

Article 1.--EXAMINATIONS

74-1-1. Type of examination. The uniform certified public accountant examination prepared by the American institute of certified public accountants shall be used for all examinations. (Authorized by K.S.A. 1-202 and K.S.A. 1-304, as amended by 2003 HB 2241, § 3; implementing K.S.A. 1-302 and K.S.A. 1-304, as amended by 2003 HB 2241, §3; effective Jan. 1, 1966; amended Nov. 14, 2003.)

74-1-2. Determining and reporting examination grades. (a) Each testing candidate shall be required to pass all test sections of the examination in order to qualify for a certificate.

(b) Each testing candidate shall be required to attain at least a minimum grade established through a psychometrically acceptable, standard-setting procedure approved by the board.

(c) Upon the board's receipt of each candidate's advisory grades from the examination provider, the grades shall be reviewed and may be adopted by the board. The examination grades shall be reported to the testing candidate. (Authorized by K.S.A. 1-202 and K.S.A. 2006 Supp. 1-304, as amended by L. 2007, ch. 97, § 2; implementing K.S.A. 2006 Supp. 1-304, as amended by L. 2007, ch. 97, § 2; effective Jan. 1, 1966; amended Nov. 17, 2000; amended Nov. 14, 2003; amended January 11, 2008.)

74-1-3. Retaking the examination and granting of credits. (a) Each testing candidate shall be deemed to have passed the examination if the candidate obtains credit for passing each of the four test sections. Credit for passing a test section shall be valid from the date of the examination regardless of the date on which the testing candidate receives actual notice of the passing grade.

(b) A testing candidate may take the test sections individually and in any order. Credit for passing any test section shall be valid for 18 months from the date of testing regardless of the number of sections taken or the scores on any failed sections.

(c) Each testing candidate shall pass all four test sections within a rolling 18-month period that begins on the date the first test section passed is taken. If all four test sections are not passed within this 18-month period, credit for any test section passed outside the 18-month period shall expire.

(d) A testing candidate shall not retake a failed test section until the candidate has received the score for the most recent attempt of that test section.

(e) Each testing candidate shall retain credit for any test section passed in another state if the credit would have been given if the testing candidate had taken the examination in Kansas.

(f) Despite the provisions of subsections (a), (b), and (c), the period of time in which to pass all test sections of the examination may be extended by the board upon a showing that the credit was lost by reason of circumstances beyond the testing candidate's control. (Authorized by K.S.A. 1-202 and K.S.A. 2018 Supp. 1-304; implementing K.S.A. 2018 Supp. 1-304; effective Jan. 1, 1966; amended, E-82-27, Dec. 22, 1981; amended May 1, 1982; amended Jan. 12, 1996; amended Nov. 14, 2003; amended Jan. 11, 2008; amended Feb. 19, 2016; amended November 29, 2019.)

74-1-4. Transfer of examination credit. An applicant for the certificate of certified public accountant who has passed one or more sections of the uniform certified public accountant examination under the jurisdiction of another state shall be given conditional credit by the board for passing those subjects if the applicant meets the following requirements:

(a) Has established residence in Kansas;

(b) has passed one or more sections of the uniform certified public accountant examination in accordance with K.A.R. 74-1-3, with the grades determined by the advisory grading service of the board of examiners of the American institute of certified public accountants;

(c) meets the education requirement prescribed by K.S.A. 1-302a, and amendments thereto; and

(d) at the time of applying to transfer the credit earned in another state, is still eligible to be reexamined in that state except for reason of change of residence. (Authorized by K.S.A. 1-202; implementing K.S.A. 1-302; effective Jan. 1, 1966; amended, E-82-27, Dec. 22, 1981; amended May 1, 1982; amended May 25, 2012; amended February 19, 2016.)

74-1-5. Revoked July 18, 1997.

74-1-6. Refund of examination fees. (a) Any examination fee may be refunded by the board to a testing candidate who is unable to be present for an examination if the board determines that the testing candidate had an acceptable reason for not sitting. Acceptable reasons shall include a documented illness, death in the immediate family, and any other reason that the board determines to be unavoidable.

(b) Each refunded examination fee shall be subject to a 25 percent processing fee. (Authorized by K.S.A. 1-202 and K.S.A. 2006 Supp. 1-304, as amended by L. 2007, ch. 97, § 2; implementing K.S.A. 2006 Supp. 1-304, as amended by L. 2007, ch. 97, § 2; effective July 18, 1997; amended Nov. 14, 2003; amended January 11, 2008.)

74-1-7. Examination security. Scheduled examinations, the grading of examinations, and the issuance of certificates may be postponed by the board for any of the following reasons:

(a) Breach of examination security;

(b) unauthorized acquisition or disclosure of the contents of an examination;

(c) suspected or actual negligence, errors, omissions, or irregularities in conducting examinations; or

(d) any other reasonable cause or unforeseen circumstance. (Authorized by K.S.A. 1999 Supp. 1-202, as amended by L. 2000, Ch. 81, § 4; implementing K.S.A. 1999 Supp. 1-302, as amended by L. 2000, Ch. 81, § 7; effective Nov. 17, 2000.)

74-1-8. Administration of examination; cheating. (a) Either of the following actions by a testing candidate shall invalidate any grade otherwise earned on any test section and may warrant the candidate's summary expulsion from the test site and disqualification from taking the examination for a specified period of time:

(1) Failing to comply with the testing administrator's instructions; or

(2) cheating in applying for or taking the examination.

(b) The following actions or attempted actions by a testing candidate may be considered cheating:

(1) Falsifying or misrepresenting educational credentials or other information required for admission to the examination;

(2) any communication between testing candidates inside or outside the test site or copying another testing candidate's answers while the examination is in progress;

(3) with the exception of persons associated with the examination process, any communication with others inside or outside the test site while the examination is in progress;

(4) the substitution of another person to sit in the test site in the stead of a testing candidate;

(5) other than those materials provided to the testing candidate as part of the examination, referring to cribnotes, textbooks, or any other materials or electronic media inside or outside the test site while the examination is in progress;

(6) violating the nondisclosure prohibitions of the examination or aiding or abetting another in doing so; and

(7) retaking or attempting to retake a test section by an individual holding a valid certificate or by a testing candidate who has unexpired credit for having already passed the same test section, unless the individual has been authorized to retake a test section or has been expressly authorized by the board to do so.

(c) If it appears that a testing candidate has failed to comply with the testing site administrator's instructions or that cheating has occurred or is occurring, the testing candidate either may be summarily expelled by the board or its designee or may be moved to a position in the testing center away from other testing candidates.

(d) If the board has reason to believe that a testing candidate either has failed to comply with the testing site administrator's instructions or has cheated on the examination, an investigation and a hearing may be conducted by the board to determine whether the testing candidate will be given credit for any of the test sections and whether the testing candidate will be barred from taking the examination for a specified period of time.

(e) If the board determines that a testing candidate has failed to comply with the testing site administrator's instructions or that cheating occurred but the board allows a testing candidate to take any subsequent examinations, any of the following actions may be taken by the board:

(1) Admonish the testing candidate;

(2) seat the testing candidate in a segregated location for the rest of the examination;

(3) keep a record of the testing candidate's seat location and identifying information as well as the names and identifying information of the testing candidates in close proximity to the candidate; or

(4) provide information concerning the circumstances of the cheating to the national candidate database, the American institute of certified public accountants, and the testing center.

(f) Other state regulatory boards may be notified by the board of the board's findings and any actions taken against a testing candidate who is refused credit for any test section, disqualified from taking any test section, or barred from taking the examination in the future. (Authorized by K.S.A. 1-202 and K.S.A. 2006 Supp. 1-304, as amended by L. 2007, ch. 97, § 2; implementing K.S.A. 2006 Supp. 1-304, as amended by L. 2007, ch. 97, § 2; effective Nov. 14, 2003; amended January 11, 2008.)

Article 2.--APPLICATIONS

74-2-1. Applications for examination. (a) Each application to take the certified public accountant examination shall be submitted on a form provided by the board or its designee and shall be filed by a date specified in the application.

(b) An application shall not be considered filed until the following conditions are satisfied:

(1) All information requested on the form is provided.

(2) All fees are included with the application.

(3) Official transcripts and any documents that establish that the applicant has satisfied or will satisfy the education requirements in

K.A.R. 74-2-7 and K.S.A. 1-302a, and amendments thereto, are provided with the application.

(4) All supporting documents identified in the application form are received, including proof of identity as specified in the application form.

(c) Each testing candidate shall notify the board or its designee of any change of home or business address within 30 days of the change. (Authorized by K.S.A. 1-202 and K.S.A. 2016 Supp. 1-304; implementing K.S.A. 2016 Supp. 1-304; effective Jan. 1, 1966; amended May 1, 1978; amended, E-82-27, Dec. 22, 1981; amended May 1, 1982; amended July 18, 1997; amended Nov. 17, 2000; amended Nov. 14, 2003; amended March 21, 2014; amended Jan. 26, 2018.)

74-2-2. Evaluation of college credits. In evaluating credit hours earned at a college or university operating under the quarter plan, these hours shall be converted to semester hours at the rate of two (2) semester hours for every three (3) quarter hours. (Authorized by K.S.A. 1-202; effective Jan. 1, 1966; amended May 1, 1978.)

74-2-3. Submission of college transcripts. (a) An individual applying for admission to the examination, or for issuance of a certificate as certified public accountant by waiver of examination, shall submit with the application official college transcripts and include the number of hours of credit received in courses that are listed in K.A.R. 74-2-7. College transcripts shall not be returned.

(b) Transcripts received from foreign universities shall be evaluated by a credentialing evaluation service approved by the board. (Authorized by K.S.A. 1999 Supp. 1-202, as amended by L. 2000, Ch. 81, § 4; implementing K.S.A. 1999 Supp. 1-202, as amended by L. 2000, Ch. 81, § 4, K.S.A. 1-302a, as amended by L. 2000, Ch. 81, § 8, K.S.A. 1999 Supp. 1-307, as amended by L. 2000, Ch. 81, § 10; effective Jan. 1, 1966; amended Jan. 1, 1972; amended Feb. 15, 1977; amended May 1, 1978; amended, E-82-27, Dec. 22, 1981; amended May 1, 1982; amended Nov. 17, 2000.)

74-2-4. (Revoked Nov. 14, 2003.)

74-2-5. Residence requirement for examination. To be eligible for the initial or complete re-examination in Kansas, a candidate must be a resident or have a place of business as a public accountant in, or be permanently employed by a public accounting firm in Kansas. The board may require satisfactory proof that the candidate meets this requirement. (Authorized by K.S.A. 1-202; effective Jan. 1, 1972; amended Jan. 1, 1973; amended May 1, 1978.)

K.A.R. 74-2-7. Concentration in accounting. (a) The "concentration in accounting" courses required to qualify for admission to the certified public accountant examination shall be as follows:

(1) At least 42 semester credit hours in business and general education courses, including the following:

(A) A macroeconomics course, a microeconomics course, and one upper-division economics course;

(B) at least two courses in the legal aspects of business or business law;

(C) college algebra or higher-level math course;

(D) statistics and probability theory course;

(E) information systems and applications course, which shall be equivalent to at least a 200-level course;

May 25, 2012; amended March 21, 2014; amended Feb. 19, 2016; amended Jan. 26, 2018; amended July 15, 2022.)

- (F) finance course;
 - (G) management and administration course;
 - (H) marketing course; and
 - (I) production, operations research, or applications of quantitative techniques to business problems course;
- (2) at least 11 semester credit hours in courses in written and oral communications;
- (3) at least 30 semester credit hours in courses in accounting theory and practice, including the following:
- (A) Financial accounting and reporting for business organizations course, which may include any of the following:
 - (i) Intermediate accounting course;
 - (ii) advanced accounting course; or
 - (iii) accounting theory course;
 - (B) managerial accounting beyond an introductory course;
 - (C) auditing course concentrating on auditing standards generally accepted in the United States as issued by the AICPA auditing standards board or the PCAOB, or both;
 - (D) U.S. income tax course; and
 - (E) accounting systems beyond an introductory computer course; and
- (4) commencing January 1, 2024 for all initial examination applicants, a course in data analytics for business or accounting, which shall be equivalent to at least a 200-level course.
- (b) The following types of credits awarded by a college or university approved by the board shall be accepted by the board for purposes of determining compliance with subsection (a), if the credits are related to those areas specified in subsection (a):
- (1) Credit for advanced placement;
 - (2) credit by examination;
 - (3) credit for military education; and
 - (4) credit for competency gained through experience.
- Credits recognized by the board pursuant to this subsection shall not exceed a total of six semester hours.
- (c) Credit for courses taken for pass-fail credit shall be accepted by the board for purposes of determining compliance with subsection (a) and shall be limited to a total of six semester hours, unless the applicant demonstrates to the satisfaction of the board that the awarded grade of "pass" is equivalent to a 3.0 grade point on a grading scale of 0.0 to 4.0.
- (d) Credit shall not be allowed for any course that is only audited.
- (e) Credit shall not be allowed for any course for which credit has already been received.
- (f) Any credits earned for an accounting internship may count toward the overall 150-hour education requirement, but these credits shall not be acceptable in satisfaction of the required concentration in accounting courses.
- (g) Credits earned for CPA exam review courses shall not be acceptable in satisfaction of the required concentration in accounting courses. However, these credits may be used toward the overall 150-hour education requirement.
- (h) Not to exceed a total of six hours, up to three hours of course requirements specified in paragraph (a)(1), (a) (2), or (a)(3) may be waived by the board, upon the applicant's demonstration of compelling circumstances and upon receipt of satisfactory verification that the applicant has otherwise met the requirements. (Authorized by K.S.A. 1-202 and K.S.A.2021 Supp. 1-302a; implementing K.S.A. 2021 Supp. 1-302a; effective Jan. 1, 1973; amended Feb. 15, 1977; amended May 1, 1978; amended May 1, 1979; amended July 22, 1991; amended Sept. 25, 1998; amended Jan. 11, 2008; amended

Article 3.--ISSUANCE OF CERTIFICATES

74-3-8. Ethics examination requirement for issuance of certificate. Completion of an examination in professional ethics approved by the board, with a passing score of at least 90 percent, shall be required for issuance of the Kansas certificate. (Authorized by K.S.A. 1-202; implementing K.S.A. 1-302; effective Feb. 15, 1977; amended, E-82-27, Dec. 22, 1981; amended May 1, 1982; amended Nov. 17, 2000; amended Jan. 26, 2018.)

Article 4.--PERMITS TO PRACTICE

74-4-1. (Revoked Nov. 17, 2000.)

74-4-1a. Experience requirements for attest services. (a) Each permit holder who supervises attest services or who signs or authorizes a person to sign a report on any audit, attest, review, or compilation engagement, on behalf of a firm shall meet the requirements set forth in the "statements on quality control standards" issued by the auditing standards board of the American institute of certified public accountants and contained in the "AICPA professional standards," as adopted by reference in K.A.R. 74-5-2.

(b) Notwithstanding subsection (a), each permit holder who supervises attest services or signs or authorizes a person to sign a report on any applicable engagement on behalf of a firm that is registered with the PCAOB shall comply with the applicable standards of the PCAOB which are adopted by reference in K.A.R. 74-5-2.

(c) Each permit holder who supervises attest services or who signs or authorizes a person to sign a report for a governmental audit engagement on behalf of a firm shall comply with the government auditing standards adopted by reference in K.A.R. 74-5-2. (Authorized by and implementing K.S.A. 1-202 and K.S.A. 1-302b; effective November 17, 2000; amended May 27, 2005; amended May 19, 2006; amended February 16, 2007.)

74-4-2a. Evidence of experience. (a) Any certified public accountant who refuses to verify an applicant's experience may be required to inform the board of the certified public accountant's reason for refusing to verify this experience.

(b) Any certified public accountant who has verified the experience of an applicant may be required by the board to substantiate any information provided to the board.

(c) Any documentation relating to an applicant's experience may be reviewed by the board. The applicant may be required to appear before the board or its designee to supplement or verify the applicant's experience. (Authorized by K.S.A. 1999 Supp. 1-202, as amended by L. 2000, Ch. 81, § 4; implementing K.S.A. 1999 Supp. 1-302b, as amended by L. 2000, Ch. 81, § 9; effective Nov. 17, 2000.)

74-4-3a. Permit renewal. (a) Each application for renewal of a permit shall be submitted on a form provided by the board.

(b) A renewal application that is insufficient shall not be processed and shall be returned to the applicant.

(1) An application shall be deemed insufficient if it meets any of the following conditions:

- (A) Is not completely filled out;

(B) lacks the required number of continuing education hours;

(C) lacks the required documentation; or

(D) does not include the renewal fee.

(2) If the renewal fee is paid by credit card, the application shall be deemed insufficient if it meets either of the following conditions:

(A) The information necessary to process the credit card payment is deficient.

(B) The credit card company rejects payment. (Authorized by K.S.A. 1-202; implementing K.S.A. 2016 Supp. 1-310; effective Nov. 17, 2000; amended Nov. 2, 2001; amended May 25, 2012; amended Jan. 26, 2018.)

74-4-4. Experience requirement for permits. (a) The accounting experience required under K.S.A. 1-302b, and amendments thereto, may include any type of service or advice involving the use of attest or nonattest skills pursuant to K.S.A. 1-302b and amendments thereto. Attest and nonattest services shall be as defined in K.S.A. 1-321, and amendments thereto.

(b) One year of experience shall consist of full-or part-time employment that extends over a period of no less than one year and no more than three years and that includes no fewer than 2,000 hours of performance of services as described in subsection (a). (Authorized by K.S.A. 2000 Supp. 1-202, as amended by 2001 HB 2343, § 7; implementing K.S.A. 2000 Supp. 1-302b, as amended by 2001 HB 2343, § 1; effective, E-82-27, Dec. 22, 1981; effective May 1, 1982; amended Jan. 12, 1996; amended Sept. 25, 1998; amended Nov. 17, 2000; amended Nov. 2, 2001.)

74-4-7. Continuing education requirements. (a)(1) Each applicant for renewal of a permit to practice as a certified public accountant in Kansas shall have completed 80 hours of acceptable continuing education (CE) during each biennial period for renewal and shall be in possession of proof of attendance or completion of the CE hours claimed before the applicant submits an application for renewal. Each applicant for renewal or reinstatement of a permit shall have completed two hours in professional ethics relating to the practice of certified public accountancy as part of the continuing education requirement.

(2) Ethics courses, which shall be defined as courses dealing with regulatory and behavioral ethics, shall be limited to courses on the following:

(A) Professional standards;

(B) licenses and renewals;

(C) SEC oversight;

(D) competence;

(E) acts discreditable;

(F) advertising and other forms of solicitation;

(G) independence;

(H) integrity and objectivity;

(I) confidential client information;

(J) contingent fees;

(K) commissions;

(L) conflicts of interest;

(M) full disclosure;

(N) malpractice;

(O) record retention;

(P) professional conduct;

(Q) ethical practice in business;

(R) personal ethics;

(S) ethical decision making; and

(T) corporate ethics and risk management as these topics relate to malpractice and relate solely to the practice of certified public accountancy.

(b) Each applicant for renewal of a permit to practice as a licensed municipal public accountant in Kansas shall have completed a 16-hour program of acceptable continuing education during each year within the biennial period. At least eight of the 16 hours shall be in the area of municipal accounting or auditing.

(c) The standards used to determine acceptable continuing education shall include the following:

(1) One hour of credit shall be granted for each 50 minutes of participation in a group, independent study, or self-study program. One-half hour of credit shall be granted for each 25-minute period after the first hour of credit has been earned.

(2) Hours devoted to actual preparation time by an instructor, discussion leader, or speaker for formal programs shall be computed at a maximum of up to twice the number of continuing education credits that a participant would be entitled to receive, in addition to the time for presentation. No CE credit shall be granted for time devoted to preparation by a participant.

(3) Hours served as an instructor, discussion leader, or speaker shall be included to the extent that they contribute to the professional competence of the applicant in the practice of certified public accountancy. Repeated presentations of the same course shall not be counted unless it is demonstrated that the program content involved was substantially changed and the change required significant additional study or research.

(4) Hours devoted to actual preparation as specified in paragraph (c)(2) and hours served as an instructor, discussion leader, or speaker as specified in paragraph (c)(3) shall not exceed, alone or in combination, 50 percent of the total number of continuing education hours required for permit renewal or reinstatement.

(d) The requirements of subsection (a) may be waived by the board for reasons of health, military service, foreign residence, or retirement, or for other good cause determined by the board.

(e) Any applicant for renewal of a permit to practice as a certified public accountant may carry over a maximum of 20 hours of continuing education earned in the previous renewal period. Any professional ethics hours that exceed the two-hour requirement may be included in the 20-hour carryover, but these hours shall not be used to meet the professional ethics requirement for any subsequent renewal period.

(f) If an applicant for renewal fails to obtain the continuing education required by this regulation, the applicant shall be required by the board to obtain an additional eight hours of continuing education within a period of time specified by the board before the applicant's permit to practice is renewed. (Authorized by K.S.A. 1-202 and K.S.A. 75-1119; implementing K.S.A. 1-202, K.S.A. 2016 Supp. 1-310, and K.S.A. 75-1119; effective, E-82-27, Dec. 22, 1981; effective May 1, 1982; amended May 1, 1985; amended July 13, 1992; amended Sept. 25, 1998; amended Nov. 17, 2000; amended Nov. 15, 2002; amended Nov. 14, 2003; amended May 19, 2006; amended May 23, 2008; amended May 29, 2009; amended May 25, 2012; amended Jan. 26, 2018.)

74-4-8. Continuing education programs; requirements. (a) A program designed to allow a participant to learn a given subject through interaction with an instructor and other participants in a classroom or conference setting, or intrafirm program using the internet, may be approved for continuing education credit under K.A.R. 74-4-7 if the program meets the following conditions:

(1) It is a formal program of learning that maintains or improves the professional competence of a certified public accountant and requires attendance.

(2) Participants are informed in advance of the learning objectives, prerequisites, program level, program content, any requirements for advance preparation, instructional delivery methods, recommended CE credit, and course registration requirements.

(3) The program is at least 50 minutes in length.

(4) The program is conducted by a person qualified in the subject area.

(5) The program sponsor issues to each participant a certificate of attendance that reflects the name of the program sponsor, title and course field of study, date and location of the program, delivery method of the course, name of the participant, signature of a representative of the program sponsor, and number of CE contact hours.

(6) A record of registration and attendance is retained for five years by the program sponsor.

(b) The following types of programs addressing the subjects of accounting, auditing, consulting services, specialized knowledge and applications, taxation, management of a practice, ethics, or personal development may qualify as acceptable continuing education if the programs meet the requirements of subsection (a):

(1) Programs of the American institute of certified public accountants, state societies and local chapters of certified public accountants, and providers of continuing education courses;

(2) technical sessions at meetings of the American institute of certified public accountants, and of state societies and local chapters of certified public accountants;

(3) university or college credit courses. Each semester hour of credit shall equal 15 hours of continuing education credit. Each quarter hour of credit shall equal 10 hours of continuing education credit;

(4) university or college non-credit courses. These courses shall qualify for continuing education credit that equals the number of actual, full 50-minute class hours attended; and

(5) formal, organized, in-firm or interfirm educational programs.

(c) Hours from personal development courses shall not exceed 30 percent of the total number of continuing education hours required for permit renewal or reinstatement. Personal development courses, which shall be defined as courses dealing with self-management and self-improvement both inside and outside of the business environment, shall be limited to courses on communication, leadership, character development, dealing effectively with others, interviewing, counseling, career planning, emotional growth and learning, and social interactions and relationships.

(d) Any author of a published article or book and any writer of a continuing education program may receive continuing education credit for the actual research and writing time if all of the following conditions are met:

(1) The board determines that the research and writing maintain or improve the professional competence of the author or writer.

(2) The number of credit hours claimed is consistent with the quality and scope of the article, book, or program.

(3) The article or book has been published or the program was created during the biennial period for which credit is claimed.

(e) (1) Group internet-based programs and individual self-study programs that allow a participant to learn a particular subject

without the major involvement of an instructor may be eligible for continuing education credit if all of the following requirements are met:

(A) The program sponsor shall meet one of the following requirements:

(i) Has been approved by NASBA's national registry of continuing professional education sponsors or NASBA's quality assurance service;

(ii) is the American institute of certified public accountants; or

(iii) is a state society of certified public accountants.

(B) The program shall require registration.

(C) The sponsor shall provide a certificate of satisfactory completion.

(2) In addition to meeting the requirements specified in paragraph (e)(1), each individual self-study program shall meet the following requirements:

(A) The program shall include a final examination.

(B) Each participant shall be required to score at least 70 percent on the final examination.

(f) The amount of credit for group internet-based programs and self-study programs shall be determined by the board, as follows:

(1) Programs may be approved for one hour of continuing education credit for each 50 minutes of participation and one-half credit for each 25-minute period of participation after the first hour of credit has been earned.

(2) The amount of credit shall not exceed the number of recommended hours assigned by the program sponsor.

(g) Independent study programs that are designed to allow a participant to learn a given subject under the guidance of a continuing education program sponsor may be eligible for continuing education credit if all of the following conditions are met:

(1) The program meets one of the following requirements:

(A) Has been approved by NASBA's national registry of continuing professional education sponsors or NASBA's quality assurance service;

(B) is sponsored through the American institute of certified public accountants; or

(C) is sponsored through a state society of certified public accountants.

(2) The participant has a written learning contract with a program sponsor that contains a recommendation of the number of credit hours to be awarded upon successful completion of the program.

(3) The program sponsor reviews and signs a report indicating that all of the requirements of the independent study program, as outlined in the learning contract, are satisfied.

(4) The program is completed in 15 weeks or less.

(h) A participant in an independent study program may receive up to one hour of credit for each 50 minutes of participation and one-half hour of credit for each 25-minute period of participation after the first hour of credit has been earned. (Authorized by K.S.A. 1-202 and K.S.A. 75-1119; implementing K.S.A. 1-202, K.S.A. 2016 Supp. 1-310, and K.S.A. 75-1119; effective, E-82-27, Dec. 22, 1981; effective May 1, 1982; amended May 1, 1985; amended Feb. 14, 1994; amended Sept. 25, 1998; amended Nov. 2, 2001; amended Nov. 15, 2002; amended Nov. 14, 2003; amended May 27, 2005; amended May 19, 2006; amended May 23, 2008; amended May 29, 2009; amended Nov. 29, 2010; amended May 25, 2012; amended Feb. 19, 2016; amended Jan. 26, 2018.)

74-4-9. Continuing education controls and reporting. (a) When applying for renewal of the permit to practice, each applicant shall sign a statement indicating the applicant's compliance with the requirements in K.A.R. 74-4-7 and 74-4-8, unless the applicant qualifies for the exemption outlined in K.S.A. 1-310, and amendments thereto.

(b)(1) Any applicant may be required by the board to verify the number of CE hours claimed in subsection (a), on a form provided by the board, which shall include the following information:

- (A) The name of the organization, school, firm, or other sponsor conducting the program or course;
- (B) the location of the program or course attended;
- (C) the title of the program or course, or a brief description;
- (D) the course field of study;
- (E) the delivery method of the program or course;
- (F) the dates attended or the date the program or course was completed; and
- (G) the number of continuing education credits that the applicant received for participating in a program or course.

(2) Each applicant specified in paragraph (b)(1) shall provide the board with a certificate of completion or attendance for all attended, group, independent, and self-study program CE hours claimed. Each certificate of completion or attendance shall include the following:

- (A) The name of the organization, school, firm, or other sponsor conducting the program or course;
- (B) the location of the program or course attended;
- (C) the title of the program or course, or a brief description;
- (D) the dates attended or the date the program or course was completed;
- (E) the delivery method of the program or course;
- (F) the name of the participant;
- (G) the signature of a representative of the program sponsor; and

(H) the number of continuing education credits that the applicant received for participating in a program or course.

(3) For instruction credit, each applicant shall provide the board with a certificate or other verification supplied by the CE program sponsor.

(4) For a university or college course that is successfully completed for credit, each applicant shall provide the board with an official transcript of the grade that the participant received.

(5) For a university or college non-credit course, each applicant shall provide the board with a certificate of attendance issued by a representative of the university or college.

(c) Each applicant shall retain documentation of completion or attendance for any continuing education program or course for five years from the end of the year in which the program or course was completed.

(d) Each applicant required to verify the number of CE hours claimed shall respond to the board's request for verification within 30 days. (Authorized by K.S.A. 1-202 and K.S.A. 75-1119; implementing K.S.A. 1-202, K.S.A. 2016 Supp. 1-310, and K.S.A. 75-1119; effective, E-82-27, Dec. 22, 1981; effective May 1, 1982; amended May 1, 1985; amended Sept. 25, 1998; amended Nov. 22, 2002; amended Nov. 14, 2003; amended May 23, 2008; amended Nov. 29, 2010; amended March 21, 2014; amended Feb. 19, 2016; amended Jan. 26, 2018.)

74-4-10. Continuing education requirements for renewal of initial or reinstated permits. (a) To renew an initial or reinstated permit to practice as a certified public accountant in Kansas, each

applicant shall complete the number of continuing education (CE) hours proportionate to the number of hours required for the renewal period, given the number of full months from the date of the issuance of the permit to the June 30 renewal date. This requirement shall include two hours of ethics.

(b) CE hours used to reinstate a permit shall not be used toward a subsequent renewal of a permit.

(c) Continuing education credit obtained by the applicant on and after July 1 of the issuance year of the permit may be used to satisfy the continuing education requirement in subsection (a) if the credit meets the requirements specified in K.A.R. 74-4-7 and 74-4-8 and was not used to reinstate a permit. (Authorized by K.S.A. 1-202; implementing K.S.A. 2016 Supp. 1-310; effective, E-82-27, Dec. 22, 1981; effective May 1, 1982; amended Sept. 25, 1998; amended Sept. 10, 1999; amended Nov. 17, 2000; amended May 23, 2008; amended May 25, 2012; amended Jan. 26, 2018.)

Article 5.--CODE OF PROFESSIONAL CONDUCT

Part I.--DEFINITIONS, INDEPENDENCE, INTEGRITY AND OBJECTIVITY, COMMISSIONS AND REFERRAL FEES, CONTINGENT FEES

74-5-2. Definitions. Each of the following terms, wherever used in this article of the board's regulations, shall have the meaning specified in this regulation:

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

(b) "AICPA professional standards" means the standards specified in this subsection, including definitions and interpretations, published by the AICPA, which are hereby adopted by reference. As used in the following AICPA professional standards, "member" shall mean a person or firm subject to the board's regulation:

(1) "U.S. auditing standards--AICPA (clarified)" in "AICPA professional standards," volume 1, pages 37-1364, except pages 1279-1285, as in effect on June 1, 2016, and statement on auditing standards no. 132, "the auditor's consideration of an entity's ability to continue as a going concern," dated February 2017;

(2) "statements on standards for attestation engagements" in "AICPA professional standards," volume 1, pages 1373-1705, as in effect on June 1, 2016;

(3) "U.S. attestation standards--AICPA (clarified)" in "AICPA professional standards," volume 1, pages 1727-2095, as in effect on June 1, 2016;

(4) "statements on standards for accounting and review services [clarified]" in "AICPA professional standards," volume 2, pages 2719-2882, as in effect on June 1, 2016, and the following statements issued after June 1, 2016:

(A) Statement on standards for accounting and review services no. 22, "compilation of pro forma financial information," except the three unnumbered pages before the table of contents, issued September 2016; and

(B) statement on standards for accounting and review services no. 23, "omnibus statement on standards for accounting and review services--2016," except the six unnumbered pages before the table of contents, issued October 2016;

(5) "code of professional conduct" in "AICPA professional standards," volume 2, pages 2883-3076, as in effect on June 1, 2016, except for the following sections in Part 1:

(A) Section 1.800.001, "form of organization and name";

(B) section 1.810.020, "partner designation";

(C) section 1.810.030, "a member's responsibility for nonmember practitioners";

(D) section 1.810.040, "attest engagement performed with a former partner";

(E) section 1.810.050, "alternative practice structures"; and

(F) section 1.820.040, "use of a common brand name in firm name";

(6) "statements on standards for valuation services" in "AICPA professional standards," volume 2, pages 3293-3344, as in effect on June 1, 2016;

(7) "consulting services" in "AICPA professional standards," volume 2, pages 3345-3350, as in effect on June 1, 2016;

(8) "quality control" in "AICPA professional standards," volume 2, pages 3353-3386, as in effect on June 1, 2016;

(9) "standards for performing and reporting on peer reviews" in "AICPA professional standards," volume 2, pages 3387-3588, as in effect on June 1, 2016;

(10) "tax services" in "AICPA professional standards," volume 2, pages 3589-3630, as in effect on June 1, 2016; and

(11) "personal financial planning" in "AICPA professional standards," volume 2, pages 3639-3654, as in effect on June 1, 2016.

All definitions included in the standards adopted in this subsection shall apply only to the documents adopted by reference.

(c) "Audit" means an independent examination of financial information or assertions of any entity, regardless of profit orientation, size, and legal form, if the examination is conducted to express an opinion thereon.

(d) "Board" means Kansas board of accountancy.

(e) "Certified public accountant" and "CPA" mean any of the following:

(1) A holder of a Kansas certificate;

(2) a person practicing certified public accountancy under the authorization to practice as provided in K.S.A. 1-322 and amendments thereto; or

(3) a firm.

(f) "Compilation" shall have the meaning specified in K.S.A. 1-321 and amendments thereto.

(g) "Firm" shall have the meaning specified in K.S.A. 1-321 and amendments thereto.

(h) "Generally accepted accounting principles" and "GAAP" mean the following standards, as applicable, in effect as specified and hereby adopted by reference:

(1) "Federal accounting standards," issued by the federal accounting standards advisory board (FASAB) in "FASAB handbook of federal accounting standards and other pronouncements, as amended," as in effect on June 30, 2016, except for the following portions: the forward, the preamble, and appendixes A-F. The following standards issued after June 30, 2016 are also adopted:

(A) Statement of federal financial accounting standards 50, "establishing opening balances for general property, plant, and equipment: amending statement of federal financial accounting standards (SFFAS) 6, SFFAS 10, SFFAS 23, and rescinding SFFAS 35," dated August 4, 2016; and

(B) statement of federal financial accounting standards 51, "insurance programs," dated January 18, 2017;

(2) accounting principles as adopted by the financial accounting standards board (FASB) and contained in "FASB accounting standards codification," including accounting standards updates, as contained in volumes 1 through 5, published by the financial

accounting standards board (FASB), as in effect on October 31, 2016;

(3) financial accounting principles for state and local governments as adopted by the governmental accounting standards board (GASB) as follows:

(A) "GASB codification of governmental accounting and financial reporting standards," issued by the governmental accounting standards board, as in effect on June 30, 2016;

(B) GASB statement no. 83, "certain asset retirement obligations," except appendixes A and B, issued November 2016;

(C) GASB statement no. 84, "fiduciary activities," except appendixes A and B, issued January 2017; and

(D) GASB statement no. 85, "omnibus 2017," except appendixes A and B, issued March 2017; and

(4) international accounting and reporting principles established by the international accounting standards board (IASB) as contained in "IFRS® standards," part A, issued by the international accounting standards board, as in effect on January 1, 2017, except part A, pages A7-A25.

(i) "Government auditing standards" means the "government auditing standards" issued by the United States government accountability office, 2011 revision, revised on January 20, 2012, which is hereby adopted by reference, except pages 1-3 and appendixes I and III.

(j) "Licensed municipal public accountant" and "LMPA" mean a holder of a permit issued under the laws of Kansas to practice as a municipal public accountant.

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

(l) "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 these services. "Attest" and "nonattest" services shall have the meaning specified in K.S.A. 1-321 and amendments thereto.

(m) "Standards of the PCAOB" means the following, which are hereby adopted by reference:

(1) In "public company accounting oversight board bylaws and rules—rules—professional standards" as in effect on December 31, 2016, section 3, "auditing and related professional practice standards," part 1, "general requirements," and part 5, "ethics and independence";

(2) "auditing standards--reorganized," issued by the PCAOB as in effect on December 31, 2016; and

(3) "attestation standard no. 1" and "attestation standard no. 2," issued by the PCAOB as in effect on December 31, 2016.

(n) "Staff accountant" means a certified public accountant who meets the following requirements:

(1) Holds both a Kansas certificate and a Kansas permit;

(2) is employed by a firm that is the certified public accountant's primary employer; and

(3) works at least 1,040 hours for the firm during a calendar year. (Authorized by and implementing K.S.A. 1-202; effective Jan. 1, 1974; amended May 1, 1978; amended May 1, 1979; amended May 1, 1985; amended July 22, 1991; amended July 13, 1992; amended April 5, 1993; amended Aug. 23, 1993; amended Jan. 12, 1996; amended Jan. 8, 1999; amended Nov. 17, 2000; amended Nov. 2, 2001; amended May 27, 2005; amended May 19, 2006; amended Feb. 16, 2007; amended Jan. 11, 2008; amended May 29, 2009; amended Nov. 29, 2010; amended May 25, 2012; amended March 21, 2014; amended Feb. 19, 2016; amended Jan. 26, 2018.)

74-5-2a. Definitions of terms in the AICPA code of professional conduct. (a) The definitions of the terms in ET 0.400 of the AICPA “code of professional conduct,” as adopted by reference in K.A.R. 74-5-2, shall be applicable wherever these terms are used in this article, including any document adopted by reference in this article.

(b) The term “member,” as used in the AICPA “code of professional conduct,” shall mean any certified public accountant, firm, or licensed municipal public accountant. (Authorized by and implementing K.S.A. 1-202; effective May 29, 2009; amended February 19, 2016.)

74-5-2b. Applicability of AICPA professional standards. The AICPA professional standards shall apply to each certified public accountant, firm, and licensed municipal public accountant as defined in K.A.R. 74-5-2, regardless of whether the person or entity is a member of the AICPA. (Authorized by and implementing K.S.A. 1-202; effective February 19, 2016.)

74-5-101. Independence. (a) Each certified public accountant, firm, and licensed municipal public accountant shall be independent in the performance of professional services as required by the following standards, as applicable:

(1) The AICPA code of professional conduct, including the interpretations, as contained in the “AICPA professional standards” adopted by reference in K.A.R. 74-5-2(b)(5);

(2) chapter three of the government auditing standards adopted by reference in K.A.R. 74-5-2;

(3) regulation S-X codified at 17 C.F.R. Part 210, as in effect on September 3, 2013, which is hereby adopted by reference; and

(4) PCAOB rules, section 3, “professional standards,” part 5, “ethics,” as adopted by reference in K.A.R. 74-5-2.

(b) In determining whether a certified public accountant’s, a firm’s, or a licensed municipal public accountant’s independence is impaired, any other circumstances, relationship, or activity that the board determines could impair independence may be considered by the board. (Authorized by and implementing K.S.A. 1-202; effective Jan. 1, 1966; amended Jan. 1, 1972; amended Jan. 1, 1974; amended May 1, 1978; amended May 1, 1985; amended Nov. 15, 2002; amended May 27, 2005; amended May 19, 2006; amended Feb. 16, 2007; amended Jan. 11, 2008; amended May 29, 2009; amended Nov. 29, 2010; amended May 25, 2012; amended March 21, 2014; amended February 19, 2016.)

74-5-102. Integrity and objectivity. (a) In the performance of professional services, each certified public accountant, firm, and licensed municipal public accountant shall maintain objectivity and integrity, shall be free of conflicts of interest, and shall not knowingly misrepresent facts to others or subordinate the accountant’s or firm’s judgment to another’s judgment. In tax practice, any certified public accountant, firm, or licensed municipal public accountant may resolve doubt in favor of the client if there is reasonable support for that position.

(b) Each certified public accountant, firm, and licensed municipal public accountant shall comply with the following applicable standards:

(1) AICPA “code of professional conduct,” including the interpretations, as contained in the AICPA professional standards adopted by reference in K.A.R. 74-5-2(b)(5), which shall be used in determining whether integrity and objectivity have been maintained;

(2) chapter three of the government auditing standards adopted by reference in K.A.R. 74-5-2; and

(3) PCAOB rules, section 3, “professional standards,” part 5, “ethics,” as adopted by reference in K.A.R. 74-5-2. (Authorized by and implementing K.S.A. 1-202 and K.S.A. 75-1119; effective Jan. 1, 1966; amended Jan. 1, 1974; amended May 1, 1978; amended May 1, 1985; amended Nov. 15, 2002; amended May 27, 2005; amended May 19, 2006; amended May 29, 2009; amended February 19, 2016.)

74-5-103. Commissions and referral fees. Each certified public accountant or firm shall comply with the AICPA “code of professional conduct” regarding commissions and referral fees, including the interpretations, as contained in the AICPA professional standards adopted by reference in K.A.R. 74-5-2(b)(5). (Authorized by and implementing K.S.A. 1-202; effective May 1, 1978; amended July 13, 1992; amended Jan. 12, 1996; amended Jan. 8, 1999; amended Sept. 10, 1999; amended May 27, 2005; amended May 29, 2009; amended February 19, 2016.)

74-5-104. Contingent fees. Each certified public accountant or firm shall comply with the AICPA “code of professional conduct” regarding contingent fees, including the definitions and interpretations, as contained in the AICPA professional standards adopted by reference in K.A.R. 74-5-2(b)(5). (Authorized by and implementing K.S.A. 1-202; effective May 1, 1978; amended July 13, 1992; amended Jan. 8, 1999; amended Sept. 10, 1999; amended May 27, 2005; amended February 19, 2016.)

74-5-105. Revoked February 16, 2007.

Part II.—GENERAL STANDARDS, COMPLIANCE WITH STANDARDS, ACCOUNTING PRINCIPLES

74-5-201. General standards. (a) Each certified public accountant, firm, or licensed municipal public accountant shall meet the following requirements:

(1) Undertake only those professional services that the CPA, firm, or licensed municipal public accountant can reasonably expect to be completed with professional competence;

(2) exercise due professional care in the performance of professional services;

(3) adequately plan and supervise the performance of professional services; and

(4) obtain sufficient relevant data to afford a reasonable basis for conclusions or recommendations in relation to any professional services performed.

74-5-202. Compliance with standards. (a) Each certified public accountant or firm that performs auditing, attestation, review, compilation, management consulting, tax, or other professional services shall comply with the applicable professional standards promulgated by the following entities, which are adopted by reference in K.A.R. 74-5-2 and this regulation:

(1) The federal accounting standards advisory board;

(2) the financial accounting standards board;

(3) the governmental accounting standards board;

(4) the PCAOB;

(5) the international accounting standards board;

(6) the municipal services team of the office of the chief financial officer, Kansas department of administration;

(7) the AICPA accounting and review services committee;

- (8) the AICPA auditing standards board;
- (9) the AICPA management consulting services executive committee;
- (10) the AICPA tax executive committee;
- (11) the AICPA forensic and valuation services executive committee;
- (12) the AICPA professional ethics executive committee;
- (13) the AICPA personal financial planning executive committee; and
- (14) the AICPA peer review board.

(b) Each licensed municipal public accountant shall comply with the generally accepted auditing standards in the 2017 "Kansas municipal audit and accounting guide," including appendices A through N, prescribed by the director of accounts and reports, department of administration, and hereby adopted by reference. (Authorized by and implementing K.S.A. 1-202 and K.S.A. 75-1119; effective Jan. 1, 1966; amended Jan. 1, 1972; amended Jan. 1, 1974; amended May 1, 1978; amended, E-82-27, Dec. 22, 1981; amended May 1, 1982; amended May 1, 1985; amended May 1, 1986; amended May 1, 1987; amended May 1, 1988; amended May 22, 1989; amended Jan. 7, 1991; amended July 13, 1992; amended Aug. 23, 1993; amended Sept. 26, 1994; amended Jan. 12, 1996; amended Sept. 25, 1998; amended Sept. 10, 1999; amended Nov. 17, 2000; amended Nov. 2, 2001; amended Nov. 15, 2002; amended Nov. 14, 2003; amended May 27, 2005; amended May 19, 2006; amended Feb. 16, 2007; amended Jan. 11, 2008; amended May 29, 2009; amended Nov. 29, 2010; amended May 25, 2012; amended March 21, 2014; amended Feb. 19, 2016; amended Jan. 26, 2018.)

74-5-203. Accounting principles. Each certified public accountant, firm, or licensed municipal public accountant shall comply with the AICPA "code of professional conduct" regarding accounting principles, including the interpretations, as contained in the "AICPA professional standards" adopted by reference in K.A.R. 74-5-2(b)(5). (Authorized by and implementing K.S.A. 1-202 and K.S.A. 75-1119; effective Jan. 1, 1966; amended Jan. 1, 1974; amended May 1, 1978; amended, E-82-27, Dec. 22, 1981; amended May 1, 1982; amended May 1, 1985; amended May 1, 1986; amended May 1, 1987; amended May 1, 1988; amended May 22, 1989; amended Jan. 7, 1991; amended July 13, 1992; amended Aug. 23, 1993; amended Sept. 26, 1994; amended Jan. 12, 1996; amended Sept. 25, 1998; amended Sept. 10, 1999; amended Nov. 17, 2000; amended May 27, 2005; amended May 19, 2006; amended Nov. 29, 2010; amended February 16, 2016.)

74-5-203. Accounting principles. Each certified public accountant or a licensed municipal public accountant shall comply with rule 203 of the code of professional conduct regarding accounting principles, including the interpretations under rule 203, as contained in the "AICPA professional standards" adopted by reference in K.A.R. 74-5-2. Authorized by and implementing K.S.A. 1-202 and K.S.A. 75-1119; effective Jan. 1, 1966; amended Jan. 1, 1974; amended May 1, 1978; amended, E-82-27, Dec. 22, 1981; amended May 1, 1982; amended May 1, 1985; amended May 1, 1986; amended May 1, 1987; amended May 1, 1988; amended May 22, 1989; amended Jan. 7, 1991; amended July 13, 1992; amended Aug. 23, 1993; amended Sept. 26, 1994; amended Jan. 12, 1996; amended Sept. 25, 1998; amended Sept. 10, 1999; amended Nov. 17, 2000; amended May 27, 2005; amended May 19, 2006; amended Nov. 29, 2010.)

74-5-204. (Revoked January 11, 2008.)

74-5-205. (Revoked May 27, 2005.)

Part III.--RESPONSIBILITIES TO CLIENTS

74-5-301. Confidential client information. (a) A certified public accountant, firm, or licensed municipal public accountant shall not disclose any confidential client information without the consent of the client.

(b) The AICPA "code of professional conduct," including the interpretations as contained in the AICPA professional standards adopted by reference in K.A.R. 74-5-2(b)(5), shall be used by the board in determining compliance with subsection (a). (Authorized by and implementing K.S.A. 1-202; effective Jan. 1, 1966; amended Jan. 1, 1974; amended May 1, 1978; amended Sept. 25, 1998; amended May 27, 2005; amended May 29, 2009; amended February 16, 2016.)

74-5-302. (Revoked May 25, 2012.)

Part IV.--OTHER RESPONSIBILITIES AND PRACTICES

74-5-401. Acts discreditable. (a) A certified public accountant or firm shall not commit any act discreditable to the profession.

(b) The AICPA "code of professional conduct," including the interpretations of the AICPA professional standards-adopted by reference in K.A.R. 74-5-2(b)(5), shall be used by the board in determining whether a certified public accountant or firm has committed an act discreditable to the profession. (Authorized by and implementing K.S.A. 1-202; effective Jan. 1, 1966; amended Jan. 1, 1972; amended Jan. 1, 1974; amended May 1, 1978; amended Nov. 15, 2002; amended May 27, 2005; amended May 29, 2009; amended February 16, 2016.)

74-5-402. Acting through others. A certified public accountant shall not permit others to carry out on his or her behalf, either with or without compensation, acts which, if carried out by the certified public accountant, would place him or her in violation of the rules of conduct. (Authorized by K.S.A. 1-202; effective Jan. 1, 1966; amended Jan. 1, 1972; amended Jan. 1, 1974; amended May 1, 1978.)

74-5-403. Advertising. (a) A certified public accountant or firm shall not advertise in a manner that is false, misleading, or deceptive.

(b) The use of any non-CPA's name or the name of any firm not registered with the board as a firm, pursuant to K.S.A. 1-308 and K.S.A. 1-316 and amendments thereto, in any advertisement or publication in any medium or under any heading used for certified public accountants shall be prohibited.

(c) The AICPA "code of professional conduct," including the interpretations as contained in the AICPA professional standards adopted by reference in K.A.R. 74-5-2(b)(5), shall be used by the board in determining whether a certified public accountant has violated subsection (a). (Authorized by and implementing K.S.A. 1-202; effective May 1, 1978; amended May 1, 1985; amended July 22, 1991; amended May 27, 2005; amended Feb. 16, 2007; amended

May 29, 2009; amended February 16, 2016.)

74-5-404a. Use of CPA designation while performing non-attest services. (a) A person who has a Kansas permit to practice as a certified public accountant may use the "certified public accountant" or "CPA" designation when performing non-attest services in an organization that is not required to register as a firm.

(b) Non-attest services shall mean those services set forth in K.S.A. 1-321 and amendments thereto. (Authorized by and implementing K.S.A. 2000 Supp. 1-202, as amended by 2001 HB 2343, § 7; effective Jan. 8, 1999; amended Nov. 2, 2001.)

74-5-405. (Revoked Jan. 26, 2018.)

74-5-405a. Certified public accountants who own a separate business. Each certified public accountant in the practice of certified public accountancy who owns an interest in a separate business shall comply with ET section 1.810.010, titled "ownership of separate business," of the AICPA "code of professional conduct," as contained in the AICPA professional standards adopted by reference in K.A.R. 74-5-2(b)(5). (Authorized by K.S.A. 1-202; implementing K.S.A. 1-202 and K.S.A. 2014 Supp. 1-311; effective Jan. 11, 2008; amended May 29, 2009; amended February 19, 2016.)

74-5-406. Firm or professional names. (a) A certified public accountant or firm shall not practice certified public accountancy under a firm or professional name or advertise a firm or professional name that includes descriptive words relating to the quality of services offered or that is misleading concerning the legal form or the persons who are owners, partners, officers, members, managers, or shareholders of the firm.

(b) A firm or professional name shall not be considered to be misleading solely because it contains words describing the geographical area in which the services are offered or words describing the type of services actually being performed by the certified public accountants who are owners, partners, officers, members, managers, or shareholders of the firm.

(c) A firm or professional name or designation shall be considered to be misleading in any of the following instances:

(1) The name contains a misrepresentation of facts.

(2) The name is intended or is likely to create false or unjustified expectations of favorable results.

(3) The name implies education, professional attainment, or licensing recognition of its owners, partners, officers, members, managers, or shareholders that is not supported by facts.

(4) The name of a Kansas professional corporation or association, limited liability company, limited liability partnership, or general corporation does not include its full name as registered with the board each time the firm or professional name is used.

(5) The name misrepresents the number of partners, shareholders, owners, members, or staff accountants holding CPA certificates and permits who own or provide services on behalf of the firm or business.

(6) The name contains the name or names of one or more former partners, shareholders, or owners without their written consent.

(d) A fictitious firm or professional name shall be defined as a name that contains anything other than the name or names of one or more present or former owners, partners, members, or shareholders or the term "certified public accountant" or "CPA," or the plural form of either of these two terms. A fictitious firm or professional name

may be used if the name is registered with the board and is not false or misleading as determined by the board. Each firm shall utilize its full name as registered with the board each time the name is used.

(e) A fictitious firm or professional name shall be considered to be misleading if the name misrepresents the number of partners, shareholders, owners, members, or staff accountants holding CPA certificates and permits who own or provide services on behalf of the firm or business.

(f) Each certified public accountant or firm that falls out of compliance with this regulation due to any change in ownership or personnel shall notify the board within 30 days after the change. A reasonable period of time may be granted by the board for a firm or certified public accountant to take corrective action.

(g) If a firm does not have an office in Kansas but is required to register with the board pursuant to K.S.A. 1-308 and amendments thereto, the name shall not be considered misleading even if the name meets the criteria for being "misleading" as specified in paragraph (c)(5) subsection (e) of this regulation. (Authorized by K.S.A. 1-202; implementing K.S.A. 1-202 and K.S.A. 2016 Supp. 1-308; effective May 1, 1978; amended Oct. 8, 1990; amended Aug. 23, 1993; amended Jan. 12, 1996; amended Sept. 25, 1998; amended Sept. 10, 1999; amended Nov. 15, 2002; amended Jan. 11, 2008; amended May 29, 2009; amended March 21, 2014; amended Feb. 16, 2016; amended Jan. 26, 2018.)

74-5-407. Cooperation with the board. Each certified public accountant, firm, or licensed municipal public accountant shall cooperate in a timely manner with the board in its investigation of complaints or possible violations of the accounting statutes or the regulations of the board. Cooperation shall include responding to written communications from the board, and providing information and documentation as requested by the board, sent by mail to the last known preferred mailing address on file with the board, within a reasonable time frame specified by the board or appearing before the board, or any of its members, upon request. (Authorized by and implementing K.S.A. 1-202 and K.S.A. 75-1119(a); effective May 1, 1978; amended May 1, 1979; amended, E-82-27, Dec. 22, 1981; amended May 1, 1982; amended May 1, 1985; amended Sept. 25, 1998; amended March 21, 2014; amended February 19, 2016.)

74-5-408. Change of name or address. Each certified public accountant shall notify the board in writing of any change in the person's name, home address, employer name, business address, or electronic-mail address within 30 days of the change. (Authorized by and implementing K.S.A. 1-202; effective Feb. 16, 2007; amended Jan. 26, 2018.)

Article 6.-OFFICES

74-6-1. Definitions of office and firm. (a) "Office" shall mean any space that is identified to the public as being connected with a registered firm with a location in Kansas, or for which there is a separate telephone listing in a telephone directory.

(b) "Firm," as used in this article, has the meaning specified in K.S.A. 1-321 and amendments thereto. (Authorized by K.S.A. 1-202; implementing K.S.A. 1-308, as amended by L. 2007, Ch. 97, § 3; effective Jan. 1, 1966; amended Jan. 1, 1972; amended Aug. 23, 1993; amended Jan. 12, 1996; amended Nov. 17, 2000; amended January 11, 2008.)

74-6-2. Management of an office. (a) Each firm or sole

proprietorship with an office, as defined by K.A.R. 74-6-1, that is located in this state shall have one resident manager in charge of the office who is the holder of a current permit to practice as a certified public accountant issued by this state, who oversees the planning, administration, direction, and review of the services being performed in that office, and who devotes more than half of the resident manager's working time to the affairs of that office.

(b) Any firm or sole proprietorship specified in subsection (a) may, however, have additional offices in this state for which the designated resident manager specified in subsection (a) shall also be responsible to notify the board of each additional office by providing a written statement to the board. (Authorized by K.S.A. 1-202; implementing K.S.A. 2016 Supp. 1-308; effective Jan. 1, 1972; amended May 1, 1980; amended May 1, 1982; amended Aug. 21, 1989; amended Aug. 23, 1993; amended Jan. 12, 1996; amended Sept 25, 1998; amended Nov. 17, 2000; amended Nov. 29, 2010; amended March 21, 2014; amended Jan. 26, 2018.)

74-6-3. Emergency assistance. A certified public accountant holding a current permit to practice in this state may, upon notification to the board, provide services leading to the disposition of a deceased certified public accountant's practice. In the case of a disabled or incapacitated certified public accountant, such services, upon notification to the board, may be provided for the continuance of a practice. These services may be provided for a period of up to six (6) months. The board may, in its discretion, grant additional periods of time beyond six (6) months. (Authorized by K.S.A. 1-202; effective May 1, 1980.)

Article 7.—FIRM REGISTRATION

74-7-2. Firms eligible for registration. (a) Unless exempt from registration pursuant to K.S.A. 1-308 and amendments thereto, before practicing certified public accountancy, a firm, as defined in K.S.A. 1-321 and amendments thereto, shall meet the following requirements:

- (1) Register with the board on forms provided by the board;
 - (2) affirm that any individual who signs or authorizes someone to sign the accountant's report on any audit, review, or compilation or on the examination of prospective financial information on behalf of the firm has met the competency requirements specified in K.A.R. 74-4-1a; and
 - (3) pay the fee specified in K.A.R. 74-12-1.
- (b) Each firm shall renew its registration annually on or before December 31 on forms provided by the board and shall pay the fee specified in K.A.R. 74-12-1. (Authorized by K.S.A. 1-202; implementing K.S.A. 2016 Supp. 1-308; effective Jan. 1, 1966; amended May 1, 1988; amended Jan. 12, 1996; amended Nov. 17, 2000; amended Jan. 11, 2008; amended Jan. 26, 2018.)

74-7-3. Revocable living trusts. An owner of a firm may include a partner, shareholder, member, or a trustee of a revocable living trust established by a licensed CPA or other natural person permitted to own an interest in a firm pursuant to K.S.A. 1-308 and amendments thereto, if the terms of the trust include all of the following provisions:

- (a) The CPA or other natural person is the principal beneficiary and a trustee of the trust.
- (b) The CPA or other natural person has the unrestricted right to revoke the trust.

(c) The trust does not continue to hold an ownership interest in the firm following the death of the CPA or other natural person for more than a reasonable period of time necessary to dispose of the stock or ownership interest. (Authorized by K.S.A. 2000 Supp. 1-202, as amended by 2001 H.B. 2343, § 7, implementing K.S.A. 2000 Supp. 1-308; effective Nov. 2, 2001.)

74-7-4. Notification; firm registration; sole proprietors.

Each certified public accountant who is an unincorporated sole proprietor shall perform the following, upon the issuance of the first report subject to peer review:

- (a) Notify the board, on a form provided by the board;
- (b) register as a firm with the board in compliance with K.S.A. 1-308 and amendments thereto; and
- (c) provide a peer review letter of completion to the board within 18 months after the date on which the report subject to peer review was issued. (Authorized by K.S.A. 1-202; implementing K.S.A. 1-202 and K.S.A. 1-308; effective Nov. 15, 2002; amended May 29, 2009.)

Article 10.—LICENSED MUNICIPAL PUBLIC ACCOUNTANTS

74-10-1. Licenses; duration and renewal. Each permit to practice shall be issued for a biennial period and shall expire on June 30 of odd-numbered years, or upon failure to maintain either an office or a residence in the state of Kansas. (Authorized by and implementing K.S.A. 75-1119; effective May 1, 1985.)

74-10-2. Administrative hearings; notice; grounds for revocation. (a) The board may revoke, suspend or refuse to renew any permit to practice issued to a licensed municipal public accountant, or may censure the holder of any such permit to practice, for any of the following causes:

- (1) Fraud or deceit in obtaining a permit to practice or a renewal thereof from this board.
- (2) Dishonesty, fraud, or negligence in practice as a licensed municipal public accountant;
- (3) Violation of a rule of professional conduct promulgated by the board;
- (4) Conviction of a felony under the laws of any state or of the United States;
- (5) Conviction of any crime under the laws of any state or of the United States that has dishonesty or fraud as an essential element;
- (6) Cancellation, revocation, suspension or refusal to renew the authority to practice as a public accountant in any state or foreign country.

(b) A written notice of intention to take any action under subsection (a) of this regulation shall be mailed by certified mail to the holder of the permit at least 30 days prior to any hearing thereon. The notice shall be mailed to the last known address of the holder of the permit and shall state the cause of the contemplated action. (Authorized by and implementing K.S.A. 75-1119; effective May 1, 1985.)

Article 11.—PEER REVIEW PROGRAM

74-11-6. Definitions. Each of the following terms, wherever used in this article of the board's regulations, shall have the meaning specified in this regulation:

- (a) "AICPA" means American institute of certified public accountants.

(b) "AICPA professional standards" means the standards adopted by reference in K.A.R. 74-5-2 that are contained in the "AICPA professional standards," volumes 1 and 2, published by the AICPA, as adopted by reference in K.A.R. 74-5-2.

(c) "Firm" shall have the meaning specified in K.S.A. 1-321 and amendments thereto.

(d) "Peer review" means a review of a firm's accounting and auditing practice in accordance with the standards for performing and reporting on peer reviews.

(e) "Peer review team" means persons or organizations participating in the peer review program required by this article of the board's regulations. This term shall specifically include the team captain, team members, review captain, the report acceptance committee, and the oversight body, but shall not include the board.

(f) "Standards for performing and reporting on peer reviews" means the AICPA "standards for performing and reporting on peer reviews" contained in volume two of the AICPA professional standards, as adopted by reference in K.A.R. 74-5-2(b)(9).

(g)(1) "Substantially similar program" means a peer review program that meets the following requirements:

(A) The peer review team shall be approved by a nationally recognized accounting organization as having the qualifications, training, and experience to perform the peer review function required by this regulation.

(B)(i) The peer review shall be conducted pursuant to peer review standards as issued by a nationally recognized peer review program that has received prior approval by the board; or

(ii) the peer review shall be conducted pursuant to a written submission detailing the qualifications of the peer review team to conduct the peer review and providing a written plan for the peer review illustrating the means of compliance with this regulation with the prior specific approval of the board.

(2) Each inspection performed by the PCAOB of areas of a firm's practice related to audits of issuers, as defined by the public company accounting oversight board, shall be deemed to satisfy the peer review requirements related to this element of the firm's practice.

(h) For peer reviews commencing on and after January 1, 2009, "modified peer review report" shall mean a peer review report with a peer review rating of "pass with deficiencies," as defined in the AICPA "standards for performing and reporting on peer reviews."

(i) For peer reviews commencing on and after January 1, 2009, "adverse peer review report" shall mean a peer review report with a peer review rating of "fail," as defined in the AICPA "standards for performing and reporting on peer reviews." (Authorized by and implementing K.S.A. 1-202, K.S.A. 2016 Supp. 1-312, and K.S.A. 2016 Supp. 1-501; effective Feb. 14, 1994; amended Sept. 25, 1998; amended Sept. 10, 1999; amended Nov. 17, 2000; amended Nov. 2, 2001; amended Nov. 15, 2002; amended Nov. 14, 2003; amended May 27, 2005; amended May 19, 2006; amended Feb. 16, 2007; amended May 29, 2009; amended May 25, 2012; amended March 21, 2014; amended Feb. 19, 2016; amended Jan. 26, 2018.)

74-11-7. Renewal of a firm's registration. (a) Each application for renewal of a firm's registration shall include one of the following, if applicable:

(1) A letter issued by the administering entity stating that a peer review has been completed and including a due date for the next peer review;

(2) a letter issued by the administering entity stating that the peer review is in process; or

(3) a completed form titled "peer review form," which shall be provided by the board and completed by the firm.

(b) For the purpose of this regulation, for a peer review to be "in process" shall mean that the peer review report has been issued to the firm and the report and, if applicable, the letter of response have been submitted to the administering entity. However, the letter stating that the peer review has been completed and signifying a due date for the next peer review has not been issued.

(c) If a firm has received a waiver pursuant to K.S.A. 1-501 and amendments thereto, before commencement of any attestation engagement, the firm shall have in place a system of internal quality control and shall notify the board. The firm shall provide a letter of completion to the board within 18 months after the date on which the report subject to peer review was issued.

(d) The letter of completion shall be valid until the due date for the next peer review specified in the letter of completion. (Authorized by K.S.A. 1-202; implementing K.S.A. 1-202 and K.S.A. 2014 Supp. 1-501; effective Feb. 14, 1994; amended Sept. 25, 1998; amended Nov. 2, 2001; amended Nov. 15, 2002; amended Nov. 14, 2003; amended May 19, 2006; amended Nov. 29, 2010; amended March 21, 2014; amended February 19, 2016.)

74-11-8. (Revoked Nov. 2, 2001.)

74-11-9. (Revoked Nov. 2, 2001.)

74-11-10. (Revoked Nov. 2, 2001.)

74-11-11. (Revoked Nov. 2, 2001.)

74-11-12. (Revoked Nov. 2, 2001.)

74-11-13. (Revoked Nov. 2, 2001.)

74-11-14. (Revoked Nov. 2, 2001.)

74-11-15. (Revoked March 21, 2014.)

Article 12.—FEES

74-12-1. Fees. Each applicant shall submit the appropriate application form and fee as shown in the following schedule:

(a) Issuance of Kansas certificate (initial or duplicate)	\$ 50.00
(b) Issuance of reciprocal certificate	\$ 250.00
(c) Initial permit to practice as a certified public accountant:	
(1) For more than one year of a biennial period	\$165.00
(2) For one year or less of a biennial period	\$ 82.50
(d) Renewal of biennial permit to practice as a certified public accountant:	
(1) If received on or before July 1 of the renewal year in which the permit expires	\$165.00
(2) If received after July 1 of the renewal year in which the permit expires	\$247.50
(e) Reinstatement of permit to practice as a certified public accountant whose permit has expired:	
(1) For more than one year of a biennial period	\$247.50
(2) For one year or less of a biennial period	\$123.75

(f) Issuance of a duplicate permit \$ 25.00
 (g) Renewal of a biennial permit to practice as a licensed municipal public accountant:

permit to practice that has been expired for one or more years \$ 75.00

(1) If received on or before July 1 of the odd-numbered renewal years \$ 50.00

(2) If received after July 1, or for reinstatement of a

(h) Firm registration fee:

(1) Initial registration \$100.00

(2) Annual renewal \$100.00

\$100.00

(3) Late renewal \$150.00

(Authorized by and implementing K.S.A. 2016 Supp. 1-301 and K.S.A. 75-1119; effective May 1, 1988; amended May 22, 1989; amended Dec. 18, 1989; amended Sept. 26, 1994; amended Aug. 23, 1996; amended July 18, 1997; amended May 28, 1999; amended Nov. 29, 1999; amended Nov. 17, 2000; amended Nov. 2, 2001; amended Nov. 14, 2003; amended Nov. 29, 2010; amended Jan. 26, 2018.)

Article 15. UNIFORM ACCOUNTANCY ACT

74-15-1. Adoption of the uniform accountancy act. For purposes of determining substantial equivalency, the board hereby adopts by reference sections 5(c), 5(d), and 5(f) of the “uniform accountancy act,” fifth edition, July 2007. In section 5(c), all references to “the effective date of this act” shall be stricken and replaced with “January 1, 2007.” (Authorized by K.S.A. 1-202; implementing K.S.A. 2015 Supp. 1-321 and 1-322; effective Nov. 17, 2000; amended February 19, 2016.)

74-15-2. (Revoked Nov. 29, 2010.)