



Ohio Revised Code

Section 4701.01 Accountancy board law definitions.

Effective: September 6, 2012

Legislation: House Bill 508 - 129th General Assembly

As used in this chapter:

- (A) "Practice of public accounting" means performing or offering to perform any engagement that will result in the issuance of an attest report and, with respect to a person who holds a CPA certificate, PA registration, foreign certificate, or firm registration, any other services involving the use of accounting or auditing skills as established by rules adopted by the accountancy board.
- (B) "Public accounting firm" means a sole proprietorship, a partnership, a limited liability company, a professional association, a corporation-for-profit, or any other business organization that is engaged in the practice of public accounting in this state.
- (C) "Opinion report" means any opinion on a financial statement that is expressed in accordance with generally accepted auditing standards as to the fairness of presentation of information and that is used for guidance in financial transactions, for accounting, or for assessing the status or performance of commercial and noncommercial enterprises, whether public, private, or governmental.
- (D) "Peer review" means a study, appraisal, or review of one or more aspects of the professional work of a public accounting firm that meets the standards and requirements set forth by the accountancy board.
- (E) "Review report" means either of the following:
- (1) Any review report on a financial statement that is issued with respect to any of the following:
 - (a) Interim financial information in accordance with generally accepted auditing standards;
 - (b) The financial information of a nonpublic entity in accordance with statements on standards for



accounting and review services;

(c) The reliability of another party's written assertion in accordance with statements on standards for attestation engagements.

(2) Any other review report on a financial statement that is not described in division (E)(1) of this section and that is issued in accordance with standards promulgated by the American institute of certified public accountants.

(F) "Compilation report" means any compilation report on a financial statement that is issued with respect to financial information of a nonpublic entity in accordance with statements on standards for accounting and review services as promulgated by the American institute of certified public accountants.

(G) "Examination report" means any examination report on a financial statement that is issued with respect to another party's written assertion in accordance with statements on standards for attestation engagements as promulgated by the American institute of certified public accountants.

(H) "Agreed-upon procedures report" means any report that is on a financial statement and that is based on agreed-upon procedures issued with respect to another party's written assertion in accordance with statements on standards for attestation engagements as promulgated by the American institute of certified public accountants.

(I) "Qualified firm" means a sole proprietorship, partnership, professional association, corporation-for-profit, limited liability company, or other business organization in which the individuals who own a majority of the business organization interests in the business organization and control the business organization hold an Ohio permit or a foreign certificate.

(J) "Own" means any direct or indirect ownership of an equity interest in a public accounting firm or qualified firm.

(K) "Control" or "controlled" means the right to exercise the majority of the voting equity interests in a public accounting firm or qualified firm with respect to any matter.



(L) "Equity interest" means any capital interest or profit interest in a sole proprietorship, partnership, professional association, corporation-for-profit, limited liability company, or other business organization.

(M) "Ohio permit" means a permit to practice public accounting issued under division (A) of section 4701.10 of the Revised Code that is not revoked or suspended.

(N) "Ohio registration" means the registration under division (B) of section 4701.10 of the Revised Code of a holder of a CPA certificate or PA registration who is not in the practice of public accounting in this state.

(O) "Firm registration" or "registered firm" means registration as a public accounting firm under section 4701.04 of the Revised Code.

(P) "PA registration" means registration as a public accountant under section 4701.07 of the Revised Code that is not revoked or suspended.

(Q) "CPA certificate" means a certificate issued under section 4701.06 or 4701.061 of the Revised Code that is not revoked or suspended.

(R) "Foreign certificate" means a license, permit, certificate, or registration issued to a certified public accountant under the laws of another state that authorizes the holder to practice public accounting in that state, is valid, is in good standing, and has not expired.

(S) "Attest report" means an opinion report, review report, compilation report, examination report, agreed-upon procedures report, or any similar report prepared in accordance with standards established by the American institute of certified public accountants with respect to a financial statement or other financial information.

(T) "Person" means any individual, corporation-for-profit, business trust, estate, partnership, limited liability company, professional association, or other business organization.



(U) Technical terms that define specific public accounting engagements have the same meanings as in the professional standards promulgated by the American institute of certified public accountants.

(V)(1) "Good moral character" means the combination of personal traits of honesty, integrity, attention to duty, forthrightness, and self-restraint that enables a person to discharge the duties of the accounting profession fully and faithfully.

(2) A history of dishonest acts or felonious acts or convictions is sufficient to prove lack of good moral character if that history demonstrates by a preponderance of the evidence that the person lacks one or more of the personal traits referred to in division (V)(1) of this section. A person who has a felony conviction related to one or more of those personal traits bears the burden of establishing the person's present good moral character, including the person's full and complete rehabilitation subsequent to the conviction. If less than one year has passed since the completion of the person's sentence on a felony conviction, including any period under a community control sanction or post-release control, the board may delay any determination of the person's good moral character until one year has passed from the time of the completion of that sentence.

(3) In determining whether a person who has a felony conviction has met the person's burden of proof described in division (V)(2) of this section, the accountancy board may consider the following factors:

- (a) The person's path toward professional licensing following completion of the person's sentence;
- (b) The nature and degree of the person's academic achievements;
- (c) The nature and degree of the person's employment following completion of the person's sentence;
- (d) The person's degree of self-sufficiency following completion of the person's sentence;
- (e) The nature and degree of the person's other responsibilities following completion of the person's sentence;



- (f) The person's conviction for any other criminal offense since completion of the person's sentence for the person's first felony conviction;

- (g) Whether the person's application or presentation contains any inconsistencies or misleading explanations that convince the board that either the person or the person's attorney is trying to keep the board from acquiring a true, though damaging, representation of the person's character;

- (h) The nature and circumstances of the dishonest acts or felonious acts or convictions of the person;

- (i) Any other specifically identifiable information that the board determines to be relevant to the person's ability to discharge the duties of the accounting profession fully and faithfully.