



Common Sense Initiative

Mike DeWine, *Governor*
Jon Husted, *Lt. Governor*

Joseph Baker, *Director*

MEMORANDUM

TO: Donna Oklok, Accountancy Board of Ohio

FROM: Michael Bender, Business Advocate

DATE: June 12, 2024

RE: **CSI Review – Continuing Education (OAC 4701-15-01, 4701-15-02, 4701-15-03, 4701-15-04, 4701-15-05, 4701-15-06, 4701-15-07, 4701-15-09, 4701-15-10, 4701-15-11, 4701-15-12, 4701-15-13)**

On behalf of Lt. Governor Jon Husted, and pursuant to the authority granted to the Common Sense Initiative (CSI) Office under Ohio Revised Code (ORC) section 107.54, the CSI Office has reviewed the abovementioned administrative rule package and associated Business Impact Analysis (BIA). This memo represents the CSI Office's comments to the Board as provided for in ORC 107.54.

Analysis

This rule package consists of four amended rules and eight no-change rules by the Accountancy Board of Ohio (Board) as part of the statutory five-year review process. This rule package was submitted to the CSI Office on May 2, 2024, and the public comment period was held open through May 20, 2024. Unless otherwise noted below, this recommendation reflects the version of the proposed rules filed with the CSI Office on May 2, 2024.

Ohio Administrative Code (OAC) 4701-15-01 requires a Board licensee seeking renewal of an Ohio permit to demonstrate participation in learning activities that maintain and/or improve professional competence. OAC 4701-15-02 sets forth the continuing education requirements for certified public accountants (CPAs) and public accountants (PAs) holding an Ohio permit. OAC 4701-15-03 requires all Board permit holders to report continuing education credits to the Board and maintain records of such reports. OAC 4701-15-04 provides for the measurement of continuing education credit and describes the types of programs that qualify for such credit. The rule is amended to update language,

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remove unnecessary language, clarify that college courses must appear and be awarded credit on an official transcript to qualify as continuing education, clarify that continuing education credit awarded for passing major professional examinations is awarded in the year the Ohio permit holder obtains certification, clarify that continuing education credit awarded to a group program is awarded in the year the Ohio permit holder successfully completes the program, and allow continuing education to be granted by serving as an Ohio precinct election official. OAC 4701-15-05 specifies the criteria that must be met to qualify as an acceptable continuing education program. OAC 4701-15-06 authorizes the Executive Director of the Board (Executive Director) to grant a reduction of continuing education requirements to an Ohio permit holder for certain reasons. OAC 4701-15-07 authorizes the Executive Director to grant an Ohio permit holder an extension of time to correct a deficiency in the required continuing education. The rule is amended to reduce the maximum possible extension from one year to ninety days and clarify the procedure for the assessment of a noncompliance fine.

OAC 4701-15-09 requires CPAs and PAs who wish to obtain an Ohio permit to complete continuing education. OAC 4701-15-10 allows a sponsor of continuing education programs not specifically referenced in OAC 4701-15-05 to apply for registration with the Board. OAC 4701-15-11 sets forth the required continuing education programs for Ohio permit holders depending on the types of public accounting work they perform. The rule is amended to allow the Executive Director to review and approve sponsors, instructors, and courses of professional standards and responsibilities, require a licensee or public accounting firm that is the subject of a disciplinary action by the Board to complete an approved professional standards and responsibilities course, and clarify the types of professional standards and responsibilities courses accepted. OAC 4701-15-12 provides for the verification of the fulfillment of continuing education requirements. The rule is amended to clarify the procedure for the assessment of a noncompliance fine and clarify that a licensee renewing an Ohio permit after the Board's posted deadline must verify completion of continuing education requirements at the time of renewal. OAC 4701-15-13 requires an individual who holds an equity interest in a public accounting firm to comply with the continuing education requirements of OAC 4701-15-02.

During early stakeholder outreach, the Board presented draft changes to the rules at its regular meeting on December 7, 2023. The Ohio Society of CPAs (OSCPA) agreed that the proposed amendments improved clarity and made the rule language more consistent with other rule terminology. However, the OSCPAs called for additional credits in accounting/auditing for CPAs and PAs who perform such tasks. The Board incorporated this feedback into the rules. No comments were received during the CSI public comment period, although the Board revised the rules to update language.

The business community impacted by the rules includes Ohio permit holders who are CPAs and PAs as well as sponsors of professional standards and responsibilities courses. The adverse impacts created by the rules include the time, money, and resources needed to obtain continuing education,

maintain records, register with the Board, and submit materials to the Board. The Board states that the adverse impacts to business are justified to protect the public and the profession as well as ensure the ability of Ohio CPAs and PAs to gain professional competence and practice in other states.

Recommendations

Based on the information above, the CSI Office has no recommendations on this rule package.

Conclusion

The CSI Office concludes that the Board should proceed in filing the proposed rules with the Joint Committee on Agency Rule Review.