

Susan L. Somers, Executive Director

Board of Accountancy

Laura Kelly, Governor

**WRITTEN TESTIMONY TO HB2506 COMMITTEE ON COMMERCE, LABOR AND ECONOMIC DEVELOPMENT 2.13.2020**

Chair Tarwater, and members of the Committee: The Board of Accountancy is the regulatory Board that oversees and regulates certified public accountants and certified public accounting firms in the State of Kansas, established in 1915.

HB2506 provides that upon submission of a completed application, the agency shall issue a license so that the applicant may lawfully practice his or her occupation, and further requires that the applicant hold a certification issued by another state that is substantially equivalent to this State's requirements.

The practice of certified public accountancy is a highly learned profession that requires extensive education, examination, licensure, and continuing education requirements. Further, the process to obtain a license is a two-step process (1) application for a CPA certificate, to include proof of the education and examination requirements; and (2) issuance of a permit (license) to include proof of the experience requirement.

The Board of Accountancy has defined, since 2009, "substantial equivalency" found in K.S.A. 1-321(aa) as: "a determination by the board of accountancy or its designee that the education, examination and experience requirements contained in the statutes and administrative rules of another jurisdiction are comparable to, or exceed the education, examination and experience requirements contained in the uniform accountancy act or that an individual CPA's education, examination and experience qualifications are comparable to or exceed the education, examination and experience requirements contained in the uniform accountancy act. In ascertaining substantial equivalency as used in this act, the board shall take into account the qualifications without regard to the sequence in which experience, education or examination requirements were attained".

The certificate application process requires an individual to provide a completed application, the fee for the application, a signed oath, proof of successful completion of the CPA exam, proof of completion of an ethics exam, and submission of college transcripts to ensure that the applicant meets the "substantial equivalency" requirement set forth above. If said applicant does not meet the "substantial equivalency" requirement or does not rise to the level of good moral character as defined in K.S.A. 1-321(l), the application is denied, with the opportunity for the applicant to request a hearing. The length of time it takes for the applicant to provide the information is the deciding factor as to how long the process takes, not the length of time it takes for the Board to process the completed application.

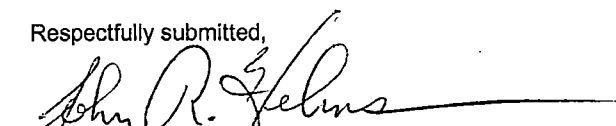
After the certificate is approved, the permit (license) application process requires submission of a completed application, the fee for the application, and proof of the experience requirement verified by another licensed CPA in good standing. If said applicant does not meet the experience requirement or is found to have committed the following, but not limited to: conviction of a felony, or of any crime an element of which is dishonesty or fraud; fraud, dishonesty or deceit in obtaining a permit; dishonesty, fraud or gross negligence in the practice of certified public accountancy; failure to timely file personal tax returns; failure to timely pay taxes collected on behalf of others; conduct reflecting adversely on a person's fitness to practice certified public accountancy; and such other causes found in K.S.A. 1-311, the application may be denied, with the opportunity for the applicant to request a hearing. The length of time it takes for the applicant to provide the information is the deciding factor as to how long the process takes, not the length of time it takes for the Board to process the completed application.

Complete applications are and have been processed within 24 hours. We have never had an instance where it was the Board was unable to turn around an application in a timely manner; rather, the timeliness rests solely on the shoulders of the applicant.

Last, the requirement to issue a "temporary" license is problematic in that the Board of Accountancy does not issue "temporary" certificates or permits (licenses) and therefore does not currently have statutory authority to assess a fee for a temporary certificate and permit (license). Consequently, we are unable to promulgate a Regulation to affect such requirement and would be unable to issue a temporary certificate and permit (license).

Thank you for the opportunity to speak on this matter. If you have any questions, please contact us.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "John R. Helms".  
John R. Helms, CPA, Chair  
Kansas Board of Accountancy