

## BOARD RULES

### **RULE 1      DEFINITIONS**

#### **1.1      ACT, BOARD, STATE, EXAMINATION, PRONOUNS**

Throughout these Rules, the "Public Accountancy Act of 1975, as amended," codified as A.C.A. § 17-12-101 et seq., may be referred to as "the Act" and the Board of Public Accountancy as "the Board;" "this State" refers to the State of Arkansas; "examination" means the examination required for a certificate as a Certified Public Accountant prescribed by A.C.A. § 17-12-301 et seq.; and masculine terms shall include the feminine and, when the context requires, shall include partnerships, limited liability companies and corporations.

#### **1.2      ATTEST**

Providing the following services:

- a) an audit or other engagement to be performed in accordance with the AICPA "Statements on Auditing Standards,"
- b) a review of a financial statement to be performed in accordance with the AICPA "Statements on Standards for Accounting and Review Services,"
- c) an examination of prospective financial information to be performed in accordance with the AICPA "Statements on Standards for Attestation Engagements,"
- d) an engagement to be performed in accordance with PCAOB auditing standards, and
- e) an examination, review, or an agreed upon procedures engagement to be performed in accordance with the AICPA Statements on Standards for Attestation Engagements other than an engagement described in section (c) above.

#### **1.3      CERTIFICATE**

A certificate as "certified public accountant" issued under A.C.A. § 17-12-301 or a corresponding certificate as "certified public accountant" issued after examination under the laws of any state.

#### **1.4      CLIENT**

The person or entity which retains a licensee for the performance of professional services.

#### **1.5      COMMISSION**

An allowance or consideration paid upon completion of the transaction for recommending or referring a product or service to be supplied by another person.

#### **1.6      COMPILATION**

Providing a service of any compilation engagement to be performed in accordance with the AICPA "Statements on Standards for Accounting and Review Services"

**1.7 FINANCIAL STATEMENTS**

Financial statements are statements and footnotes related thereto that purport to show actual or anticipated financial position which relates to a point in time or changes in financial position which relate to a period of time, including statements which use a cash or other comprehensive basis of accounting. The term includes balance sheets, statements of income, statements of changes in comprehensive income, statements of retained earnings, statements of cash flows and statements of changes in owners' equity, but does not include incidental financial data included in management advisory services reports to support recommendations to a client, nor does it include tax returns and supporting schedules.

**1.8 FIRM**

A partnership, corporation, limited liability company, sole proprietorship, or other entity required to be registered with the Board under the provisions of A.C.A. § 17-12-401 et seq.

**1.9 GENERALLY ACCEPTED ACCOUNTING PRINCIPLES**

"Generally accepted accounting principles" shall be deemed and construed to mean accounting principles or standards generally accepted in the United States. For purposes of these rules, generally accepted accounting principles are considered to be defined by pronouncements issued by the Financial Accounting Standards Board and its predecessor entities and similar pronouncements issued by other entities having similar generally recognized authority.

**1.10 GENERALLY ACCEPTED AUDITING STANDARDS**

"Generally accepted auditing standards" shall be deemed and construed to mean the generally accepted auditing standards adopted by the Board. The Board shall take into consideration interpretations of Generally Accepted Auditing Standards as issued by the American Institute of Certified Public Accountants and other pronouncements having similar generally recognized authority.

**1.11 HOME OFFICE**

The location specified by the client as the address to which a service described in A.C.A. § 17-12-311(a)(4) is directed.

**1.12 LICENSEE**

The holder of a license, meaning a certificate issued under A.C.A. § 17-12-301 or registered under A.C.A. § 17-12-312 or A.C.A. § 17-12-401 et. seq. or, in each case, a certificate or permit issued or a registration under corresponding provisions of prior law.

**1.13 PERMIT TO PRACTICE**

Permit to practice means a permit to practice public accountancy issued under prior provisions of the Act, or under corresponding provisions of the law of other states.

**1.14 PRACTICE OF, OR PRACTICING PUBLIC ACCOUNTING**

The performance of or an offer to perform attest services as defined in this section or the performance or an offer to perform professional services for the general public.

**1.15 PREPARATION OF FINANCIAL STATEMENTS**

Providing a service of any preparation of financial statements engagement to be performed in accordance with the AICPA "Statements on Standards for Accounting and Review Services."

**1.16 PRINCIPAL PLACE OF BUSINESS**

The primary location from which professional services are performed. A person or firm may only have one principal place of business at any one time.

Individuals who perform professional services at multiple locations, such as individuals who perform attest services on assignment as needed in multiple jurisdictions, may designate as their principal place of business the location that most often serves as the individual's home base of operations.

**1.17 PROFESSIONAL SERVICES**

Services arising out of or related to specialized knowledge or skills performed by certified public accountants or public accountants, including issuing reports on financial statements, providing management or financial advisory services or consulting, preparing tax returns, or providing advice on tax matters, providing forensic accounting services, or providing internal auditing services.

**1.18 PUBLIC COMMUNICATION**

A public communication is a communication made in identical form to multiple persons or to the world at large, as by television, radio, motion picture, newspaper, pamphlet, mass mailing, letterhead, business card, electronic transmission or directory.

**1.19 RETURNING MILITARY VETERAN**

A former member of the United States Armed Forces who was discharged from active duty under circumstances other than dishonorable.

**1.20 SUBSTANTIAL EQUIVALENCY**

A determination by the NASBA National Qualification Appraisal Service that:

- a. The education, examination and experience requirements of the state in which the individual holds a valid license are comparable to or exceed the education, examination and experience requirements contained in the Uniform Accountancy Act; or
- b. The individual CPA's education, examination and experience requirements are comparable to or exceed the education, examination and experience requirements contained in the Uniform Accountancy Act.

**1.21 UAA**

The Uniform Accountancy Act issued jointly by the American Institute of Certified Public Accountants (AICPA) and the National Association of State Boards of Accountancy (NASBA), as amended from time to time.