

1-321. Definitions. When used in chapter 1 of the Kansas Statutes Annotated, and amendments thereto,

(a) "Actively participate" means participation that is continuous as one's primary occupation.

(b) "Affiliated entity" means one that provides services to the CPA firm or provides services to the public that are complementary to those provided by the CPA firm.

(c) "AICPA" means the American institute of certified public accountants.

(d) "Attest" means providing the following services:

(1) Any audit or other engagement to be performed in accordance with the statements on auditing standards (SAS);

(2) any audit to be performed in accordance with the Kansas municipal audit guide;

(3) any review of a financial statement to be performed in accordance with the statements on standards for accounting and review services (SSARS);

(4) any engagement, except a compilation, to be performed in accordance with the statements on standards for attestation engagements (SSAE); and

(5) any engagement to be performed in accordance with the standards of the PCAOB.

(e) "Board" means the Kansas board of accountancy established under K.S.A. 1-201, and amendments thereto.

(f) "Certificate" means a certificate as a certified public accountant issued under K.S.A. 1-302, and amendments thereto, or a certificate as a certified public accountant issued after examination under the law of any other state.

(g) "Client" means a person or entity that agrees with a permit holder or firm to receive any professional service.

(h) "Compilation" means providing a service to be performed in accordance with the statements on standards for accounting and review services (SSARS) or the statements on standards for attestation engagements (SSAE) the objective of which is to present in the form of financial statements, information that is the representation of management or owners, or both, without undertaking to express any assurance on the statements.

(i) Directed means the location to which the engagement letter is sent.

(j) "Equity capital" means: (1) Capital stock, capital accounts, capital contributions or undistributed earnings of a registered firm as referred to in K.S.A. 1-308, and amendments thereto; and (2) loans and advances to a registered firm made or held by its owners. "Equity capital" does not include an interest in bonuses, profit sharing plans, defined benefit plans or loans to a registered firm from banks, financial institutions or other third parties that do not actively participate in such registered firm.

(k) "Firm" means:

(1) An individual who operates as a sole practitioner and issues reports subject to peer review; or

(2) any business organization, including, but not limited to, a general partnership, limited liability partnership, general corporation, professional corporation or limited liability company.

(l) "Good moral character" means lack of a history of dishonesty or a felonious act.

(m) "Active license" means a certificate or a permit to practice issued by another state that is currently in force and authorizes the holder to practice certified public accountancy.

(n) "Licensee" means the holder of a certificate or a permit to practice issued by this state or another state.

(o) "Manager" means a manager of a limited liability company.

(p) "Member" means a member of a limited liability company.

(q) "NASBA" means the national association of state boards of accountancy.

(r) "Nonattest" means providing the following services:

(1) The preparation of tax returns and providing advice on tax matters;

(2) the preparation of any compilation;

(3) management advisory, consulting, litigation support and assurance services, except for attest services;

(4) financial planning;

(5) valuation services; and

any other financial service not included in the statements on auditing standards, the statements on standards for accounting and review services, the standards for attestation engagements as developed by the American institute of certified public accountants or as defined by the board.

(s) "PCAOB" means the public company accounting oversight board created by the Sarbanes-Oxley act of 2002.

(t) "Practice of certified public accountancy" means performing or offering to perform attest or nonattest services for the public while using the designation "certified public accountant" or "CPA" in conjunction with such services.

(u) "Practice of public accountancy" means performing or offering to perform attest or nonattest services for the public by a person not required to have a permit to practice or a firm not required to register with the board.

(v) "Principal place of business" means the primary office location from which the licensee or applicant engages in the practice of certified public accountancy. Each licensee or applicant shall designate a principal place of business that

shall be accepted by the board unless the board determines that a different location is the licensee's or applicant's primary office location.

(w) "Professional" means arising out of or related to the specialized knowledge or skills associated with CPAs.

(x) "Report," when used with reference to any attest or compilation service, means an opinion, report or other form of language that states or implies assurance as to the reliability of the attested information or compiled 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 person or firm is an accountant or auditor or from the language of the report itself. The term report includes any form of language that disclaims an opinion when such form of language is conventionally understood to imply any positive assurance as to the reliability of the attested information or compiled financial statements referred to or special competence on the part of the person or firm issuing such language. "Report" also includes any other form of language that is conventionally understood to imply such assurance or such special knowledge or competence.

(y) "Rule" means any rule or regulation adopted by the board.

(z) "State" means any state of the United States, the District of Columbia, Puerto Rico, the U.S. Virgin Islands and Guam, except that "this state" means the state of Kansas.

(aa) "Uniform accountancy act" means model legislation issued by the AICPA and NASBA in existence on July 1, 2007.