitted, that such offense has been committed, it shall submit the record to the Attorney General for his advice and guidance or if the matter does not warrant proceeding further, shall dismiss the complaint.

Stat. Auth.: ORS 670 & ORS 673

Stats. Implemented: ORS 673.185

Hist.: 1AB 9, f. 6-24-60; 1AB 24, f. 9-15-72, ef. 10-1-72; 1AB 5-1978, f. & ef. 5-16-78; 1AB 3-1982, f. & ef. 4-20-82; AB 4-1994, f. & cert. ef. 9-27-94

#### 801-010-0340

##### Professional Corporations

(1) A professional corporation organized under the provisions of ORS Chapter 58 for the practice of public accounting shall register with the Board as a corporation.

(2) All of the persons who are the shareholders and directors of the corporation must be registered to render the professional service for which the corporation is to be registered.

(3) Application for registration of a professional corporation to practice as Certified Public Accountant(s) or Public Accountant(s) shall be made to the Board in writing on a form provided by the Board and shall be accompanied by a copy of the articles of incorporation that have been accepted for filing by the office of the Secretary of State, Corporation Section, and any other documents which the corporation is required to file with the office of the Secretary of State, Corporation Section.

(4) Notification shall be given to the Board within twenty-one days of any change of the firm name, shareholders or directors of a professional corporation registered with the Board, or of any change of location(s) of the office(s) of such corporation. The Board shall issue an amended certificate of registration on receipt of notice of a change in the firm name of such corporation.

(5) The Board, upon receipt of an application to register as a professional corporation, finds that the shareholders are each licensed pursuant to ORS 673.060, 673.100, and 673.150, and upon payment of a registration fee, shall issue a certificate of registration which shall remain in effect until December 31 of the odd-numbered year following the date of such registration.

(6) On or before until December 31 of each odd-numbered year, applications provided by the Board and accompanied by the registration fee shall be submitted for biennial registration of any professional corporation registered by the Board. Failure to renew a registration by the close of the renewal period shall require the professional corporation to pay a delinquent fee for each renewal period of delinquency.

(7) The certificate of registration issued by the Board shall be conspicuously posted at the office of the corporation.

Stat. Auth.: ORS 673.160

Stats. Implemented: ORS 673.160

Hist.: 1AB 18, f. 11-25-70, ef. 12-25-70; 1AB 29, f. 4-25-73, ef. 5-15-73; 1AB 3-1982, f. & ef. 4-20-82; AB 5-1990, f. & cert. ef. 8-16-90; AB 4-1991, f. & cert. ef. 7-1-91; AB 4-1994, f. & cert. ef. 9-27-94; BOA 1-1998, f. & cert. ef. 1-26-98

**801-010-0345**

**Other Business Forms**

(1) An other business form organized for the practice of public accounting shall register with the Board as an other business form.

(2) All of the persons who are the owners of the other business form must be registered to render the professional service for which the other business form is to be registered.

(3) At least one owner, member or comparable person must be registered as a Certified Public Accountant or a licensed Public Accountant in this state.

(4) Application for registration of an other business form to practice as Certified Public Accountant(s) or Public Accountant(s) shall be made to the Board in writing on a form provided by the Board and shall be accompanied by a copy of the articles of incorporation that have been accepted for filing by the office of the Secretary of State, Corporation Section, and any other documents which the corporation is required to file with the office of the Secretary of State, Corporation Section.

(5) Notification shall be given the Board within twenty-one days of any change of the firm name or owners of an other business form registered with the Board, or of any change of location(s) of the office(s) of such other business form. The Board shall issue an amended certificate of registration on receipt of notice of a change in the firm name of such other business form.

(6) If the Board, upon receipt of an application to register as an other business form, finds that the owners are each licensed pursuant to ORS 673.060, 673.100, and 673.150, and upon payment of a registration fee, the Board shall issue a certificate of registration which shall remain in effect until December 31 of the odd-numbered year following the date of such registration.

(7) On or before December 31 of each odd numbered year, applications provided by the Board and accompanied by the registration fee shall be submitted for biennial registration of any other business form registered by the Board. Failure to renew a registration by the close of the renewal period shall require the other business form to pay a delinquent fee for each renewal period of delinquency.

(8) The certificate of registration issued by the Board shall be conspicuously posted at the office of the other business form.

Stat. Auth.: ORS 673

Stats. Implemented: ORS 673

Hist.: AB 6-1993(Temp), f. 11-2-93, cert. ef. 11-4-93; AB 1-1994, f. & cert. ef. 1-21-94; BOA 2-1998, f. & cert. ef. 3-30-98

**801-010-0350**

**Temporary Practice**

Temporary Practice, as permitted under ORS 673.350(2), shall be conducted in conformity with the law, regulations, and Code of Professional Ethics promulgated by the Board.

[Publications: The publication(s) referred to or incorporated by reference in this rule are available from the agency.]

Stat. Auth.: ORS 670 & ORS 673

Stats. Implemented: ORS 673.350(2)

Hist.: 1AB 9, f. 6-24-60; 1AB 35, f. 10-29-74, ef. 11-25-74; AB 4-1991, f. & cert. ef. 7-1-91

**DIVISION 20**

**MUNICIPAL AUDITS**

**801-020-0620**

**Bidding and Contracting for Municipal Audits**

(1) Accountants who are sole proprietors or members of a partnership, professional corporation, or "Other Business Form" registered under the provisions of ORS 673.090, 673.130, or 58.345, if such sole proprietor or all such partners, shareholders owners, members or comparable person are on the roster of the State Board of Accountancy, of accountants authorized to conduct municipal audits, the sole proprietor, partnership, professional corporation, or "Other Business Form" may bid, contract or issue, in accordance with ORS 297.465, under their sole proprietor, partnership, professional corporation, or "Other Business Form" name.

(2) If a partnership, professional corporation, or "Other Business Form" registered under the provisions of ORS 673.090, 673.130, or 58.345, has at least one but not all members on the roster of the State Board of Accountancy of accountants authorized to conduct municipal audits, the partnership, professional corporation, or "Other Business Form" may bid, contract or issue, in accordance with ORS 297.465, in the partnership, professional corporation, or "Other Business Form" name only if the contract and the related audit report are both signed in the name of the partnership, professional corporation, or "Other Business Form" with the signature of a partner, a shareholder, owner, member or comparable person who is on the roster of accountants authorized to conduct municipal audits.

(3) Except as provided in sections (1) and (2) of this rule, no person may bid, contract or otherwise offer to issue or issue an audit under ORS 297.405 to 297.555.

Stat. Auth.: ORS 297, ORS 670 & ORS 673

Stats. Implemented: ORS 297.425

Hist.: 1AB 8, f. 8-17-54; 1AB 15, f. 4-23-69; AB 1-1988(Temp), f. 2-17-88, cert. ef. 2-22-88; AB 2-1991, f. & cert. ef. 2-28-91; AB 3-1992, f. & cert. ef. 2-18-92; AB 3-1993, f. 1-14-93, cert. ef. 1-15-93; AB 6-1993(Temp), f. 11-2-93, cert. ef. 11-4-93; AB 1-1994, f. & cert. ef. 1-21-94

**801-020-0690**

**Qualifications for Admission to Roster**

(1) Applicants to the roster of accountants authorized to conduct municipal audits and reviews required by ORS 297.425 shall meet the following procedures and qualifications established by the Board.

(2) The applicant must be a current Board licensee in good standing.

(3) Every application shall be on a form provided by the Board and shall be accompanied by a fee prescribed by OAR 801-010-0010.

(4) The act of filling out the application shall constitute an agreement between the applicant and the Board that the applicant will observe the requirements of this regulation.

(5)(a) In addition to the specific grounds contained in ORS 673.170(2), the Board of Accountancy may deny admission to the Roster for municipal auditors as described in ORS 297.680 if:

(A) The applicant has committed any act or engaged in any conduct that reflects adversely on the licensee's fitness to practice public accounting; or

(B) The applicant has committed any act or engaged in any conduct that reflects moral turpitude or which would cause a reasonable person to have substantial doubts about the applicant's honesty, fairness and respect for the rights of others and for the laws of the state and the nation.

(b) If the act or conduct in question resulted in a conviction of a crime other than a crime described in ORS 673.170(2)(h) or (i), the act or conduct must be rationally connected to the applicant's fitness to practice public accounting.

(6) The applicant shall show to the satisfaction of the Board that, within the two-year period immediately preceding his/her application, he/she completed 40 hours of education in the following subjects with at least four (4) hours in each subject:

- (a) Audits of state and local governmental units;
- (b) Governmental Accounting and Financial Reporting Standards;
- (c) Generally Accepted Governmental Auditing Standards;
- (d) Single Audit Act of 1984 and related Office of Management and Budget circulars and supplements;
- (e) Oregon Local Budget Law;
- (f) Minimum standards of audits and reviews of Oregon Municipal Corporations.

(g) Other courses in governmental accounting and auditing may also qualify providing the applicant has obtained Board approval prior to enrollment. The courses are subject to all the requirements of OAR 801-020-0710, must provide the applicant with a comprehensive, working level knowledge of the subject, and would generally be identified in course promotional material as basic, intermediate, level 1, level 2, or introductory. Conferences, seminars and updates do not qualify for admission to the Roster. The 40 hours of education required may be within the 80 hours of continuing education required for renewal of the CPA/PA license.

(7) When the application is approved, the Board will notify the applicant in writing that he/she now holds a license for municipal auditing, his/her name shall be entered on the Roster, and the Secretary of State shall be so notified.

Stat. Auth.: ORS 297.680  
 Stats. Implemented: ORS 297.680  
 Hist.: 1AB 8, f. 8-17-54; 1AB 32, f. 9-18-73, ef. 10-1-73; AB 1-1988(Temp), f. 2-17-88, cert. ef. 2-22-88; AB 4-1988, f. & cert. ef. 10-28-88; AB 3-1992, f. & cert. ef. 2-18-92; AB 5-1992, f. & cert. ef. 8-10-92; AB 6-1993(Temp), f. 11-2-93, cert. ef. 11-4-93; AB 1-1994, f. & cert. ef. 1-21-94; AB 4-1994, f. & cert. ef. 9-27-94; AB 1-1996, f. & cert. ef. 1-29-96; AB 2-1997, f. & cert. ef. 3-10-97; BOA 5-1999, f. & cert. ef. 7-23-99

**801-020-0700  
 Qualifications for Continuance on Roster**

(1) Members of the municipal roster shall have 24 hours continuing education (within the 80 hours of continuing education required for renewal of the CPA/PA license) which include courses and conferences (with any level of difficulty) in subjects directly related to the government environment and to governmental auditing. A minimum of 16 hours of the 24 must be in courses described in subsection (a) through subsection (f) of this rule. This would generally include the following subjects:

- (a) Audits of state and local governmental units;
- (b) Governmental Accounting and Financial Reporting Standards and updates;
- (c) Generally Accepted Governmental Auditing Standards and updates;
- (d) Single Audit Act of 1984 and related Office of Management and Budget circulars and supplements;
- (e) Oregon Local Budget Law
- (f) Minimum standards of audits and reviews of Oregon Municipal Corporations;

(2) A maximum of eight hours of the 24-hour requirement may be in courses in generally accepted auditing standards and procedures. These courses may include such topics as current developments in audit methodology, assessment of internal controls, and statistical sampling.

Stat. Auth.: ORS 297.680  
 Stats. Implemented: ORS 297.680  
 Hist.: AB 4-1988, f. & cert. ef. 10-28-88; AB 4-1990, f. & cert. ef. 7-17-90; AB 3-1992, f. & cert. ef. 2-18-92; AB 4-1994, f. & cert. ef. 9-27-94; AB 2-1996, f. & cert. ef. 9-25-96; BOA 1-1998, f. & cert. ef. 1-26-98

**801-020-0710  
 Biennial Fee for Inclusion on Roster**

(1) Every accountant who wishes his/her name to be continued on the Roster shall make application to the Board and submit payment of the biennial fee as provided by ORS 297.720, in

accordance with the biennial renewal period set forth under ORS 673.150, subsection (2).

(2) Any permit that is not renewed within 60 days after the close of the license period for which it was issued or renewed shall lapse. The Board of Accountancy shall give due notice at the last address shown by the records of the Board to each accountant whose name is on the roster and whose application for continuance has not been received. If, after such notice, the application and fee are not received within 30 days, the accountant's name shall be dropped from the roster, and the Secretary of State so notified.

Stat. Auth.: ORS 670 & ORS 673  
 Stats. Implemented: ORS 297.720  
 Hist.: 1AB 8, f. 8-17-54; 1AB 23, f. 3-2-72, ef. 3-15-72; 1AB 9-1978, f. & ef. 9-22-78; AB 1-1988(Temp), f. 2-17-88, cert. ef. 2-22-88; AB 4-1988, f. & cert. ef. 10-28-88; Renumbered from 801-020-0720; AB 3-1992, f. & cert. ef. 2-18-92; AB 4-1994, f. & cert. ef. 9-27-94

**801-020-0720  
 Removal From and Reinstatement to the Roster**

Any accountant who fails to pay the biennial fee as provided by section (1) of OAR 801-020-0710, or who fails to comply with requirements as provided by ORS 297.465 and 297.680, or who fails to complete the required continuing education (except as provided in OAR 801-040-0160) will be removed from the Roster or suspended. The Board may publicize the removal or suspension.

(1) If a licensee is removed from the Roster the requirements in OAR 801-020-0690 must be met before he/she can be reinstated to the roster.

(2) If a licensee is removed from the Roster because of failure to complete the continuing education requirements in OAR 801-020-0700, he/she may be reinstated by completing 40 hours of continuing education within a two-year period in subjects directly related to the government environment and to governmental auditing.

Stat. Auth.: ORS 297.710  
 Stats. Implemented: ORS 297.710  
 Hist.: 1AB 8, f. 8-17-54; 1AB 32, f. 9-18-73, ef. 10-1-73; AB 1-1988(Temp), f. 2-17-88, cert. ef. 2-22-88; AB 4-1988, f. & cert. ef. 10-28-88; Renumbered from 801-020-0710; AB 3-1992, f. & cert. ef. 2-18-92; AB 5-1992, f. & cert. ef. 8-10-92; AB 3-1993, f. 1-14-93, cert. ef. 1-15-93; AB 4-1994, f. & cert. ef. 9-27-94; AB 2-1996, f. & cert. ef. 9-25-96; BOA 6-1998, f. & cert. ef. 7-29-98

**DIVISION 30**

**CODE OF PROFESSIONAL CONDUCT**

**Codes of Conduct**

**801-030-0005  
 Independence, Integrity, and Objectivity**

(1) **Rule 101 — Independence.** A licensee, or licensee's firm, shall not express an opinion on financial statements of an enterprise in such a manner as to imply that he or she is acting as an independent public accountant with respect thereto unless he or she is independent with respect to such enterprise. Independence will be considered to be impaired if:

(a) During the period of the professional engagement, or at the time of expressing an opinion, the licensee, licensee's firm, or any of licensee's employees, partners, other owners of the firm, agents, spouse, children, or parents:

(A) Had or was committed to acquire any direct or material indirect financial interest in the enterprise; or

(B) Was a trustee of any trust or executor or administrator of any estate if such trust or estate had or was committed to acquire any direct or material indirect financial interest in the enterprise;

(C) Had any closely-held business investment with the enterprise or any officer, director, or principal stockholder thereof which was material in relation to the net worth of either the licensee, the licensee's firm, or the enterprise; or

(D) Had any loan to or from the enterprise or any officer, director, or principal stockholder thereof other than loans of the following kinds made by a financial institution under normal lending procedures, terms, and requirements:

(i) Loans obtained by the licensee which are not material in relation to the net worth of the borrower;

(ii) Home mortgages;

(iii) Other secured loans, except those secured solely by a guarantee of the licensee; or

(iv) Any loans under this provision must be kept current as to all terms.

(E) If, when the report on the client's current year is issued, billed or unbilled fees or a note receivable arising from such fees remain unpaid for any professional services provided more than one year prior to the date of the report.

(b) During the period covered by the financial statements, or during the period of the professional engagement, or at the time of expressing an opinion, the licensee:

(A) Was connected with the enterprise as a promoter, underwriter or voting trustee, a director or officer, or in any capacity equivalent to that of a member of management or as an employee; or

(B) Was a trustee for any pension or profit-sharing trust of the enterprise. The foregoing examples are not intended to be all-inclusive.

**(2) Rule 102 — Integrity and objectivity.**

(a) In the performance of any professional service, a licensee shall maintain objectivity and integrity and shall be free of conflicts of interest, and shall not knowingly misrepresent facts or subordinate his or her judgment to others.

(b) In tax practice, however, a licensee may resolve doubt in favor of his or her client as long as there is reasonable support for his or her position.

(c) A licensee shall not accept employment adverse to a client, or former client, relating to a matter with respect to which the licensee has obtained confidential information by reason of, or in the course of, the licensee's employment by, or relationship with, such client or former client.

(3) **Rule 103 — Commissions.** A licensee shall not pay a commission to obtain a client, nor accept a commission for a referral to a client of products or services of others. This rule does not prohibit payments for the purchase of all, or a material part of an accounting practice, or retirement payments to persons formerly engaged in the practice of public accountancy, or payments to the heirs or estates of such persons.

**(4) Rule 104 — Contingent fees.**

(a) A certified public accountant or public accountant licensed to practice public accounting shall not:

(A) Perform for a contingent fee any professional services for, or receive such a fee from, a client for whom any of the following professional engagements are performed:

(i) An audit or review of a financial statement.

(ii) A compilation of a financial statement where the licensee's compilation report does not disclose a clear lack of independence.

(iii) An examination, review or compilation of prospective financial information.

(iv) An agreed-upon-procedures report on a financial statement.

(B) The prohibitions outlined in paragraph (a)(A) of this rule apply during the period in which the licensee or the licensee's firm is engaged to perform any of the services described in paragraphs (a)(A)(i), (a)(A)(ii), (a)(A)(iii), or (a)(A)(iv) of this rule, as well as during any period covered by any historical or prospective financial statements involved with the same aforementioned services.

(b) A contingent fee is a fee established for the performance of any service pursuant to an agreement in which no fee will be charged unless a specified finding or result is attained, or in which the amount of the fee is otherwise dependent upon the finding or result of such service. However, a certified public accountant's or public accountant's fees may vary depending, for example, on the complexity of the services rendered.

(c) Fees are not regarded as being contingent if fixed by courts or other public authorities, or, in tax matters, if determined

based on the results of judicial proceedings or the findings of governmental agencies.

**(5) Rule 105 — Incompatible occupations and use of CPA and PA Designation.**

(a) If a licensee is engaged in a business or occupation other than the practice of public accounting, the licensee shall not hold out as a CPA or PA in the course of the other business if a person reasonably could believe that:

(A) The licensee is simultaneously engaged in the practice of public accounting; or

(B) The licensee is exercising the independence or objectivity of a CPA or PA in recommending the purchase of products or services or following a certain course of action.

(b) A Licensee shall not engage in any activity for which that licensee receives commissions or contingent fees while holding out to the public as a CPA or PA except as provided for under 801-030-0005(3) and (4).

Stat. Auth.: ORS 673.445

Stats. Implemented: ORS 673.445

Hist.: 1AB 1-1978, f. & ef. 1-11-78; AB 4-1994, f. & cert. ef. 9-27-94; AB 2-1995, f. & cert. ef. 3-22-95; AB 2-1996, f. & cert. ef. 9-25-96; BOA 6-1998, f. & cert. ef. 7-29-98

**801-030-0010**

**Competence and Technical Standards**

(1) **Rule 201 — Competence.** A licensee shall not undertake any engagement for the performance of professional services which he or she cannot reasonably expect to complete with due professional competence, including compliance, where applicable, with Rules 202 and 203.

(2) **Rule 202 — Auditing standards.** A licensee shall not permit his or her name to be associated with financial statements in such a manner as to imply that he or she is acting as an independent public accountant with respect to such financial statements unless he or she has complied with applicable generally accepted auditing standards. Statements on Auditing Standards issued by the American Institute of Certified Public Accountants, and other pronouncements having similar generally recognized authority, are considered to be interpretations of generally accepted auditing standards, and departures therefrom must be justified by those who do not follow them.

(3) **Rule 203 — Accounting principles.** A licensee shall not express an opinion that financial statements are presented in conformity with generally accepted accounting principles if such financial statements contain any departure from such accounting principles which has a material effect on the financial statements taken as a whole, unless the licensee can demonstrate that by reason of unusual circumstances the financial statements would otherwise have been misleading. In such a case, the licensee's report must describe the departure, the approximate effects thereof, if practicable, and the reasons why compliance with the principle would result in a misleading statement. For purposes of this rule, generally accepted accounting principles are considered to be defined by pronouncements issued by the Financial Accounting Standards Board and its predecessor entities and similar pronouncements issued by other entities having similar generally recognized authority.

(4) **Rule 204 — Other professional standards.** A licensee, in the performance of management advisory services or accounting and review services, shall conform to the professional standards applicable to such services. For purposes of this rule such professional standards are considered to be defined by Statements on Management Advisory Services and Statements for Accounting and Review Services, respectively, in each instance issued by the American Institute of Certified Public Accountants, and by similar pronouncements by other entities having generally recognized authority.

Stat. Auth.: ORS 670 & ORS 673

Stats. Implemented: ORS 673.445

Hist.: 1AB 1-1978, f. & ef. 1-11-78; AB 3-1989, f. & cert. ef. 1-25-89; AB 4-1994, f. & cert. ef. 9-27-94

**801-030-0015**

**Responsibilities to Clients**

(1) Rule 301 — Confidential client information: A licensee shall not without the consent of his or her client disclose any confidential information pertaining to his or her client obtained in the course of performing professional services. This rule does not:

(a) Relieve a licensee of any obligations under Rules 202 and 203;

(b) Affect in any way a licensee's obligation to comply with a validly issued subpoena or summons enforceable by order of a court;

(c) Prohibit disclosures in the course of a quality review of a licensee's professional services;

(d) Preclude a licensee from responding to any inquiry made by the Board or any investigative or disciplinary body established by law or formally recognized by the Board;

(e) Members of the Board and professional practice reviewers shall not disclose any confidential client information which comes to their attention from licensees in disciplinary proceedings or otherwise in carrying out their responsibilities, except that they may furnish such information to an investigative or disciplinary body of the kind referred to above.

(2) Rule 302 — Records:

(a) Prior to issuance of a tax return, financial statement, report or other document prepared by a licensee for a client, a licensee shall, upon request made within a reasonable time, furnish to the client or former client any accounting or other records belonging to, or obtained from or on behalf of, the client which the licensee removed from the client's premises or received for the client's account, but the licensee may make and retain copies of such documents when they form the basis for work done by the licensee;

(b) Upon request made within a reasonable time after original issuance of the document in question, a licensee shall furnish to a client or former client:

(A) A copy of a tax return, financial statement, report, or other document, issued by the licensee to or for such client;

(B) Any accounting or other records belonging to, or obtained from or on behalf of, the client which the licensee removed from the client's premises or received for the client's account, but the licensee may make and retain copies of such documents when they form the basis for work done by the licensee;

(C) A copy of documents, schedules or entries prepared by the licensee which would ordinarily be required to support a tax return, financial statement, report or other document issued by the licensee to or for such client, if they are necessary to complete the client's records and are not otherwise available to the client; and

(D) A licensee is not required to furnish records to a client or former client more than once.

Stat. Auth.: ORS 670 & ORS 673

Stats. Implemented: ORS 673.445

Hist.: 1AB 1-1978, f. & ef. 1-11-78; 1AB 2-1984, f. & ef. 5-21-84; AB 4-1994, f. & cert. ef. 9-27-94

**801-030-0020**

**Other Responsibilities and Practices**

(1) **Professional Misconduct:**

(a) A licensee shall not commit any act or engage in any conduct that reflects adversely on the licensee's fitness to practice public accounting.

(b) Professional misconduct may be established by reference to acts or conduct that reflect moral turpitude or to acts or conduct which would cause a reasonable person to have substantial doubts about the individual's honesty, fairness and respect for the rights of others and for the laws of the state and the nation. The acts or conduct in question must be rationally connected to the person's fitness to practice public accounting.

(c) A licensee shall not act in a way that would cause the licensee to be disciplined by a federal or state agency or other board of accountancy for violation of laws or rules on ethics.

(2) **Verification of applicant's experience.** A licensee shall respond to the Board and not make any false or misleading state-

ment as to the material matters in the certification of an applicant's experience.

(3) **Acting through others.** A licensee shall not permit others to carry out on the licensee's behalf, either with or without compensation, acts which, if carried out by the licensee, would place the licensee in violation of the Code of Professional Conduct.

(4) **Public Communications; Advertising.** A licensee shall not use or participate in the use of any form of public communication, including advertising or soliciting by direct personal communication, having reference to the licensee's professional services which contains a false, fraudulent, misleading, or deceptive statement or claim. A false, fraudulent, misleading, or deceptive statement or claim includes, but is not limited to, a statement or claim which:

(a) Contains a misrepresentation of fact;

(b) Is likely to mislead or deceive because it fails to make full disclosure of relevant facts;

(c) Contains any testimonial or laudatory statement, or other statement or implication about the services that is not based on verifiable fact;

(d) Is intended or likely to create false or unjustified expectations of favorable results;

(e) Implies educational or professional attainments or licensure recognition not supported in fact;

(f) States or implies that the licensee has received formal recognition as a specialist in any aspect of the practice of public accounting, if this is not the case;

(g) Represents that professional services can or will be competently performed for a stated fee when this is not the case, or makes representations with respect to fees for professional services that do not disclose all variables affecting the fees that will in fact be charged; or

(h) Contains other representations or implications that would be likely to cause a reasonable person to misunderstand or be deceived.

(5) A licensee shall not represent that the licensee is a member of any professional society, association, organization or an association of firms, or that the licensee has a correspondent relationship with another Certified Public Accountant or firm, if such representation contains a false, fraudulent, misleading, or deceptive statement or claim within the meaning of OAR 801-030-0020(3).

(6) **Form of practice:**

(a) A licensee may practice public accounting only in a proprietorship, a partnership, a professional corporation, or any other business form, organized in accordance with statutory provisions.

(b) A licensee shall not enter into a partnership, or any other business form with a non-licensee to practice public accounting, or use public accounting titles or designations which represent to the public that a public accounting partnership exists for the practice of public accounting.

(c) Any branch office shall be managed by a licensee holding a permit issued under ORS 673.150 to practice public accounting who shall be in residence at the branch office, on a full-time basis, during the time the branch office is open to the public. A licensee operating a branch office is responsible for managing the office, staff, and services rendered to the public. A licensee who is unable to personally manage the office on a full-time basis must submit for advance approval by the Board a written outline of the circumstances and proposed arrangements to adequately supervise the branch office.

(7) **Firm names:**

(a) A licensee shall not practice public accounting under a firm name which is misleading in any way as to the legal form of the firm, or as to the persons who are partners, officers, shareholders, owners, members or comparable person of the firm, or as to any matter with respect to which public communications are restricted by OAR 801-030-0020(3).

(b) A Certified Public Accountant in individual practice may use in a title or designation the individual's name in the singular

form, which may be followed by the title "Certified Public Accountant."

(c) A Public Accountant in individual practice may use in a title or designation the individual's name in the singular form, which may be followed by the title "Public Accountant."

(d) A Certified Public Accountant in the individual practice of public accounting, in a partnership of Certified Public Accountants registered under ORS 673.090, in a professional corporation registered under ORS 58.345, or in any other business form registered under ORS 673.160(2) may use a plural title or designation, including words like "company," "and company," and "associates," and the plural form "accountants," only if the Certified Public Accountant employs at least one staff person, working a minimum of 20 hours per week, who has received a certificate as a Certified Public Accountant, which is not revoked, suspended, lapsed, or inactive and holds a permit issued under ORS 673.150, which is not revoked, suspended, lapsed or inactive.

(e) A Public Accountant in the individual practice of public accounting, in a partnership of Public Accountants registered under ORS 673.130, in a professional corporation registered under ORS 58.345, or in any other business form registered under ORS 673.160(2) may use a plural title or designation, including words like "company," "and company," and "associates," and the plural form "accountants," only if the Public Accountant employs at least one staff person, working a minimum of 20 hours per week, who is a Public Accountant and holds a permit issued under ORS 673.150 which is not revoked, suspended or lapsed, or unless such person has received a certificate as a Certified Public Accountant and holds a permit issued under ORS 673.150 which is not revoked, suspended, lapsed or inactive.

(f) A Certified Public Accountant or Public Accountant in individual practice, in a partnership, a professional corporation, or in any other business form which uses a plural title or designation in accordance with subsection (d) or (e) of this section shall file with the Board a copy, certified by the Corporation Commissioner, of the assumed business name registration required to be filed with the Corporation Division, and shall notify the Board in writing of any change of address or parties of interest within 30 days of any such change.

(g) A Certified Public Accountant or Public Accountant in individual practice, in a partnership, a professional corporation, or in any other business form which uses a plural title or designation in accordance with subsection (d) or (e) of this section shall file with the Board at the time of payment of the permit renewal fee a list of the name and certificate or license numbers of all licensed staff persons employed by the individual or entity.

(h) If at any time a Certified Public Accountant or Public Accountant in individual practice, as a proprietor, in a partnership, a professional corporation, or in any other business form which uses a plural title or designation in accordance with subsection (d) or (e) of this section no longer employs full-time licensed staff person and therefore does not meet the requirements of subsection (d) or (e) of this section, the licensee shall within 90 days of the date thereof:

(A) Employ a licensed staff person, working a minimum of 20 hours per week, and notify the Board in writing of compliance with subsection (d) or (e) of this section; or

(B) Cease using a plural title or designation and so notify the Board in writing, unless an extension of the 90-day period is applied for and approved by the Board.

(i) Names of one or more past partners, shareholders or owners, members or comparable persons may be included in the firm name of a partnership, professional corporation, or any other business form or its successor, and a partner or owners, members or comparable person surviving the death or withdrawal of all other partners or owners, members or comparable persons may continue to practice under a partnership, or other business form name provided that the firm meets the requirements of subsection (d) or (e) of this section.

(j) Firm names may contain or be solely made up of initials or a fictitious name in lieu of persons names and must meet the

requirements of subsections (i) and (k) of this section. The abbreviated name must:

(A) Contain no false or misleading language about the business form of the firm, the nature of its services or the identity of its individual members;

(B) Not improperly include information about, or indicate association with individuals who are not members of the firm;

(C) Not spell a word; and

(D) Not form an acronym that would be misleading to the public.

(k) The form of a partnership, professional corporation or other business form must contain words or abbreviations identifying the firm's business type as required by the laws under which the partnership, professional corporation or other business form is organized.

(8) **Board Communications.** A licensee shall, when requested, respond in writing to communications from the Board within twenty-one days of the mailing of such communications to the last known address or addresses furnished to the Board by licensee and appearing in the Board's licensing records and files.

(9) **Notification of Change of Address.**

(a) It shall be mandatory for every licensee to:

(A) File with the Board at the time of the payment of the renewal fee the licensee's business street address, residence address and business connection or employer; and

(B) Notify the Board in writing within twenty-one days of any change of address or business connection or employer occurring during the renewal period. This change may be sent to the Board office by mail, fax, e-mail, internet, or in person. Address changes are not accepted over the telephone.

(b) A post office box or mail service are not acceptable unless a street address is also provided.

(10) **School Loan Defaults:** In accordance with ORS 348.393 to 348.399, the Board shall provide the Oregon State Scholarship Commission ("Commission") with certification and licensing information which may be electronically cross-matched with the Commission's postdefault database.

(a) The Board shall refuse to issue or renew, or shall suspend, the certificate or license and permit to practice of a licensee if the licensee is in default on any student loan guaranteed or insured by the Commission and is not paying in a satisfactory manner as determined by the Commission and in accordance with federal regulations.

(b) Pursuant to ORS 348.393(3), the Board shall notify the certificate or license and permit holder of the action being taken against the license at the direction of the Commission, and shall refer the individual to the Commission for resolution.

(c) Upon notification by the Commission and receipt of a release notice that the individual has met satisfactory borrower repayment status, the Board shall issue, renew, or reinstate the certificate or license and permit to practice of a licensee upon compliance with any additional Board qualifications for issuance, renewal or reinstatement.

(11) **Child Support Defaults:** In accordance with ORS 25.750 to 25.783, the Board shall provide the Support Enforcement Division of the Department of Justice with certification and licensing information which may be electronically cross-matched with Support Enforcement Division's records for persons under order of judgment to pay monthly child support and who are in arrears according to ORS 25.750(a), (b), and/or (c).

(a) The Board shall suspend the certificate or license and permit to practice if the Support Enforcement Division or the District Attorney identifies the individual holding a certificate or license and permit to practice as being in arrears with respect to any judgment or order requiring the payment of child support and that the case is being enforced under the provisions of ORS 25.080.

(b) Pursuant to ORS 25.762 or 25.765, the Board shall notify the certificate or license and permit holder of the action being taken and refer the person to the Support Enforcement Division or the District Attorney for resolution.

(c) Upon notification by the Support Enforcement Division or District Attorney and receipt of a release notice that the condi-

tions resulting in the action no longer exist, the Board shall reinstate the certificate or license and permit to practice upon compliance with any additional qualifications for renewal or reactivation.

(12) **State Tax Defaults:** In accordance with ORS 305.385, the Board shall provide the Department of Revenue ("Department"), upon request, with certification and licensing information to determine if the holder has neglected or refused to file any return or to pay any tax without filing a petition with the Department as stated in ORS 305.385(4)(a).

(a) The Board shall propose to take action against a licensee holding a certificate or license and permit to practice identified by the Department. Where the Board proposes to refuse to issue, renew or suspend a certificate or license, opportunity for hearing shall be accorded as provided in ORS 183.310 to 183.550 for contested cases.

(b) Upon notification by the Department and receipt of a certificate issued by the Department that the certificate/license holder is in good standing with respect to any returns due and taxes payable to the Department as of the date of the certificate, the Board shall renew or reinstate the certificate or license and permit to practice upon compliance with any additional Board qualifications for renewal or reinstatement.

Stat. Auth.: ORS 673.445

Stats. Implemented: ORS 673.445

Hist.: 1AB 1-1978, f. & ef. 1-11-78; 1AB 1-1981, f. 1-6-81, ef. 6-1-81; 1AB 3-1981, f. & ef. 1-6-81; 1AB 2-1984, f. & ef. 5-21-84; 1AB 3-1986, f. & ef. 11-17-86; AB 3-1989, f. & cert. ef. 10-3-89; AB 6-1993(Temp), f. 11-2-93, cert. ef. 11-4-93; AB 1-1994, f. & cert. ef. 1-21-94; AB 3-1994, f. & cert. ef. 8-10-94; AB 4-1994, f. & cert. ef. 9-27-94; AB 3-1996, f. & cert. ef. 9-25-96; BOA 6-1998, f. & cert. ef. 7-29-98; BOA 1-1999, f. & cert. ef. 1-20-99; BOA 5-1999, f. & cert. ef. 7-23-99

## DIVISION 40

### CONTINUING PROFESSIONAL EDUCATION

#### 801-040-0010

##### Basic Requirements

(1) Each biennial renewal period, Certified Public Accountants and Public Accountants who apply to renew their permits under ORS 673.150 shall report with their renewal application form satisfactory evidence of having completed 80 hours of continuing education as defined in OAR 801-040-0030, unless those requirements have been waived.

(2) No less than 24 hours of the required 80 hours of continuing education shall be completed in each year of the renewal period. Carry forward hours do not count toward the 24 hours required in each year.

(3) To be eligible for credit, hours must be completed during the two-year period immediately preceding the renewal date, except for carryover hours as defined in section (4) of this rule.

(4) In fulfilling renewal requirements for any period, a licensee may use a maximum of 20 hours carry forward from the previous period.

(5) Each active licensee is required to successfully complete and report to the Board four hours of CPE in the subject area of professional conduct and ethics, taken from a sponsor registered with the Board, with specific application to the practice of public accounting in Oregon. Four hours of professional conduct and ethics CPE must be reported every four years beginning with the renewal period beginning July 1, 2000 for even-numbered licensees and July 1, 2001 for odd-numbered licensees. The hours of professional conduct and ethics CPE shall be a part of the total requirement for CPE. The course content shall include all of the following:

(a) Review and update of Oregon Board of Accountancy Administrative Rules and Revised Statutes.

(b) Information which will provide an understanding of how the statutes and rules and case law relate to current practice situations.

(c) Review of Oregon's Code of Professional Conduct as it relates to professional responsibility.

(d) Discussion of recent relevant cases on ethics and professional responsibilities for the accounting profession.

(6) If a licensee in another state that has a professional conduct and ethics CPE requirement, and the licensee has an office where their primary place of business is in another state, the licensee must comply with that state's professional conduct and ethics CPE requirement. If the licensee complies with the other state's requirement, then this course will be accepted in Oregon, and must be listed on Oregon's renewal report. If a licensee is licensed in another state and their primary place of business is in the other state, and the other state does not have a professional conduct and ethics CPE requirement, then the licensee must complete a professional conduct and ethics course from a sponsor registered in Oregon.

Stat. Auth.: ORS 673.165

Stats. Implemented: ORS 673.165

Hist.: 1AB 1-1985, f. & ef. 3-21-85; AB 5-1991, f. & cert. ef. 7-1-91; AB 1-1994, f. & cert. ef. 1-21-94; AB 4-1994, f. & cert. ef. 9-27-94; BOA 5-1999, f. & cert. ef. 7-23-99

#### 801-040-0020

##### Controls and Reporting

(1) An applicant to renew a permit under ORS 673.150 shall file a signed statement, provided by the Board, of the continuing education programs which the applicant claims to be acceptable.

(2) To obtain credit, the following program information pertaining to the continuing education program must be provided:

(a) School, firm, or organization conducting the program;

(b) Title of program or description of content;

(c) Dates attended or completed;

(d) Hours claimed.

(3) To obtain credit for published articles and books, the following information must be provided:

(a) Publisher;

(b) Title of publication;

(c) Description of content;

(d) Dates of publication;

(e) Hours claimed.

Stat. Auth.: ORS 673.165

Stats. Implemented: ORS 673.165

Hist.: 1AB 1-1985, f. & ef. 3-21-85; AB 6-1992, f. & cert. ef. 8-10-92; AB 4-1994, f. & cert. ef. 9-27-94; BOA 2-1999, f. & cert. ef. 2-22-99

#### 801-040-0030

##### Programs Which Qualify

(1) The overriding consideration in determining whether a specific program qualifies as acceptable continuing education is that it be a formal program of learning which contributes directly to the professional competence of the individual. It is the obligation of each licensee to select a course of study which will contribute to his or her professional competence as a Certified Public Accountant or Public Accountant. Courses shall be taken in a variety of topic areas which are relevant to a licensee.

(2) Continuing education programs will qualify only if:

(a) An outline of the program is prepared in advance and preserved;

(b) The program is at least one hour (fifty minute period) in length;

(c) The program is conducted by a qualified instructor; and

(d) A record of attendance is maintained.

(3) A qualified instructor or discussion leader is a person whose background, training, education, or experience makes it appropriate for the person to lead a discussion on the subject matter of the particular program.

(4) The following programs qualify provided they meet the requirements of OAR 801-040-0030(2):

(a) Professional development programs of recognized national and state accounting organizations;

(b) Technical sessions at meetings of recognized national and state accounting organizations and their chapters;

(c) University or college courses;

(A) Credit courses. Each semester hour credit shall equal 15 hours toward the requirement. Each quarter hour credit shall equal 10 hours.

(B) Non-credit short courses. Each classroom hour shall equal one qualifying hour.

(d) Formal organized in-firm educational programs;

(e) Programs sponsored by other recognized organizations regularly providing educational programs.

(5) Effective the reporting period beginning July 1, 2000, for even numbered licensees and July 1, 2001, for odd numbered licensees, sponsors of formal correspondence or other individual study programs must be approved by the NASBA Quality Assurance Service (QAS). Credit for courses taken from NASBA Quality Assurance Service sponsors will be awarded in an amount equal to the average completion time. Credit from non-approved sponsors is not acceptable for CPE credit as required in OAR 801-040-0040(1) and (2). Courses ordered before the effective date of this rule from a non-QAS approved sponsor will be granted a one-year extension, which ends June 30, 2001, to complete and receive proof-of-completion for the course. Courses ordered before the effective date of this rule from a non-QAS approved sponsor will be granted a one-year extension, which ends 6/30/2001, to complete and receive proof-of-completion for the course. Professional Conduct and Ethics self-study CPE that is required and registered with the Board, will be exempt from the QAS requirement. Credit for the registered self-study Professional Conduct and Ethics CPE will be awarded in an amount equal to the average completion time.

(6) Programs that do not qualify for CPE include:

(a) Ethics courses required for licensure; and

(b) Any CPA exam review or study courses.

Stat. Auth.: ORS 673.165

Stats. Implemented: ORS 673.165

Hist.: 1AB 1-1985, f. & ef. 3-21-85; AB 1-1994, f. & cert. ef. 1-21-94; AB 2-1996, f. & cert. ef. 9-25-96; BOA 1-1999, f. & cert. ef. 1-20-99; BOA 5-1999, f. & cert. ef. 7-23-99

#### 801-040-0040

##### Acceptable Subject Matter

(1) The following technical subject matters are acceptable, so long as they meet the requirement of OAR 801-040-0030:

(a) Accounting and auditing and assurance services;

(b) Taxation;

(c) Business advisory services;

(d) Computer science;

(e) Mathematics, statistics, probability, and quantitative applications in business;

(f) Economics;

(g) Business law;

(h) Finance;

(i) Specialized areas of industry and commerce;

(j) Professional ethics;

(k) Assessment of the achievement of objectives of entities;

(l) Preparing working papers;

(m) Information systems and transactions streams;

(n) Risk assessment and verification skills;

(o) Decision making, problem solving and critical thinking skills in the context of analysis; and

(p) Communication skills.

(2) Subject matter other than those listed in section (1) of this rule are non technical and limited to no more than 16 hours per renewal period and may be acceptable if the licensee can show to the satisfaction of the Board that they contribute to the licensee's professional competence. Subjects under this section may include:

(a) Interpersonal management skills;

(b) Public relations;

(c) Practice development; and

(d) Practice administration.

(3) The above lists are illustrative, but not conclusive of acceptable technical and non-technical subject matter. The responsibility for substantiating that a particular program is acceptable and meets the requirements rests solely with the licensee.

(4) Non-technical hours cannot be carried forward.

Stat. Auth.: ORS 673.165

Stats. Implemented: ORS 673.165

Hist.: 1AB 1-1985, f. & ef. 3-12-85; AB 5-1991, f. & cert. ef. 7-1-91; AB 4-1994, f. & cert. ef. 9-27-94; AB 1-1996, f. & cert. ef. 1-29-96; BOA 1-1999, f. & cert. ef. 1-20-99; BOA 2-1999, f. & cert. ef. 2-22-99

#### 801-040-0050

##### Credit Hours Granted

(1) Credit shall be given for actual hours attended.

(2) Only class hours, or the equivalent, will be counted.

(3) Student hours devoted to preparation are not acceptable.

(4) Travel time is not acceptable.

(5) Continuing education credit will be given for whole hours only, with a minimum of 50 minutes constituting one hour. As an example, 100 minutes of continuous instruction shall count for two hours; however, more than 50 but less than 100 minutes of continuous instruction shall count only for one hour.

(6) **Credit for Individual Study Programs:**

(a) In determining the amount of credit to be allowed for specific correspondence and individual study programs, including taped study programs, the Board may review the equivalency of the program to a comparable seminar or a comparable course for credit in an accredited educational institution. Generally, one-half of the average completion time is the recommended credit allowed;

(b) Licensees claiming credit for individual study programs must obtain evidence of satisfactory completion of the course from the program sponsor; and

(c) Credit shall be allowed for the completion date as specified on the proof-of-completion.

(7) **Credit for Service as Lecturer, Discussion Leader, or Speaker:**

(a) Credit as an instructor, discussion leader, or speaker shall be allowed for any meeting or engagement provided that the session is one which would meet the continuing education requirements of the participants;

(b) Credit for one hour continuing education shall be awarded for each hour completed as an instructor or discussion leader only to the extent that it increases the instructor's professional competence;

(c) The credit allowed an instructor, discussion leader, or a speaker shall be on the basis of two hours for subject preparation for each hour of teaching;

(d) Credit shall be allowed for the first time a course is taught. No credit is allowed for repeat presentations unless an instructor can demonstrate that the program content was substantially changed and such change required significant additional study or research;

(e) The maximum credit allowed for preparation and teaching under this section and for published articles in the following section together shall not exceed one-half of the renewal period requirement; and

(f) Credit for licensees attending not as instructors, discussion leaders, or speakers is limited to the actual meeting time.

(8) **Credit for Published Articles:**

(a) Credit may be allowed for published articles and books provided it contributes to the professional competence of the licensee;

(b) The maximum credit for published articles, which may be given on a self-declaration basis, under this section and for preparation and teaching under the previous section together shall not exceed one-half of the renewal period requirement;

(c) In exceptional circumstances, a licensee may request additional credit by submitting the article(s) or book(s) to the Board with an explanation of the circumstances which the licensee believes justify greater credit. The Board shall determine whether additional credit is allowed.

(9) **Credit for any Board approved Quality Review Committee:** Members of any Board approved Quality Review Committee shall be awarded two hours of continuing education credit per meeting up to 16 hours per year of the renewal period requirement for committee activities.

(10) **Credit for Complaints Committee Members:** Members of the Board's Complaints Committee shall be allowed one hour of continuing education credit per meeting attended up to eight hours per year of the renewal period requirement.

(11) **Credit for Quality Reviews:**

(a) Persons who conduct quality reviews on behalf of any Board approved quality review program shall be allowed continuing education credit up to 16 hours per year of the renewal period requirement;

(b) Persons who review reports on behalf any Board approved quality review program shall be allowed two hours of continuing education credit per report reviewed up to 16 hours per year of the renewal period requirement.

(12) **Credit for Government Finance Officers Association (GFOA) Certificate of Achievement program:** Persons who review reports for the Government Finance Officers Association(GFOA) Certificate of Achievement program shall be allowed up to 16 hours of continuing education per year of the renewal period.

Stat. Auth.: ORS 673.165

Stats. Implemented: ORS 673.165

Hist.: 1AB 1-1985, f. & ef. 3-21-85; AB 5-1991, f. & cert. ef. 7-1-91; AB 7-1992, f. & cert. ef. 12-15-92; AB 4-1993, f. & cert. ef. 5-14-93; AB 4-1994, f. & cert. ef. 9-27-94; AB 5-1995, f. & cert. ef. 8-22-95; AB 4-1997, f. & cert. ef. 7-25-97; BOA 1-1998, f. & cert. ef. 1-26-98; BOA 6-1998 f. & cert. ef. 7-29-98; BOA 2-1999, f. & cert. ef. 2-22-99; BOA 5-1999, f. & cert. ef. 7-23-99

**801-040-0060**

**Evidence of Completion**

(1) Responsibility for documenting the acceptability of the program and the validity of credit rests with the applicant.

(2) Documentation shall be obtained from the sponsor and shall be retained for a period of five years after the completion of the program.

(3) Satisfaction of the requirements under OAR 801-040-0030(2), including the retention of attendance records and written outlines, shall be accomplished as follows:

(a) Copy of the course outline prepared by the course sponsor along with the information required by OAR 801-040-0030(2).

(b) Proof-of-completion or attendance documents must contain the sponsor name, course title, dates attended or completed and the number of hours earned.

(c) In the case of courses taken for academic credit from accredited universities and colleges, evidence of satisfactory completion of the course will be sufficient.

(d) For non-academic courses taken, a statement of the hours of attendance is required.

(e) For formal individual study program, written evidence of completion is required.

Stat. Auth.: ORS 673.165

Stats. Implemented: ORS 673.165

Hist.: 1AB 1-1985, f. & ef. 3-21-85; AB 1-1995, f. & cert. ef. 1-25-95; BOA 2-1999, f. & cert. ef. 2-22-99; BOA 4-1999, f. & cert. ef. 7-23-99; BOA 5-1999, f. & cert. ef. 7-23-99

**801-040-0070**

**Verification**

The Board will verify information submitted by licensees on a test basis. If an application for renewal or reinstatement is not approved, the applicant will be so notified, and the applicant may be granted a period of time by the Board in which to correct the deficiencies noted.

Stat. Auth.: ORS 670 & ORS 673

Stats. Implemented: ORS 673.165

Hist.: 1AB 1-1985, f. & ef. 3-21-85; AB 4-1994, f. & cert. ef. 9-27-94

**801-040-0080**

**Reciprocity**

A person who is issued a certificate by reciprocity under ORS 673.080 is required to comply with the continuing education requirement from the date of issuance of the permit on a pro rata basis computed at 3-1/3 hours per month to June 30 of the renewal period in which the permit is issued. Hours earned prior to the date of issuance of the permit are eligible for credit to meet this

requirement provided the hours were earned within the renewal period in which the person's initial permit to practice public accounting was issued.

Stat. Auth.: ORS 670 & ORS 673

Stats. Implemented: ORS 673.165

Hist.: 1AB 1-1985, f. & ef. 3-21-85; AB 5-1991, f. & cert. ef. 7-1-91

**801-040-0090**

**Reinstatement Requirements/Lapsed to Active Status**

(1) A person who applies to reinstate a permit to practice public accounting shall comply with the appropriate continuing education requirements set forth in this rule prior to reinstatement. Application shall be made on a form provided by the Board.

(2) A person who applies for reinstatement from lapsed to active status within the two-year renewal period immediately following expiration of an active permit, shall report with the application:

(a) The number of hours of qualifying continuing education credit required to renew the permit at its expiration date; and

(b) An additional 16 hours of qualifying continuing education as required by OAR 801-040-0160(1).

(3) A person who applies for reinstatement after two years and less than five years after expiration of the person's active permit shall report with the application:

(a) 80 hours of qualifying continuing education credit completed within the 12 month period immediately preceding the date of application which shall include at least 24 hours of qualifying continuing education courses in financial accounting and reporting and, after July 1, 2001, complete four hours of qualifying continuing education courses in professional conduct and ethics; and

(b) Comply with continuing education requirements on a pro rata basis computed at 3-1/3 hours per month from the date of reinstatement to the end of the renewal period in which reinstatement occurs.

(4) A person who applies for reinstatement more than five years after expiration of the person's active permit shall report with the application:

(a) 160 hours of qualifying continuing education credit completed within the 24-month period immediately preceding the date of the application which shall include at least 48 hours of qualifying continuing education courses in financial accounting and reporting and, after July 1, 2001, complete four hours of qualifying continuing education courses in professional conduct and ethics; and

(b) Comply with continuing education requirements on a pro rata basis computed at 3-1/3 hours per month from the date of reinstatement to the end of the renewal period in which reinstatement occurs; or

(c) In lieu of reporting continuing education required by subsection (4)(a) and (b) of this section, a person who applies for reinstatement under this section may elect to take and pass the Uniform CPA examination within the five years immediately preceding the date of application. A person who elects this option must meet the conditioning requirements of OAR 801-010-0060.

(5) A person whose certified public accountant certificate, public accountant license or permit to practice public accounting is suspended or revoked under ORS 673.170 and whose certificate or license and permit are subsequently reinstated by the Board shall meet the reinstatement requirements set forth in this rule.

(6) A person who is retired and is granted a waiver of continuing education requirements under OAR 801-040-0150(1) who subsequently applies to return to public accounting practice shall meet the reinstatement requirements set forth in this rule and shall obtain approval of the Board before any public accounting services are performed.

(7) A person who applies for reinstatement from lapsed or inactive status to active status after two years of the expiration of the person's active permit and holds a certified public accountant certificate and a permit to practice issued under the laws of any state or U.S. Territory, which certificate and permit are currently valid and unrevoked, shall report with the application:

(a) Proof that the applicant holds a certified public accountant certificate and a permit to practice; and

(b) Comply with continuing education requirements on a pro rata basis computed at 3-1/3 hours per month from the date of reinstatement to the end of the renewal period in which reinstatement occurs.

Stat. Auth.: ORS 673.165

Stats. Implemented: ORS 673.165

Hist.: 1AB 1-1985, f. & ef. 3-21-85; AB 5-1991, f. & cert. ef. 7-1-91; AB 1-1994, f. & cert. ef. 1-21-94; AB 3-1994, f. & cert. ef. 8-10-94; AB 4-1994, f. & cert. ef. 9-27-94; AB 2-1996, f. & cert. ef. 9-25-96; AB 1-1997, f. & cert. ef. 1-28-97; BOA 1-1998, f. & cert. ef. 1-26-98; BOA 2-1999, f. & cert. ef. 2-22-99; BOA 5-1999, f. & cert. ef. 7-23-99

**801-040-0095**

**Reinstatement Requirements/Inactive to Active Status**

(1) A person who applies to reinstate a permit to practice public accounting shall comply with the appropriate continuing education requirements set forth in this rule prior to reinstatement. Application shall be made on a form provided by the Board.

(2) A person who applies for reinstatement from inactive to active status within the two-year renewal period immediately following when the permit was placed on inactive status, shall report with the application the number of hours of qualifying continuing education credit required to renew the permit at its expiration date.

(3) A person who applies for reinstatement to active status after two years and less than five years after their permit was placed on inactive status shall report with the application:

(a) 80 hours of qualifying continuing education credit completed within the 12-month period immediately preceding the date of application which shall include at least 24 hours of qualifying continuing education courses in financial accounting and reporting and, after July 1, 2001, complete four hours of qualifying continuing education courses in professional conduct and ethics; and

(b) Comply with continuing education requirements on a pro rata basis computed at 3-1/3 hours per month from the date of reinstatement to the end of the renewal period in which reinstatement occurs.

(4) A person who applies for reinstatement to active status more than five years after their permit was placed on inactive status shall report with the application:

(a) 160 hours of qualifying continuing education credit completed within the 24-month period immediately preceding the date of the application which shall include at least 48 hours of qualifying continuing education courses in financial accounting and reporting and, after July 1, 2001, complete four hours of qualifying continuing education courses in professional conduct and ethics; and

(b) Comply with continuing education requirements on a pro rata basis computed at 3-1/3 hours per month from the date of reinstatement to the end of the renewal period in which reinstatement occurs; or

(c) In lieu of reporting continuing education required by subsection (4)(a) and (b) of this section, a person who applies for reinstatement under this section may elect to take and pass the Uniform CPA examination within the five years immediately preceding the date of application. A person who elects this option must meet the requirements of OAR 801-010-0060.

(5) A person whose certified public accountant certificate, public accountant license or permit to practice public accounting is suspended under ORS 673.170, and whose certificate or license and permit are subsequently reinstated by the Board, shall meet the reinstatement requirements set forth in this rule.

(6) A person who is retired and is granted a waiver of continuing education requirements under OAR 801-040-0150(1) who subsequently applies to return to public accounting practice shall meet the reinstatement requirements set forth in this rule and shall obtain approval of the Board before any public accounting services are performed.

(7) A person who applies for reinstatement from inactive to active status after two years of the expiration of the person's active permit and holds a certified public accountant certificate and a permit to practice issued under the laws of any state or US

Territory, which certificate and permit are currently valid and unrevoked, shall report with the application:

(a) Proof that the applicant holds a certified public accountant certificate and a permit to practice; and

(b) Comply with the continuing education on a pro rata basis computed at 3-1/3 hours per month from the date of reinstatement to the end of the licensee's renewal period in which reinstatement occurs.

Stat. Auth.: ORS 673.165

Stats. Implemented: ORS 673.165

Hist.: AB 2-1996, f. & cert. ef. 9-25-96; BOA 1-1998, f. & cert. ef. 1-26-98; BOA 5-1999, f. & cert. ef. 7-23-99

**801-040-0100**

**New Permits**

(1) A person who receives an initial permit to practice public accounting in Oregon shall comply with the continuing education requirements from the date of issuance of the permit on a pro rata basis computed at 3-1/3 hours per month to June 30 of the renewal period in which the permit is issued. Hours earned prior to the date of issuance of the permit are eligible for credit to meet this requirement provided the hours were earned within the renewal period in which the person's initial permit to practice public accounting was issued.

(2) A person who receives an initial certificate and permit to practice public accounting as a certified public accountant who, at the time of issuance, holds a permit to practice public accounting as an Oregon Public Accountant, shall, in addition to the requirement specified in this rule, report 3-1/3 continuing education hours for each month of the renewal period during which the person held a permit as a Public Accountant.

Stat. Auth.: ORS 670 & ORS 673

Stats. Implemented: ORS 673.150

Hist.: 1AB 1-1985, f. & ef. 3-21-85; AB 4-1989, f. & cert. ef. 3-13-89; AB 4-1994, f. & cert. ef. 9-27-94

**801-040-0150**

**Exceptions**

For licensees other than inactive status under OAR 801-010-0120, the Board may waive continuing education requirements if:

(1) Reasons of health, certified by a medical doctor, prevent compliance by the licensee; or

(2) A licensee who is on extended active military duty, does not practice public accounting during the renewal period, and files a copy of orders to active military duty with the Board; or

(3) Other good cause exists. Cases of individual hardship will be reviewed by the Board on a case-by-case basis.

Stat. Auth.: ORS 670 & ORS 673

Stats. Implemented: ORS 673.165(5)

Hist.: 1AB 1-1985, f. & ef. 3-21-85; AB 5-1991, f. & cert. ef. 7-1-91; AB 4-1994, f. & cert. ef. 9-27-94

**801-040-0160**

**Failure to Comply**

(1) A person who applies to renew a permit and who fails to complete the required number of continuing education hours within the appropriate period, or who fails to file the required report of continuing education on or before its due date, shall be required to complete an additional 16 hours of qualifying continuing education before the Board will approve an application to renew or reinstate.

(2) A licensee who applies to renew a permit issued under ORS 673.150 and who has failed to file with the Board an acceptable report of qualifying continuing education shall be ineligible to renew, unless continuing education requirements have been waived.

Stat. Auth.: ORS 670 & ORS 673

Stats. Implemented: ORS 673.150

Hist.: 1AB 1-1985, f. & ef. 3-21-85; AB 5-1991, f. & cert. ef. 7-1-91; AB 4-1994, f. & cert. ef. 9-27-94

QUALITY REVIEW

801-050-0005

Purpose

The purpose of the quality review program authorized by ORS 673.455 is to monitor compliance with applicable accounting and auditing standards adopted by generally recognized standard-setting bodies as adopted by the Board (OAR 801-005-0010). The program emphasizes education, including appropriate education programs or remedial procedures which may be recommended or required where reporting does not comply with appropriate professional standards. In the event a practice unit/licensee is unwilling or unable to comply with established standards, or a practice unit's licensee's professional work is so egregious as to warrant disciplinary action, the Board shall take appropriate action to protect the public interest.

Stat. Auth.: ORS 670 & ORS 673  
 Stats. Implemented: ORS 673.455  
 Hist.: AB 2-1994, f. & cert. ef. 4-28-94

801-050-0010

Definitions

(1) **Practice Unit** means each permit holder who practices public accounting as an individual or sole proprietor or each separate office of a sole proprietorship, partnership, professional corporation or other business form which practices public accounting, or a governmental organization which employs a permit holder in a public accounting capacity.

(2) **Quality Review** means a study, appraisal, or review of one or more aspects of the professional work of a person or firm in the practice of public accounting, by a person or persons who hold certificates and who are not affiliated with the person or firm being reviewed.

(3) **Quality Review Oversight Committee** means a Board Committee to oversee and monitor alternative quality review programs for compliance and implementation of the minimum standards for performing and reporting on quality reviews.

(4) **Quality Review Executive Committee** means the Quality Review Executive Committee of the American Institute of Certified Public Accountants.

(5) **An accounting and auditing practice** for the purposes of the quality review requirement is defined in the AICPA's *Standards for Performing and Reporting on Peer Reviews* as adopted by the Board.

[Publications: The publication(s) referred to or incorporated by reference in this rule are available from the agency.]  
 Stat. Auth.: ORS 673.455  
 Stats. Implemented: ORS 673.455  
 Hist.: AB 7-1993(Temp), f. 11-2-93, cert. ef. 11-4-93; AB 1-1994, f. & cert. ef. 1-21-94; AB 2-1994, f. & cert. ef. 4-28-94; BOA 6-1998 f. & cert. ef. 7-29-98

801-050-0020

Requirements

(1) Every Certified Public Accountant or Public Accountant holding a permit issued under ORS 673.150 either individually or as part of a partnership registered under ORS 673.090 or 673.130 or as another business form registered under ORS 673.132, shall participate in a quality review program as described in ORS 673.455(1) as a condition of renewal of his or her permit/license.

(2) Individual permit holders may participate in quality review through their firms. If they have an individual practice as well, that practice unit must also participate in a quality review program.

(3) It is the obligation of the practice unit to take all steps necessary to undergo quality review when scheduled.

(4) Any practice unit dropped from a quality review program will have 30 days to enroll in a new program and must have a review every three years.

(5) Practice units located out-of-state must participate in a Board-approved quality review program.

(6) A practice unit is subject to quality review if the practice unit is engaged in an accounting and/or auditing practice as defined in OAR 801-050-0010(5), including, but not limited to

any level compilation, review, audit, agreed-upon procedures, examinations of prospective financial statements, and financial forecasts and projections.

Stat. Auth.: ORS 673.455  
 Stats. Implemented: ORS 673.455  
 Hist.: AB 2-1994, f. & cert. ef. 4-28-94; BOA 6-1998 f. & cert. ef. 7-29-98

801-050-0030

Functions of Quality Review Program

(1) Board of Accountancy Functions:  
 (a) Appoint Quality Review Oversight Committee;  
 (b) Approve alternative quality review programs;  
 (c) Receive reports from Quality Review Oversight Committee;

(d) Appoint Quality Review Committee members;  
 (e) Contract, as necessary, with qualified persons or organizations for any administration or technical review of Board of Accountancy Quality Review Program reviews;

(f) Other actions as appropriate to carry out function of quality review program; and

(g) Act as Quality Review Executive Committee where necessary.

(2) Quality Review Oversight Committee and Functions:

(a) Membership:  
 (A) May consist of three members;  
 (B) No members shall be a current member of the Board of Accountancy;

(C) At least two members must have a currently active license to practice accounting and have recent experience in accounting and auditing;

(D) One member may be a non-licensee with extensive experience in preparing and/or using financial statements.

(b) Functions:  
 (A) Oversee and monitor sponsoring organizations for compliance and implementation of the minimum standards for performing and reporting on quality reviews;

(B) Keep confidential the firm names and any information concerning a specific firm obtained by the Quality Review Oversight Committee during oversight activities; and

(C) Report to the Board of Accountancy any modifications in the approved programs.

(D) The Committee will review all applications of alternative quality review programs and make a recommendation of approval or disapproval to the Board.

Stat. Auth.: ORS 673.455  
 Stats. Implemented: ORS 673.455  
 Hist.: AB 2-1994, f. & cert. ef. 4-28-94; AB 2-1996, f. & cert. ef. 9-25-96; BOA 1-1998, f. & cert. ef. 1-26-98

801-050-0040

Reporting

(1) As part of biennial permit process, evidence of participation in an approved quality review program will be:

(a) Stating whether the practice unit is subject to quality review; and

(b) If subject to quality review, stating in which approved quality review program the practice unit is enrolled and the period covered by the practice unit's last review.

(2) It is the responsibility of the practice unit to notify the Board of Accountancy within 21 days if the practice unit becomes subject to quality review by engaging in an accounting and/or auditing practice having previously informed the Board they do not perform these services under 801-050-0050.

(3) It is the responsibility of the practice unit to enroll in a Board approved quality review program within 21 days of engaging in an accounting and/or auditing practice.

(4) It is the responsibility of the practice unit to notify the Board of Accountancy if the practice unit is terminated from an approved quality review program. The practice units must:

(a) Notify the Board of Accountancy within 21 days from the date of termination;

(b) State why the practice unit was terminated; and

(c) State what action the practice unit will take to comply with the quality review requirements.

Stat. Auth.: ORS 673.455

Stats. Implemented: ORS 673.455

Hist.: AB 2-1994, f. & cert. ef. 4-28-94; BOA 6-1998, f. & cert. ef. 7-29-98

**801-050-0050**

**Exemptions to Quality Review**

(1) A practice unit is exempt from the quality review requirement if it biennially represents to the Board that it does not engage in an accounting and/or auditing practice; that it does not intend to engage in such a practice during the following two years; and that it will immediately notify the Board in writing if it engages in such a practice.

(2) The representation of exemption shall be made in writing upon forms provided by the Board. It shall be made at the time the practice unit applies for renewal of its permit or registration.

(3) If a practice under exemption notifies the Board that it has engaged in the financial reporting area of practice, it must undergo a quality review within 18 months after its initial acceptance of an engagement.

Stat. Auth.: ORS 673.455

Stats. Implemented: ORS 673.455

Hist.: AB 2-1994, f. & cert. ef. 4-28-94; BOA 6-1998, f. & cert. ef. 7-29-98

**801-050-0060**

**Confidentiality**

(1) In accordance with ORS 673.455(9) the Board shall treat the reports of the reviewing firm and all records submitted to that firm by the firm subject to review as confidential information and shall not disclose such information to any persons other than staff members, legal counsel, and other persons retained by the Board to assist it in fulfilling its responsibilities.

(2) If a practice unit under review becomes the subject of a disciplinary proceeding pursuant to ORS 673.170, the Board may make such information public in accordance with ORS 673.170.

Stat. Auth.: ORS 670 & ORS 673

Stats. Implemented: ORS 673.170 & ORS 673.455(9)

Hist.: AB 2-1994, f. & cert. ef. 4-28-94

**801-050-0070**

**Application for Operation of Alternative Review Program**

Application for operation of alternative review program should be made to the Board in writing and accompanied by the program operation materials.

Stat. Auth.: ORS 670 & ORS 673

Stats. Implemented: ORS 673.455(1)

Hist.: AB 2-1994, f. & cert. ef. 4-28-94

**801-050-0080**

**Standards for Review Programs**

All Board-approved quality review programs must meet the Standard for Performing and Reporting on Peer Reviews effective for peer review years beginning on or after January 1, 1999.

Stat. Auth.: ORS 673.455

Stats. Implemented: ORS 673.455

Hist.: AB 2-1996, f. & cert. ef. 9-25-96; BOA 1-1998, f. & cert. ef. 1-26-98;

BOA 3-1999, f. & cert. ef. 3-26-99

