

MINUTES OF THE KANSAS BOARD OF ACCOUNTANCY
July 29, 2016
LANDON STATE OFFICE BUILDING, ROOM 556A
TOPEKA, KS

1. ADMINISTRATIVE MATTERS:

A. CALL TO ORDER:

Denise O. Denning, CPA, Vice-Chair, called the meeting to order. Board members in attendance were Ms. Denning; T. C. Anderson, Public Member; John R. Helms, CPA; Michael L. Marsh, CPA; Kathryn J. Mitchell, CPA; and Patricia A. O'Sullivan, Public Member. Also in attendance was Susan Somers, Executive Director; Randy Forbes, Disciplinary Counsel to the Board; Darin Conklin, General Counsel to the Board; Natasha Schamberger and Aron Dunn on behalf of the Kansas Society of CPAs; Joyce Schartz and Rob Mealy on behalf of the Public Accountants Association, and Shawn Bauman, a student guest of Ms. O'Sullivan.

The Board welcomed Dan Dustin, NASBA Vice President, State Board Relations and Patricia Hartman, NASBA Director of Client Services. Mr. Dustin gave an update on NASBA initiatives and issues other state Boards were facing. Ms. Hartman gave a presentation on the next version of the CPA exam which will launch in April of 2017. She indicated that due to the fact that the scores would not be released for 10 weeks after the April May 2017 testing window it might affect some candidates whose passing scores might expire during the ten week period. She indicated that NASBA would advise the Board of any candidates who might be affected and the Board then, in turn, would view each candidate on a case by case basis as to whether or not extensions of their passing scores would be granted.

B. CONSENT CALENDAR:

1. The Board reviewed the minutes of the June 24, 2016 meeting; reciprocity certificates/permits to practice; firm registrations; and the June 2016 financials. Ms. Mitchell moved and Mr. Helms seconded to approve the Consent Calendar. Upon a vote, the motion carried.

2. CPA EXAM:

A. The Board reviewed the scores from the April May June testing window. Mr. Helms moved and Mr. Marsh seconded to ratify the scores. Upon a vote, the motion carried.

B. The Board reviewed the 2nd Quarter Exam pass rates. No action was required to be taken.

C. The Board reviewed the 2nd Quarter Performance Report. No action was required to be taken.

D. Discussion was had concerning the number of times an applicant could apply for the CPA exam in consideration of K.S.A. 1-302a(b), which requires an exam applicant to submit evidence to the Board of having completed the educational requirements of K.S.A. 1-302 or evidence that he or she reasonably expects to complete the educational requirements of K.S.A. 1-302 within 60 days from the date the applicant takes the first section of the CPA exam. By statute, the applicant is required to provide proof of completion of the education requirements to the Board, within 120 days of the date they take the first section of the exam. The Board determined that it would not put a limit on the number of times a candidate could reapply during the 60 day period. The Board was assured that NASBA would keep track of and remind candidates of their obligation to provide proof of completion of the educational requirements to the Board in a timely manner.

E. The Board reviewed a request from Samuel Robertson submitted pursuant to K.A.R. 74-2-7, for a waiver of 3 hours of accounting and 2 hours of communications relative to his application for CPA certificate by transfer of grades from Missouri. This matter was previously considered at a prior Board meeting and thereafter tabled. After review of additional information received by the Board, Mr. Helms moved and Ms. O'Sullivan seconded, to approve the request for waiver based upon Mr. Robertson's work experience. Upon a vote, the motion carried.

The Board reviewed a request from Gregory Sachs submitted pursuant to K.A.R. 74-2-7, for a waiver of 2 hours of communications and 1 hour of accounting relative to Mr. Sach's request to sit for the CPA exam. Upon review of the information provided, Mr. Helms moved and Ms. O'Sullivan seconded to approve the request for waiver based upon Mr. Sach's work experience. Upon a vote, the motion carried.

3. CPE/PERMIT TO PRACTICE/PEER REVIEW/FIRM REGISTRATIONS:

A. Ms. Somers presented to the Board the list of firms with peer reviews either due or in process. No action was required to be taken.

B. The Board reviewed a list of persons who were not renewing, or who could not be located. No action was required to be taken.

C. The Board reviewed a request received from Collette House for an extension of time by which to complete her CPE for purposes of permit renewal. Ms. House had suffered a death in her immediate family. Ms. House had obtained all of the required CPE to renew as of the time of the Board's meeting. Ms. O'Sullivan moved and Ms. Mitchell seconded to waive the 8 hour penalty. Upon a vote, the motion carried.

D. The Board reviewed a discussion paper issued by the AICPA relative to the proposed evolution of peer review administration. After discussion, Ms. Mitchell moved and Mr. Marsh seconded to request Board members to get their opinions back to Ms. Somers by August 19, 2016 so that a compilation of the responses could be prepared

and presented to the Board at the August 26, 2016 meeting. Upon a vote, the motion carried.

E. The Board considered the request of Howard & Company for an extension of time within which to complete its peer review. After review of the information and discussion, Mr. Anderson moved and Mr. Marsh seconded to extend Howard & Company's deadline to provide a Letter of Completion or In-Process letter to the Board, to September 15, 2016 with no further extensions to be granted. Upon a vote, the motion carried.

4. HEARINGS AND OTHER DISCIPLINARY MATTERS:

A. BOAN, CONNEALY & HOULEHAN, LLC CONSENT AGREEMENT AND FINAL ORDER:

Ms. O'Sullivan, the investigative Board member, recused herself from this matter. Mr. Boan appeared on behalf of the firm and with counsel, Joel Krieger. This matter was before the Board for consideration of a Consent Agreement and Final Order arising from an investigation wherein it was determined that the firm had unlawfully utilized a firm name that was not otherwise registered with the Board. The terms of the Consent Agreement and Final Order required Respondent to appear before the Board; and to pay a fine in the amount of \$250.00 and costs pursuant to K.S.A. 1-206, to include attorney's fees and court reporter fees. After hearing testimony, Mr. Anderson moved and Mr. Marsh seconded to accept the Consent Agreement and Final Order as presented. Upon a vote, the motion carried, with Ms. O'Sullivan not participating.

B. THOMAS G. FORD, CPA AND T/F, INC. CONSENT AGREEMENT AND FINAL ORDER:

Ms. O'Sullivan, the investigative Board member, recused herself from this matter. Mr. Ford appeared in person and on behalf of the firm. This matter was before the Board for consideration of a Consent Agreement and Final Order arising from an investigation wherein it was determined that Mr. Ford had practiced under a firm that was not otherwise registered with the Board. The terms of the Consent Agreement and Final Order required Respondents to appear before the Board; and Mr. Ford to pay a fine in the amount of \$500.00 and costs pursuant to K.S.A. 1-206, to include attorney's fees and court reporter fees. After hearing testimony, Mr. Anderson moved and Mr. Marsh seconded to accept the Consent Agreement and Final Order as presented. Upon a vote, the motion carried, with Ms. O'Sullivan not participating.

C. STEPHEN D. KRESKY, CPA & MCPHERSON ACCOUNTING, INC., CONSENT AGREEMENT AND FINAL ORDER:

Ms. O'Sullivan, the investigative Board member, recused herself from this matter. Mr. Kresky appeared in person and on behalf of the firm. This matter was before the Board for consideration of a Consent Agreement and Final Order arising from an investigation wherein it was determined that Mr. Kresky had practiced under a firm that was not otherwise registered with the Board. The terms of the Consent Agreement and Final Order required Respondents to appear before the Board; and Mr. Kresky to pay a fine in the amount of \$500.00 and costs pursuant to K.S.A. 1-206, to include attorney's fees and court reporter fees. After hearing testimony, Mr. Anderson moved and Mr. Marsh seconded to accept the Consent Agreement and Final Order as presented. Upon a vote, the motion carried, with Ms. O'Sullivan not participating.

D. DOUGLAS STRUBBE DISCIPLINARY HEARING:

Ms. O'Sullivan, the investigative Board member, recused herself from this matter. Mr. Strubbe appeared in person. The Board was represented by Randall J. Forbes, disciplinary counsel. This matter was before the Board for hearing on the merits of the Board's Petition for Disciplinary Action. After presentation of evidence and argument, Mr. Anderson moved and Mr. Helms seconded for the Board to go into closed session to deliberate the matter.

When the Board reconvened, Mr. Helms submitted a motion, with Mr. Marsh's second, finding that (1) Respondent violated a Board order and is subject to sanction pursuant to K.S.A. 1-311(a)(9); (2) Respondent failed to cooperate with the Board in its investigation and is subject to sanction pursuant to K.S.A. 1-311(a)(8); (3) Respondent willfully violated a rule of professional conduct, specifically the failure to notify the Board of a change in business address and is subject to sanction pursuant to K.S.A. 1-311(a)(8); and (4) Respondent's conduct reflected adversely on his fitness to practice certified public accountancy and he is therefore subject to sanction pursuant to K.S.A. 1-311(a)(14).

As a result of these violations, Respondent's Kansas CPA certificate and permit to practice certified public accountancy were revoked, and he was ordered to return the certificate and permit to the Board within ten (10) days of the effective date of the Board's Final Order; to pay a cumulative fine to the Board in the amount of \$5000.00 which may not be paid by credit card and is to be paid to the Board within one year from the effective date of the Board's Final Order; and to pay costs, pursuant to K.S.A. 1-206, to include attorney's fees and court reporter fees, the amount of which shall be determined upon separate motion to the Board. Respondent was not found to be subject to sanction pursuant to K.S.A. 1-311(a)(7). Upon a vote, the motion carried.

5. OTHER

A. ELECTION OF OFFICERS FOR ENSUING YEAR: Mr. Anderson moved and Mr. Marsh seconded to elect Denise Denning as Chair for the ensuing year. Upon a

vote, the motion carried. Ms. Mitchell moved and Mr. Marsh seconded to elect Mr. Helms as Vice-Chair for the ensuing year. Upon a vote, the motion carried.

6. ADJOURN

There being no further business to come before the Board, Mr. Anderson moved and Mr. Helms seconded to adjourn. Upon a vote, the motion passed.

/s/ Susan L. Somers
Susan L. Somers, Executive Director