

ACCOUNTANCY BOARD OF OHIO

General information (ACC)

Duties

The Accountancy Board of Ohio is the state government agency established by the Ohio General Assembly in 1908 to regulate the practice of public accounting in Ohio. The board is responsible for examining and licensing certified public accountants, licensing the remaining public accountants, registering public accounting firms, and enforcing the provisions of Chapter 4701 of the Ohio Revised Code as passed by the General Assembly and Chapter 4701 of the Ohio Administrative Code as adopted by the board.

The board is entirely self-sustaining and does not spend any tax dollars. Revenue is generated from fees collected for license applications, license renewals and other services. The board reimburses other state agencies for services rendered.

The Board protects the public by meeting the following broad objectives:

- **Licensing.** Ensuring only those applicants meeting all requirements of Ohio’s laws and rules are licensed or certified in a timely manner.
- **Enforcement.** Enforcing the laws and rules governing certified public accountants (CPAs), public accountants (PAs), and public accounting firms in a fair and consistent manner to ensure license holders practice competently and ethically. The Ohio Attorney General is the statutory legal counsel to the board. An assistant attorney general represents the board in administrative hearings and court proceedings.
- **Education.** The board, through its staff, provide timely and accurate information to members of the public and to applicants and license holders. This educational/consultation component is an important means to protect the public through the dissemination of information about the Board’s laws and rules, and to license holders and potential license holders by communicating information regarding examination, certification, licensing, and other areas of CPA practice.
- **Interagency Cooperation.** The board and its staff correspond and collaborate with other state and federal entities, such as, but not limited to: Ohio’s college and university accounting departments and educators, the National Association of State Boards of Accounting (NASBA), American Institute of Certified Public Accountants (AICPA), US Department of Labor, US Securities and Exchange Commission (SEC), and other state boards of accounting in an effort to promote the profession, streamline the CPA examination process, improve mutual recognition/reciprocity, and hold accountable those who violate professional standards, financial regulations, and the public trust.

Membership (*Current members, chairperson and other officers, and selection process.*)

Current Board Members:

Chair – Gerald Weinstein, CPA – 4701.02(A) - appointed 05/30/2017, term ends 10/20/2023

Vice-Chair – Brendan Fitzgerald, CPA - 4701.02(A) - appointed 12/07/2018, term ends 10/20/2025

Secretary – R. Scott Blake - public member – appointed 11/14/2017, term ends 10/20/2024

Kenya Watts, CPA. Past Chair – 4701.02(C) - appointed 01/14/2016, term ends 10/20/2022

John Soucie, CPA - 4701.02(B) - appointed 05/30/2017, term ends 10/20/2023

Louise Jackson, CPA - 4701.02(C) - appointed 10/21/2019, term ends 10/20/2026

Megan Durst, CPA - 4701.02(A) - appointed 01/01/2021, term ends 10/20/2027

Jillian Brown, CPA - 4701.02(B) - appointed 06/13/2022, term ends 10/20/2028

Janice Culver, CPA - 4701.02(C) - appointed 06/17/2022, term ends 10/20/2022

The makeup of the board is set by Ohio Revised Code (RC) 4701.02. Its members consist of nine members appointed by the governor with the advice and consent of the senate. Eight of the members shall be certified public accountants of whom:

- (A) At least two shall be in active public accounting practice in public accounting firms having offices only in this state;
- (B) At least two shall be in active public accounting practice in public accounting firms having offices in at least one-half of the states;
- (C) At least two shall not be engaged in the public practice of accounting.

One member of the board shall be a representative of the public who has never had any direct relationship with the accounting profession except as a user of the services of accountants from time to time. Not more than one member shall be affiliated with the same accounting firm, and all members of the board shall be citizens of the United States and residents of the state. Terms of office shall be for seven years, each term commencing on the twenty-first day of October and ending on the twentieth day of October. Each member shall hold office from the date of his appointment until the end of the term for which he was appointed. Any member appointed to fill a vacancy occurring prior to the expiration of the term for which his predecessor was appointed shall hold office for the remainder of such term. Any member shall continue in office after the expiration date of his term until his successor takes office, or until a period of sixty days has elapsed, whichever occurs first. No person who has served one complete seven-year term shall be eligible for reappointment. The governor may, after hearing, remove any member of the board for neglect of duty or other just cause.

Budget *(Current budget, description of budgeting process, sources of funding, and expected increases or decreases in budget or funding in future years.)*

FY2023 Operating Budget Total is \$1,329,542, Fund 4K90

FY2023 CPA Education Assistance Total is \$525,000, Fund 4J80

for a FY2023 total of \$1,854,542.

The board is entirely self-sustaining, funded exclusively by revenue generated from fees collected for license applications, license renewals and other services, which are deposited into GRF occupational licensing fund. The board reimburses other state agencies for services rendered. Biennial budget requests are submitted to OBM for review and are submitted as part of the Governor's budget bill to the legislature and evaluated by the General Assembly.

The board's budget allocation increases each year due to state-negotiated wage increases for staff, increases in fees paid to DAS (especially the year-over-year increase in eLicense fees), rental increases, and overall cost of doing business.

Currently, the board's revenues cover its costs on an annual basis. For instance, FY 2022 revenues were \$1,983,664 and the expenditures were \$1,289,873, which does not include the 4J80 education assistance expenditures of \$ 233,852. Expected increases of eLicense, rent, a need to hire a scanning company to scan over 48,000 historical files at a cost of approximately \$75,000 and other yearly increases are anticipated.

Workload *(Assess current, past, and anticipated workload. Has the workload increased or decreased significantly in the preceding six years?)*

The board is always seeking to streamline its processes to reduce workload and bureaucracy. All applications are processed through eLicense Ohio which has reduced the number of documents required to be submitted and the number of physical documents to be stored and processed. The number of license applications and renewals have only small variances year over year; the workload has held steady. The board anticipates a reduction in the number of people who sit for the CPA examination beginning in 2024, when an updated version of the CPA examination goes into effect. This reduction in testing may result in a reduction in initial license applications beginning in 2025.

Staffing *(How many staff are currently employed by the Board? What are their roles? Are staffing levels proportionate to the Board's current and anticipated workload?)*

The board currently employs nine full-time staff and nine board members. Staff consist of:

Two Certification/Licensure Examiner 2: Review and approve license applications

Two Investigators: Investigate non-compliance issues and complaints made against CPAs and public accounting firms

One Administrative Professional 1: Information requests, license verifications, social media recordings and informational pamphlets

One Administrative Professional 2: Education assistance program, revenue and deposits, CPE sponsorships and license status changes

Investigation Supervisor 1: Supervise Investigators, investigations, and hearing processes and drafts and reviews rule changes

Program Administrator 3: Supervise Certification/Licensure Examiners, Administrative Professionals and Investigation Supervisor, manages allotments and expenses, finance and budget preparation, training and general human resource administration

Executive Director: Operational oversight of staff processes. Communicates with board members, prepares for board meetings, manages the office and budget, and is the general representative of the board

The workload is constant and demanding and is anticipated to remain so in the future. All staff are cross trained to answer frequently asked questions, verify continuing education submissions, and provide general information.

Administrative hearings and public complaints *(Describe the Board's processes for administering discipline and addressing complaints. Assess the efficiency of the processes.)*

The board has a systematic process for addressing complaints. Complaints are entered online, either by the public via an online portal, or by board staff. Complaints are evaluated and the progress of each case is tracked and carried out as prescribed in the board's investigation procedures manual. Disciplinary actions are carried out by the Board via the administrative hearing process as outlined in RC 119. The Board has its own disciplinary manual to offer guidance on the process, and it issues administrative Orders once the hearing process has been completed.

The complaints process has been streamlined over the past six years due to the computerization of the complaints submission process and focus on using standard procedures and guidance. The disciplinary process is dictated by RC 119 and has benefitted from use of a disciplinary manual.

Public accountant

Survey responses (ACC)

Description
Initial registration for public accountants ended on April 16, 1993, per ORC 4701.07. Individuals registered before that date were grandfathered into this category based on a series of requirements and the issuance of a public accountant “registration,” which is a type of license. These individuals, once registered, must meet the same professional standards and responsibilities of a certified public accountant and are subject to the jurisdiction of the board. The term “public accountant” is reserved only for those who hold a valid and current public accountant license.

Type (License, specialty license for medical reimbursement, government certification, registration, bonding or insurance, inspection, or process regulation. See R.C. 4798.01 for relevant definitions.)
Permit Permit-Employed in Public Accounting Non-Practicing Registration *Note: these are all licenses

If the regulation is a registration, certification, or license requirement, please complete the following:	
Number issued annually	N/A – the Board no longer issues new public accountant licenses.
Number renewed annually	Licenses renew on triennial cycles, split into three groups. For PAs - Group 1: Ten, Group 2: 18, Group 3: Seven

If the regulation is a registration, certification, or license requirement, please complete the following:	
Have there been significant increases or decreases in active registrations, certifications, or licenses in the preceding six years?	There has been a decrease in public accountants due to its aging demographic and the fact the board no longer issues public accountant licenses.
Education or training requirements	N/A – the board no longer issues public accountant licenses.
Experience requirements	N/A – the board no longer issues public accountant licenses.
Examination requirements (<i>Who administers the exam? How is the exam and administrator selected? What fees are charged? Does the Board receive any proceeds of those fees? If so, how are the proceeds used?</i>)	N/A – the board no longer issues public accountant licenses.
Continuing education requirements (<i>Including a description of the curriculum and the process of setting it.</i>)	PA permit (and permit-employed in public accounting) requirements are the same as CPAs: 120 CPE credits earned over each three-year licensing cycle, which includes earning at least 20 credits per calendar year and three credits of professional standards & responsibilities (PSR), at least 24 credits in taxation subjects if the PA performs tax work, and at least 24 credits of auditing/accounting/attestation subjects if the PA performs those services. PAs who hold a non-practicing registration have no CPE requirements.
Initial fee	N/A – the board no longer issues public accountant licenses.
Duration	Three years (triennial license cycle)

If the regulation is a registration, certification, or license requirement, please complete the following:	
Renewal fee <i>(If different from initial fee, please explain why.)</i>	\$180 for a permit/permit-employed in public accounting \$85 for a non-practicing registration
Does the Board recognize uniform licensure requirements or allow for reciprocity?	Yes.
Are there any similar national registrations, certifications, or licenses? Could they be used as a substitute for the state regulation?	No.
Are there any circumstances in which an individual may practice elements of the occupation without being regulated by the Board?	Yes. Any person may perform non-attest financial services, prepare taxes, and use the term “accountant” without being regulated by the board.
Is the Board permitted to exercise discretion in determining whether to register, certify, or license an individual?	Yes.
Other information <i>(Significant attributes or prerequisites to licensure not addressed in this chart.)</i>	

Oversight and disciplinary authority of the Board respecting individuals engaged in the occupation.

Individuals licensed by the board are subject to Ohio accountancy laws and board rules. The Board oversees licensing compliance and may discipline those who hold a public accountant registration or license per ORC 4701.16, subsections (A) and (B).

How much revenue is derived from fees charged by the Board to individuals engaged in the occupation (such as license and renewal fees)? How is that revenue used?

Approximately \$3,300 is generated over a three-year period. \$30 of each license renewed goes into the Board's education assistance scholarship fund and the remainder goes into the Board's 4K90 operating fund.

Describe any federal regulations that apply to the occupation. Does federal law require the state to regulate the occupation?

There are no federal laws that require the state to regulate the practice of public accountants.

What is the harm that the regulation seeks to prevent? (See, R.C. 4798.02(B).)

Violations of RC section 4701 and OAC chapter 4701.

Is the regulation effective at preventing the harm described above? Are there other, less restrictive ways to prevent the harm?

Yes, the regulation is effective. The law allows the board to determine if an individual is qualified to practice public accounting. It also allows for the investigation and discipline for violations of RC 4701 and OAC 4701. As the board is the only entity that oversees public accountants in Ohio, no other less restrictive means to prevent harm exist.

Are there any changes the Board would like to see implemented?

No.

Surrounding state comparison (LSC)

Public Accountant						
	Ohio	Indiana	Kentucky	Michigan	Pennsylvania	West Virginia
Type of regulation	Public accountant (PA) registration, must be accompanied by an Ohio (practicing) permit or an Ohio (inactive) registration (only available to those who applied for a PA registration on or before April 16, 1993) (<i>R.C. 4701.14</i>).	Accounting practitioner certificate (repealed, only license renewals) (<i>Ind. Code 25-2.1-6-4.5</i>).	Public accountant emeritus designation (repealed, only license renewal) (<i>Ky. Rev. Stat. 325.220(8) and 325.312</i>).	No clear equivalent.	Public accountant registration, must be accompanied by a license to practice or placement on the “inactive roll” (repealed, only license renewals) (<i>63 Pa. Cons. Stat. 9.12; 49 Pa. Code 11.7</i>).	Public accountant registration (repealed, only license renewals) (<i>W. Va. Code 30-9-2(33) and (35) and 30-9-15</i>).
Education or training	N/A	N/A	N/A	N/A	N/A	N/A
Experience	N/A	N/A	N/A	N/A	N/A	N/A
Exam	N/A	N/A	N/A	N/A	N/A	N/A
Continuing education	At least 120 hours every three years and 20 hours annually (<i>R.C.</i>	At least 120 hours every three years with at least four hours being in ethics. Must complete at least	N/A	N/A	At least 80 hours every two years and at least 20 hours annually (<i>63 Pa. Cons. Stat.</i>	At least 120 hours every three years with at least four hours being in ethics. Must complete at least

Public Accountant						
	Ohio	Indiana	Kentucky	Michigan	Pennsylvania	West Virginia
	4701.11; O.A.C. 4701-15-02).	20 hours annually. (Ind. Code 25-2.1-4-5; 872 Ind. Admin. Code 1-3-3.)			9.8b(b); 49 Pa. Code 11.62).	20 hours annually. (W. Va. Code 30-9-12(b); W. Va. Code R. 1-1-7.3.)
Initial licensure fee	N/A	N/A	N/A	N/A	N/A	N/A
License duration	One to three years (R.C. 4701.10).	Three years (Ind. Code 25-2.1-4-2; 872 Ind. Admin. Code 1-3-6).	N/A	N/A	Two years (63 Pa. Cons. Stat. 9.8b; 49 Pa. Code 11.4).	One year (W. Va. Code 30-9-12(a)).
Renewal fee	\$150 for a permit to practice or \$55 for a registration (R.C. 4701.10).	\$105 (triennial registration fee plus renewal fee) (Ind. Code 25-2.1-5-6; 872 Ind. Admin. Code 1-1-10 and 1-1-10.5).	N/A	N/A	\$100 (63 Pa. Cons. Stat. 9.8b; 49 Pa. Code 11).	\$85 (W. Va. Code 30-9-12(a); W. Va. Code R. 1-1-18.2.c).

Certified public accountant (CPA)

Survey responses (ACC)

Description

To be certified and licensed as an Ohio CPA, the following requirements must be met:

- At least 18 years of age
- Completion of a baccalaureate degree, at least 150 semester credits, and at least 30 semester credits of accounting and 24 semester credits in business. Alternately, a candidate can complete a baccalaureate degree, 30 semester credits of accounting and 24 credits in business, along with a score of at least 670 on the Graduate Management Admissions Test (GMAT)
- Successful completion of the Uniform CPA Examination
- Completion of at least one year of accounting experience (four years if the person met the education requirements via GMAT qualification)
- Completion of a three-credit course approved by the board in professional standards and responsibilities that emphasizes Ohio accountancy law and board rules
- Is an Ohio resident, or employed full-time in Ohio
- Completion of a criminal background check

Type *(License, specialty license for medical reimbursement, government certification, registration, bonding or insurance, inspection, or process regulation. See R.C. 4798.01 for relevant definitions.)*

Permit*

Permit-Employed in Public Accounting*

Non-Practicing Registration*

Peer Review Firm*(PR) – business license to perform attestation services that may only be performed by a licensed CPA

Tax/Consulting Firm*(TC) – business license to perform non-attestation services using the CPA designation

*Note: these are all licenses

Out of State

If the regulation is a registration, certification, or license requirement, please complete the following:

<p>Number issued annually</p>	<p>Over the past six fiscal years</p> <table border="0"> <tr> <td colspan="2"><u>New CPA certifications:</u></td> <td colspan="2"><u>Initial Firm Registrations:</u></td> </tr> <tr> <td>FY2017: 907</td> <td>FY2018: 840</td> <td>FY2017: 16 PR, 35 TC</td> <td>FY2018: 17 PR, 53 TC</td> </tr> <tr> <td>FY2019: 794</td> <td>FY2020: 697</td> <td>FY2019: 19 PR, 82 TC</td> <td>FY2020: 20 PR, 89 TC</td> </tr> <tr> <td>FY2021: 718</td> <td>FY2022: 658</td> <td>FY2021: 19 PR, 100 TC</td> <td>FY2022: 19 PR, 119 TC</td> </tr> </table>	<u>New CPA certifications:</u>		<u>Initial Firm Registrations:</u>		FY2017: 907	FY2018: 840	FY2017: 16 PR, 35 TC	FY2018: 17 PR, 53 TC	FY2019: 794	FY2020: 697	FY2019: 19 PR, 82 TC	FY2020: 20 PR, 89 TC	FY2021: 718	FY2022: 658	FY2021: 19 PR, 100 TC	FY2022: 19 PR, 119 TC
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FY2021: 718	FY2022: 658	FY2021: 19 PR, 100 TC	FY2022: 19 PR, 119 TC														
<p>Number renewed annually</p>	<p>Over the past six fiscal years (eLicense Ohio implemented April 2018):</p> <p>FY2017: 8,283 Permit/Permit-Employed in Public Accounting, 2,734 Registration, 488 Peer Review Firm, 488 Tax Consulting Firm</p> <p>FY2018: 7,805 Permit/Permit-Employed in Public Accounting, 2,738 Registration, 414 Peer Review Firm, 775 Tax Consulting Firm</p> <p>FY2019: 8,089 Permit/Permit-Employed in Public Accounting, 2,954 Registration, 327 Peer Review Firm, 585 Tax Consulting Firm</p> <p>FY2020: 7,137 Permit/ Permit-Employed in Public Accounting, 2,580 Registration, 505 Out of State, 282 Peer Review Firm, 352 Tax Consulting Firm</p> <p>FY2021: 6,801 Permit/Permit-Employed in Public Accounting, 2,663 Registration, 487 Out of State, 314 Peer Review Firm, 479 Tax Consulting Firm</p> <p>FY2022: 6,959 Permit/Permit-Employed in Public Accounting, 2,782 Registration, 444 Out of State, 284 Peer Review Firm, 499 Tax Consulting Firm</p>																
<p>Have there been significant increases or decreases in active registrations, certifications or licenses in the preceding six years?</p>	<p>There has been a decrease in the number of permit/permit-employed in public accounting licenses renewed, with registrations holding steady. The number of peer review firms and tax consulting firms continue to decline, although more tax consulting firms have been registered with the board in the past two fiscal years. These decreases reflect the aging demographic of the profession.</p>																

If the regulation is a registration, certification, or license requirement, please complete the following:

<p>Education or training requirements</p>	<p>For CPA certificate:</p> <ul style="list-style-type: none"> • Baccalaureate degree with at least 120 semester credits earned, overall total of 150 semester credits earned, including 30 semester credits in accounting and 24 semester credits in business. In lieu of the 150-semester credit requirement, one can qualify to take the Uniform CPA Examination by meeting all other education requirements and obtaining a score of at least 670 on the Graduate Management Admissions Test (GMAT). • Successful completion of Uniform CPA Examination. • Successful completion of three CPE credits of professional standards and responsibilities (PSR) approved by the board and specific to Ohio accountancy law and board rules.
<p>Experience requirements</p>	<p>One year of full-time accounting experience, or four years of full-time accounting experience if qualified for Exam via GMAT</p>
<p>Examination requirements <i>(Who administers the exam? How is the exam and administrator selected? What fees are charged? Does the Board receive any proceeds of those fees? If so, how are the proceeds used?)</i></p>	<p>The Uniform CPA Examination is created and administered via partnership between the American Institute of Certified Public Accountants (AICPA) and the National Association of State Boards of Accounting (NASBA). The fees are as follows (as of January 1, 2021):</p> <p>Application Fee: \$180 Registration Fee: \$100 Exam Fees (each for four sections): \$226.15</p> <p>The Board receives no revenue from Exam applications, Exam registration, or Exam fees.</p>
<p>Continuing education requirements <i>(Including a description of the curriculum and the process of setting it.)</i></p>	<p>Continuing professional education (CPE) is substantially equivalent at approximately 40 CPE credits per calendar year across the 55 jurisdictions CPAs can be licensed, with each jurisdiction able to set requirements within the overall credits needed. This equivalent CPE requirement ensures CPAs can obtain reciprocal licensing quickly. The National Association of State Boards of Accounting (NASBA) sets CPE guidelines to maintain substantial equivalence. Ohio uses NASBA guidelines to set its CPE requirements for renewing licenses:</p>

If the regulation is a registration, certification, or license requirement, please complete the following:	
	<p>--Total of 120 CPE credits earned in each three-year reporting period (coincides with the licensing cycle; only 40 CPE credits are required to renew for the first three-year license) to include:</p> <ul style="list-style-type: none"> --At least 20 CPE credits earned in each calendar year --Three credits of board approved professional standards and responsibilities (PSR/ethics) --If the CPA performs tax work, they must have at least 24 CPE subject credits in taxation --If the CPA performs accounting/auditing/attestation work, they must have at least 24 CPE subject credits in those subjects
Initial fee	<p>\$0 to apply for a CPA certificate as an Ohio Examination candidate \$100 to apply for CPA certificate via Transfer of Grades or Reciprocity \$120 for initial two-year permit/permit-employed in public accounting \$56 for initial two-year non-practicing registration \$10 to apply for initial three-year firm registration (peer review or tax/consulting)</p>
Duration	<p>Initial licensing cycle is two years for CPAs and three years for peer review/tax consulting firms</p>
Renewal fee <i>(If different from initial fee, please explain why.)</i>	<p>\$180 for three-year permit/permit-employed in public accounting \$85 for three-year non-practicing registration \$30 for three-year firm registration</p>
Does the Board recognize uniform licensure requirements or allow for reciprocity?	<p>Yes, the CPA profession is substantially equivalent across all 55 jurisdictions CPAs can be certified. Those seeking licensure via reciprocity will have their CPA credentials verified by the state in which they are currently licensed.</p>

If the regulation is a registration, certification, or license requirement, please complete the following:

<p>Are there any similar national registrations, certifications, or licenses? Could they be used as a substitute for the state regulation?</p>	<p>No</p>
<p>Are there any circumstances in which an individual may practice elements of the occupation without being regulated by the Board?</p>	<p>A person may prepare/sign tax returns and perform non-attest accounting work without being licensed as a CPA. A non-CPA who is employed by a public accounting firm can work on attest engagements without being licensed as a CPA only under the firm's direct supervision.</p>
<p>Is the Board permitted to exercise discretion in determining whether to register, certify, or license an individual?</p>	<p>Yes</p>
<p>Other information (<i>Significant attributes or prerequisites to licensure not addressed in this chart.</i>)</p>	<p>Peer review firms are required to undergo a peer review as part of professional requirements. This process is handled in Ohio by the board's peer review administrator, the Ohio Society of CPAs (OSCPA). The OSCPAs peer review program is overseen by the AICPA and the board and is conducted in accordance with professional standards. Peer review firms must show proof of completion of an acceptable peer review (not previously used to renew the firm's registration) to renew the firm's registration.</p>

Oversight and disciplinary authority of the Board respecting individuals engaged in the occupation.

The formal complaint process is a structured process for staff and the public to follow. The process is efficient, especially with the 2018 implementation of complaint filing via the eLicense Ohio complaint portal. The process is outlined on the Board's website, and board investigators are available to facilitate complaint filing by phone and email. The complaint filing process includes identifying and demographic information, a complaint narrative, and the ability to upload information to establish a violation of Ohio accountancy laws and/or board rules. The Board's investigations are managed by the executive director, investigations supervisor, and two board investigators, all of whom are knowledgeable regarding Ohio accountancy laws and board rules as well as codes of professional conduct issued by the AICPA and NASBA. Formal disciplinary actions are issued by the board itself via the administrative hearing process outlined in Chapter 119 of the Revised Code.

**How much revenue is derived from fees charged by the Board to individuals engaged in the occupation (such as license and renewal fees)?
How is that revenue used?**

Biannually, license applicants and license holders submit approximately \$3.17 million to the board for deposit into the 4K90 account pursuant to: 4701.20 Depositing receipts

All receipts of the accountancy board shall be deposited in the state treasury to the credit of the occupational licensing and regulatory fund, except that any payment made to the board in connection with an application for examination or for a permit, registration, or certificate shall be deposited only after the board approves the application. In the event the application is not approved, the board shall return the payment to the applicant. All vouchers of the board shall be approved by the board president or executive secretary, or both, as authorized by the board.”

Overall, to regulate all license types, the board is allotted biennial operating funds in an amount significantly less than its generated revenue. For example, in FY21-22, the board received revenue from applicants and license holders of approximately \$3,166,878. The Board’s biennial expenditures for FY21-22 were approximately \$2,926,886, which was below our total allocation. The Board therefore remains self-funding and has not required controlling board approval of funding more than the Executive Budget allocations.

Describe any federal regulations that apply to the occupation. Does federal law require the state to regulate the occupation?

There are no federal laws that require the state to regulate the practice of public accounting.

What is the harm that the regulation seeks to prevent? (See, R.C. 4798.02(B).)

Per RC 4701.16:

(A) After notice and hearing as provided in Chapter 119. of the Revised Code, the accountancy board may discipline as described in division (B) of this section a person holding an Ohio permit, an Ohio registration, a firm registration, a CPA certificate, or a PA registration or any other person whose activities are regulated by the board for any one or any combination of the following causes:

- (1) Fraud or deceit in obtaining a firm registration or in obtaining a CPA certificate, a PA registration, an Ohio permit, or an Ohio registration;
- (2) Dishonesty, fraud, or gross negligence in the practice of public accounting;
- (3) Violation of any of the provisions of section 4701.14 of the Revised Code;
- (4) Violation of a rule of professional conduct promulgated by the board under the authority granted by this chapter;
- (5) Conviction of a felony under the laws of any state or of the United States;
- (6) Conviction of any crime, an element of which is dishonesty or fraud, under the laws of any state or of the United States;
- (7) Cancellation, revocation, suspension, or refusal to renew authority to practice as a certified public accountant, a public accountant, or a public accounting firm by any other state, for any cause other than failure to pay registration fees in that other state;
- (8) Suspension or revocation of the right to practice before any state or federal agency;
- (9) Failure of a holder of a CPA certificate or PA registration to obtain an Ohio permit or an Ohio registration, or the failure of a public accounting firm to obtain a firm registration;
- (10) Conduct discreditable to the public accounting profession or to the holder of an Ohio permit, Ohio registration, or foreign certificate;
- (11) Failure of a public accounting firm to comply with section 4701.04 of the Revised Code.

(B) For any of the reasons specified in division (A) of this section, the board may do any of the following:

- (1) Revoke, suspend, or refuse to renew any CPA certificate or PA registration or any Ohio permit, Ohio registration, or firm registration;
- (2) Disqualify a person who is not a holder of an Ohio permit or a foreign certificate from owning an equity interest in a public accounting firm or qualified firm;
- (3) Publicly censure a registered firm or a holder of a CPA certificate, a PA registration, an Ohio permit, or an Ohio registration;
- (4) Levy against a registered firm or a holder of a CPA certificate, a PA registration, an Ohio permit, or an Ohio registration a penalty or fine not to exceed five thousand dollars for each offense. Any fine shall be reasonable and in relation to the severity of the offense.

What is the harm that the regulation seeks to prevent? (See, R.C. 4798.02(B).)

(5) In the case of violations of division (A)(2) or (4) of this section, require completion of remedial continuing education programs prescribed by the board in addition to those required by section 4701.11 of the Revised Code;

(6) In the case of violations of division (A)(2) or (4) of this section, require the holder of a CPA certificate, PA registration, or firm registration to submit to a peer review by a professional committee designated by the board, which committee shall report to the board concerning that holder's compliance with generally accepted accounting principles, generally accepted auditing standards, or other generally accepted technical standards;

(7) Revoke or suspend the privileges to offer or render attest services in this state or to use a CPA title or designation in this state of an individual who holds a foreign certificate.

(C) If the board levies a fine against or suspends the certificate of a person or registration of a person or firm for a violation of division (A)(2) or (4) of this section, it may waive all or any portion of the fine or suspension if the holder of the CPA certificate, PA registration, or firm registration complies fully with division (B)(5) or (6) of this section.

(D) A person engaged in the practice of public accounting shall not be subject to discipline by the accountancy board solely because the person provided professional accounting services to the holder of a license under Chapter 3796. of the Revised Code.

Is the regulation effective at preventing the harm described above? Are there other, less restrictive ways to prevent the harm?

Yes, the regulation is effective. The law allows the board to determine if an individual is qualified to practice public accounting. It also allows for the investigation and discipline for violations of RC 4701 and OAC 4701. As the board is the only entity that oversees certified public accountants in Ohio, no other less restrictive means to prevent harm exist.

Are there any changes the Board would like to see implemented?

No.

Surrounding state comparison (LSC)

Certified Public Accountant						
	Ohio	Indiana	Kentucky	Michigan	Pennsylvania	West Virginia
Type of regulation	Certified public accountant (CPA) certificate, must be accompanied by an Ohio (practicing) permit or an Ohio (inactive) registration (<i>R.C. 4701.14</i>).	Certified public accountant certificate (<i>Ind. Code 25-2.1-12-4</i>).	Certified public accountant license (<i>Ky. Rev. Stat. 325.285 and 325.290</i>).	Certified public accountant certificate, must be accompanied by a license to practice or a registration (registration is for title protection only) (<i>Mich. Comp. Laws 339.723 and 339.727</i>).	Certified public accountant certificate, must be accompanied by a license to practice or placement on the inactive roll (<i>63 Pa. Cons. Stat. 9.12</i>).	Certified public accountant certificate (<i>W. Va. Code 30-9-26</i>).
Education or training	Baccalaureate or higher degree and 150 credit hours with an	Baccalaureate or higher degree and 150 credit hours with accounting	Baccalaureate or master's degree and 150 credit hours with	Baccalaureate degree with accounting concentration and	Baccalaureate or higher degree and 150 credit hours with 24 semester	Baccalaureate or higher degree and 150 credit hours with accounting

Certified Public Accountant						
	Ohio	Indiana	Kentucky	Michigan	Pennsylvania	West Virginia
	accounting concentration, unless the requirement is waived (<i>R.C. 4701.06(A)(3)(a)</i>).	concentration or equivalent (<i>Ind. Code 25-2.1-3-2</i>).	accounting concentration or equivalent (<i>Ky. Rev. Stat. 325.261</i>).	completed at least 150 semester hours of college education (<i>Mich. Comp. Laws 339.725(1)(e) and (2)</i>).	credits in accounting or related discipline (<i>63 Pa. Cons. Stat. 9.4b</i>).	concentration or equivalent (<i>W. Va. Code 30-9-8; W. Va. Code R. 1-1-4.1.a</i>).
Experience	Must be at least 18 years old and have one year of experience providing accounting services verified by a CPA. If education requirement is waived, must have four years of specified experience. (<i>R.C. 4701.06(A)(3)(b) and (B); O.A.C. 4701-7-05.</i>)	Two years of experience providing a service involving the use of accounting, attest, financial advisory, or similar skills verified by a CPA; may be waived if hold certain advanced degrees (<i>Ind. Code 25-2.1-3-10 and 25-2.1-3-11</i>).	Must be at least 18 years old and have one year of experience in accounting or auditing position verified by a CPA (<i>Ky. Rev. Stat. 325.261(6); 201 Ky. Admin. Regs. 1:063</i>).	One year of employment in a position involving accounting experience verified by a CPA (<i>Mich. Comp. Laws 339.725(4)</i>).	Must be at least 18 years old and have at least one year containing 1,600 hours of experience providing a service involving the use of accounting, attest, financial advisory, or similar skills verified by a CPA (<i>63 Pa. Cons. Stat. 9.4b; 49 Pa. Code 11.55 and 11.56</i>).	At least one year of experience providing a service involving the use of accounting, attest, financial advisory, or similar skills verified by a CPA (<i>W. Va. Code 30-9-8; W. Va. Code R. 1-1-4.1.c</i>).
Exam	Uniform CPA exam (<i>R.C.</i>)	Uniform CPA exam (<i>Ind. Code</i>)	Uniform CPA exam (<i>Ky. Rev. Stat. 325.261(4)</i>);	Uniform CPA exam (<i>Mich. Comp. Laws 339.725(3)</i>); <i>Mich.</i>	Uniform CPA exam (<i>63 Pa. Cons. Stat. 9.4b</i>); <i>Penn. Dept. of</i>	Uniform CPA exam (<i>W. Va. Code 30-9-8</i>); <i>W.</i>

Certified Public Accountant						
	Ohio	Indiana	Kentucky	Michigan	Pennsylvania	West Virginia
	4701.06(A)(4); O.A.C. 4701-5-01).	25-2.1-3-3 and 25-2.1-3-5).	201 Ky. Admin. Regs. 1:050).	Admin. Code R. 338.5110a).	State, <u>Certified Public Accountant</u>).	Va. Code R. 1-1-4.1.b).
Continuing education	At least 120 hours every three years and 20 hours annually (R.C. 4701.11; O.A.C. 4701-15-02).	At least 120 hours every three years including at least four hours in ethics. Must complete at least 20 hours annually. (Ind. Code 25-2.1-4-5; 872 Ind. Admin. Code 1-3-3.)	At least 80 hours every two years (Ky. Rev. Stat. 325.330 and 201 Ky. Admin. Regs. 1:100).	At least 40 hours every year with at least two hours in ethics (Mich. Comp. Laws 339.729).	At least 80 hours every two years. Must complete at least 20 hours annually. (63 Pa. Cons. Stat. 9.8b(b); 49 Pa. Code 11.62.)	At least 120 hours every three years including at least four hours in ethics. Must complete at least 20 hours annually. (W. Va. Code 30-9-12(b); W. Va. Code R. 1-1-7.3.)
Initial licensure fee	\$100 plus either the Ohio permit or the Ohio registration fee. Ohio permit (practicing): <ul style="list-style-type: none"> ▪ Three year: \$180; ▪ Two year: \$120; ▪ One year: \$60. 	\$85 (triennial registration fee plus issuance fee) (Ind. Code 25-2.1-5-6; 872 Ind. Admin. Code 1-1-10 and 1-1-10.5).	\$100 (Ky. Rev. Stat. 325.330(1); 201 Ky. Admin. Regs. 1:050).	\$100 (Mich. Comp. Laws 339.721; Michigan Dept. of Licensing and Regulatory Affairs, <u>License Fees</u>).	\$65 (63 Pa. Cons. Stat. 9.8b; 49 Pa. Code 11.4).	\$120 (W. Va. Code 30-9-7(a)(4); W. Va. Code R. 1-1-18.2.a).

Certified Public Accountant						
	Ohio	Indiana	Kentucky	Michigan	Pennsylvania	West Virginia
	Ohio registration (inactive): <ul style="list-style-type: none"> ▪ Three year: \$180; ▪ Two year: \$120; ▪ One year: \$60. (R.C. 4701.10 and 4701.21; Accountancy Board of Ohio: Fees.)					
License duration	One to three years (R.C. 4701.10).	Three years (<i>Ind. Code 25-2.1-4-2; 872 Ind. Admin. Code 1-3-6</i>).	Two years (<i>Ky. Rev. Stat. 325.330(2)</i>).	Two years (<i>Mich. Comp. Laws 339.729</i>).	Two years (<i>63 Pa. Cons. Stat. 9.8b; 49 Pa. Code 11.4</i>).	One year (<i>W. Va. Code 30-9-12(a)</i>).
Renewal fee	Ohio permit (practicing): <ul style="list-style-type: none"> ▪ Three year: \$180; ▪ Two year: \$120; ▪ One year: \$60. Ohio registration (inactive):	\$105 (triennial registration fee plus renewal fee) (<i>Ind. Code 25-2.1-5-6; 872 Ind. Admin. Code 1-1-10 and 1-1-10.5</i>).	\$100 (<i>Ky. Rev. Stat. 325.330; 201 Ky. Admin. Regs. 1:065</i>).	\$200 (<i>Mich. Comp. Laws 339.721; Michigan Dept. of Licensing and Regulatory Affairs, Renewing a License</i>).	\$100 (<i>63 Pa. Cons. Stat. 9.8b; 49 Pa. Code 11.4</i>).	\$85 (<i>W. Va. Code 30-9-12(a); W. Va. Code R. 1-1-18.2.c</i>).

Certified Public Accountant						
	Ohio	Indiana	Kentucky	Michigan	Pennsylvania	West Virginia
	<ul style="list-style-type: none"> ▪ Three year: \$180; ▪ Two year: \$120; ▪ One year: \$60. <p><i>(R.C. 4701.10 and 4701.21; <u>Accountancy Board of Ohio: Fees.</u>)</i></p>					