

MINUTES OF THE KANSAS BOARD OF ACCOUNTANCY
JUNE 18, 2010
LANDON STATE OFFICE BUILDING
TOPEKA, KS

1. ADMINISTRATIVE MATTERS:

A. CALL TO ORDER:

Jeffrey A. Leiserowitz, CPA, called the meeting to order. Board members in attendance were Mr. Leiserowitz; Paul Allen, CPA; Jeffery Bottenberg, Public Member; Patricia O'Sullivan, Public Member; Virginia Powell, CPA; and Kent Smoll, CPA. Also in attendance were Susan Somers, Executive Director; Darin Conklin, General Counsel to the Board; Samuel Speed, Disciplinary Counsel to the Board; Linda Snyder and Teresa Keating, KSCPA; and Joyce Schartz, Public Accountants Association.

Mr. Leiserowitz welcomed Ted Lodden, NASBA's Central Regional Director to the meeting. Mr. Lodden briefly addressed the Board giving an overview of issues that other State Boards were facing, such as the results of CPE audits, and offered assistance from NASBA should the Board be so inclined.

B-1. CONSENT CALENDAR:

The Board reviewed the minutes of the April 29 and 30, 2010 meetings; reciprocity certificates/permits to practice/firm registrations and the 5/31/10 financials. Ms. Powell moved and Mr. Smoll seconded to approve. Upon a vote, the motion carried.

2. CPA EXAM:

A. The Board reviewed a request from Kathryn Midyett for waiver of the upper division economics course requirement. Ms. Midyett had passed the exam in another state but did not hold a CPA certificate and was now employed in Kansas and wanted to transfer her grades to obtain a Kansas CPA certificate, but had not taken the upper division economics course. Ms. Powell moved and Mr. Allen seconded, to approve the request for waiver. Upon a vote, the motion carried.

B. The Board reviewed a request from NASBA to send out postcards to passed exam candidates advertising NASBA's Accountancy Licensing Library. The Board unanimously declined the offer.

C. Ms. Powell and Ms. Somers discussed the CPA Exam Form that they attended in Dallas relative to the new changes in the CPA exam to include IFRS and international student testing.

3. CPE/CERTIFICATES/PERMITS TO PRACTICE/PEER REVIEW/FIRM REGISTRATION:

A. The Board reviewed the list of Peer Reviews due and in process. Mr. Allen moved, and Ms. O'Sullivan seconded that in the case of firms not timely complying with Peer Review, unless otherwise warranted, a "warning" letter would be sent notifying them that if they did not provide the Peer Review letter of completion or "in process" letter within thirty days from the date of the letter, a Summary Order of Suspension and imposition of a fine would be issued. If the firm complied within the thirty days, no disciplinary action would be taken. If the firm did not comply within the thirty days, the Summary Order of Suspension and Fine would be issued. For those firms who have received a second "warning" letter, should the firm fail to comply again, a Summary Order would be issued without a warning letter. Upon a vote, the motion carried. The Board also set the next due date for Peer Review letters of completion or additional "in process" letters to be August 20, 2010, unless otherwise warranted. Upon a vote, the motion carried.

B. The Board reviewed the list of permit holders that were not renewing or that couldn't be located. No action was required to be taken.

C. The Board reviewed a request from Michael DeCoursey for an extension of time to complete his CPE for medical reasons. Mr. Bottenberg moved and Ms. O'Sullivan seconded to allow Mr. DeCoursey until September 30, 2010 to obtain his required CPE for permit renewal and if at that time he required more time to complete the CPE, he is to send further documentation verifying an additional request for extension of time. Upon a vote, the motion carried.

4. REGULATIONS:

At a previous Board meeting, the Board had approved amendments to the CPE Regulations; however, Ms. Somers reported that one of the Board members had pointed out that there should probably be a delineation between web-based CPE courses sponsored within a firm, as opposed to webinars put on by third party sponsors and also that K.A.R. 74-4-8(d)(1)(A) should be amended to require the program sponsor to meet the requirements found in that subsection, rather than just the program itself. After discussion, Mr. Smoll moved and Ms. Powell seconded to include "intrafirm program" in 74-4-8(a) and to include the word "sponsor" in K.A.R. 74-4-8(d)(1)(A). Upon a vote, the motion carried.

Discussion was then held as to the requirements for CPE instructors and the meaning of "qualified". It was decided that Mr. Leiserowitz would devise a

series of focus questions to be presented to the other State Boards to determine how they handle the qualifications of CPE instructors.

5. OTHER:

A. The Board reviewed renewals of the contracts entered into for legal services, court reporting services, and for investigative/consulting services. No changes had been made from the previous year's contracts. Ms. Powell moved and Mr. Bottenberg seconded, to approve. Upon a vote, the motion carried.

B. The Board reviewed a request from Leonard Sanchez for support in nominating him for Director at Large. After discussion, the Board did not act on the matter.

6. HEARINGS AND CLOSED SESSION:

A. 9:45 AM **STAN MONGER.** Mr. Leiserowitz recused himself from this matter. Mr. Monger appeared before the Board upon his request for a hearing as a result of a Summary Order of Suspension being issued for his failure to timely comply with Peer Review. The meeting was adjourned to allow the parties to pursue a Consent Agreement. The matter will be addressed at the July 30, 2010 meeting.

B. 10:00 AM **BRIAN THOMPSON:** Mr. Thompson appeared before the Board with counsel, Clint Patty, and with John Mapes, CPA, for registration of the firm name of Brian S. Thompson, CPA, PA. The matter before the Board at this time is just the registration of the firm name; however, it is the intent of Mr. Thompson to use this firm to register as an owner in the firm of Mapes & Miller, Certified Public Accountants. After discussion, the meeting was closed to allow the Board to deliberate the matter.

When the Board reconvened, Ms. Powell moved and Mr. Bottenberg seconded to approve the firm registration of Brian S. Thompson, CPA, PA, but did not make any decision relative to the use of that firm name as an owner in the firm of Mapes & Miller, Certified Public Accountants. Upon a vote, the motion carried.

C. The Board went back into closed session to further deliberate the matter of Sumner Carter Hardy Rich & Company continued from the April Board meeting.

When the Board reconvened, Ms. Powell moved and Ms. O'Sullivan seconded to continue the matter to the July Board meeting. Upon a vote, the motion carried.

7. ADJOURN

There being no further business to come before the Board, Ms. O'Sullivan moved and Mr. Allen seconded, to adjourn. Upon a vote, the motion carried.

Susan L. Somers, Executive Director