

**MINUTES OF THE KANSAS BOARD OF ACCOUNTANCY
OCTOBER 27, 2017
LONDON STATE OFFICE BUILDING, ROOM 556A
TOPEKA, KS**

1. ADMINISTRATIVE MATTERS:

A. CALL TO ORDER:

John R. Helms, CPA, Chair, called the meeting to order. Board members in attendance were Mr. Helms; T. C. Anderson, Public Member; Denise Denning, CPA; Corlene Lange, CPA; Michael L. Marsh, CPA; Kathryn J. Mitchell, CPA; and Meredith Richey, 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 Chad Allen, on behalf of the Kansas Society of CPAs; and Joyce Schartz and Tammy Pachta, on behalf of the Public Accountants Association.

CONSENT CALENDAR:

1-3. The Board reviewed the minutes of the August 25, 2017 meeting; reciprocity certificates/permits to practice; firm registrations; and the September 30, 2017 financials. Ms. Denning moved, and Mr. Marsh seconded to approve the Consent Calendar. Upon a vote, the motion carried.

2. CPA EXAM:

A. The Board reviewed the exam scores for the July/August/September 2017 exam window. After review, Ms. Lange moved, and Ms. Richey seconded to ratify the grades. Upon a vote, the motion carried.

B. The Board reviewed the CPA exam statistics. No action was required to be taken.

C & D: The Board reviewed the Q2 and Q3 Exam Performance Reports. No action was required to be taken.

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 the results of the CPE audit performed on 2017 permit renewals. No action was required to be taken.

C. The Board reviewed a request for an extension of the Peer Review due date from the firm Gerald Thimmesch, CPA, PA. Based upon the information provided, Mr.

Anderson moved, and Ms. Lange seconded to extend the due date to November 30, 2017. Upon a vote, the motion carried.

4. PUBLIC HEARING ON REGULATION AMENDMENTS: AT 9:30 AM, MR. HELMS RECESSED THE REGULAR MEETING OF THE BOARD IN ORDER TO HOLD A PUBLIC HEARING ON REGULATION AMENDMENTS.

Mr. Helms convened the public hearing to consider amendments to K.A.R. 74-2-1; 74-2-7; 74-3-8; 74-4-3a; 74-4-7; 74-4-8; 74-4-9; 74-4-10; 74-5-2; 74-5-202; 74-5-405; 74-5-406; 74-5-408; 74-6-2; 74-7-2; 74-11-6; and 74-12-1.

Public attendees of the meeting were Chad Allen, Natasha Shamberger, Kansas Society of CPAs; Joyce Shartz. Tammy Pachta, Public Accountants Association of Kansas; Andrew Hill, PE; Harrison Green, CPA; Christine Fuhmstad and Linda Wendling of Western Governors University.

Mr. Helms reported that the Board had received public comments from Andrew Hill, regarding pass/fail credits, Western Governors University concerning experience and pass/fail credits; and the Joint Committee on Rules and Regulations had comments regarding continuing education credits and the increase in fees.

Mr. Helms also proposed an additional amendment to 74-2-7(b)(4) which as proposed would state as follows: “(4) credit for competency gained through experience, knowledge, or prior education, or any combination; and

The Board heard, reviewed, and considered the comments and suggestions presented by all parties, including without limitation, the Kansas legislature.

Mr. Helms then closed the public hearing.

MR. HELMS DECLARED THE REGULAR MEETING TO BE RECONVENED.

The Board discussed the definition of pass/fail credits and determined that further clarification was not necessary, as pass/fail is considered to be credit/no credit. Therefore, no further amendments were necessary to be made.

The Board discussed and considered the request of removal of the restriction on pass/fail credits as proposed by Western Governors University.

Mr. Anderson moved, and Ms. Richey seconded, to adopt the Regulation amendments to K.A.R. 74-2-1; 74-3-8; 74-4-3a; 74-4-7; 74-4-8; 74-4-9; 74-4-10; 74-5-2; 74-5-202; 74-5-405; 74-5-406; 74-5-408; 74-6-2; 74-7-2; and 74-11-6. Upon a roll call vote, the motion carried.

Ms. Denning moved to adopt the Regulation amendments to K.S.A. 74-2-7 exclusive of the amendment to K.S.A. 74-2-7(b)(4) as proposed by Mr. Helms on October 27, 2017. Mr. Anderson proffered a substitute motion to decline all amendments to K.A.R. 74-2-7(b)(4) and K.A.R. 74-2-7(b)(5).. The substitute motion failed to obtain a second.

Mr. Marsh seconded Ms. Denning's motion to adopt the Regulation amendments to K.S.A. 74-2-7, exclusive of the amendment to K.A.R. 74-2-7(b)(4) proffered by Mr. Helms on October 27, 2017. Upon a roll call vote, the motion carried with Mr. Anderson voting against.

Mr. Anderson moved to deny the adoption of Regulation amendments to K.A.R. 74-12-1 and Ms. Richey seconded the motion. Upon a roll call vote, the motion failed.

Mr. Marsh moved, and Ms. Mitchell seconded to adopt the Regulation amendment to 74-12-1, which would allow for fee increases. Upon a roll call vote, the motion passed, with Mr. Anderson voting against.

5. HEARINGS AND OTHER DISCIPLINARY MATTERS:

A. SARAH DAWN BISHOP, CPA AND SARAH D. BISHOP, CPA LLC STIPULATION AND CONSENT ORDER: Mr. Marsh, the investigator in this matter, recused himself. Ms. Bishop appeared in person and on behalf of her firm. This matter was before the Board for approval of a Stipulation and Consent Order arising from an investigation and subsequent determination that Ms. Bishop had engaged in the practice of certified public accountancy without holding a valid permit, and the Respondent firm's failure to comply with K.S.A. 1-308. The terms of the Stipulation and Consent Order required Respondents to appear before the Board; Ms. Bishop 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 incurred in the matter; and censured Respondents for their conduct. Ms. Bishop's application for permit renewal was granted without condition. After hearing testimony, Mr. Anderson moved, and Ms. Denning seconded to accept the Stipulation and Consent Order. Upon a vote, the motion carried, with Mr. Marsh not participating.

B. KENNETH A. DECOURSEY, CPA AND KENNETH DECOURSEY, CPA, P.A. STIPULATION AND CONSENT ORDER: Mr. DeCoursey appeared in person and with counsel, Cliff Cohen. Mr. Marsh, the investigator in this matter, recused himself. This matter was before the Board for approval of a Stipulation and Consent Order arising from an investigation and subsequent determination that Mr. DeCoursey had engaged in the practice of certified public accountancy without holding a valid permit, and the Respondent firm's failure to comply with K.S.A. 1-308. The terms of the Stipulation and Consent Order required Respondents to appear before the Board; Mr. DeCoursey 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 incurred in the matter; and censured Respondents for their conduct. Mr. DeCoursey's application for permit renewal was granted without condition. After hearing testimony, Ms. Richey moved, and Ms. Lange seconded to accept the Stipulation and Consent Order. Upon a vote, the motion carried, with Mr. Marsh not participating.

C. HARRISON EDWARD GREEN, CPA: Ms. Denning, the investigator in this matter, recused herself. This matter was before the Board for approval of a Stipulation and Consent Order arising from an investigation and subsequent determination that Mr. Green had failed to maintain the requirements in order to renew his permit based on an audit of the CPE hours claimed for permit renewal. The terms of the Stipulation and

Consent Order required Respondent to appear before the Board; completion of twenty-seven hours of CPE; Respondent 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 incurred in the matter; and censure of Respondent. After hearing testimony, Mr. Marsh moved and Ms. Mitchell seconded to accept the Stipulation and Consent Order. Upon a vote, the motion carried, with Ms. Denning not participating.

D. CATHERINE RUTH HARGIS, CPA AND CATHERINE R. HARGIS, CPA, LLC STIPULATION AND CONSENT ODER: Mr. Marsh, the investigator in this matter, recused himself. This matter was before the Board for approval of a Stipulation and Consent Order arising from an investigation and subsequent determination that Ms. Hargis had engaged in the practice of certified public accountancy without holding a valid permit, and the Respondent firm's failure to comply with K.S.A. 1-308. The terms of the Stipulation and Consent Order required Respondents to appear before the Board; Ms. Hargis 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 incurred in the matter; and the censure of Respondents for their conduct. Ms. Hargis's application for permit renewal was granted without condition. After hearing testimony, Ms. Denning moved and Ms. Richey seconded to accept the Stipulation and Consent Order. Upon a vote, the motion carried, with Mr. Marsh not participating.

E. JAMES F. ROGERS, CPA AND JAMES F. ROGERS, C.P.A., P.A. STIPULATION AND CONSENT ORDER: Mr. Marsh, the investigator in this matter, recused himself. This matter was before the Board for approval of a Stipulation and Consent Order arising from an investigation and subsequent determination that Mr. Rogers had engaged in the practice of certified public accountancy without holding a valid permit, and the Respondent firm's failure to comply with K.S.A. 1-308. The terms of the Stipulation and Consent Order required Respondents to appear before the Board; Mr. Rogers 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 incurred in the matter; and Respondents were censured for their actions. Mr. Roger's application for permit renewal was granted without condition. After hearing testimony, Mr. Anderson moved, and Ms. Richey seconded to accept the Stipulation and Consent Order. Upon a vote, the motion carried, with Mr. Marsh not participating.

F. DOUGLAS A. SUTTON, CPA STIPULATION AND CONSENT ORDER: Mr. Marsh, the investigative Board member, recused himself. Mr. Sutton appeared before the Board in person and with counsel, Joel Krieger. This matter was before the Board for approval of a Stipulation and Consent Order arising from an investigation and subsequent determination that Mr. Sutton had engaged in the practice of certified public accountancy without holding a valid permit to practice. The terms of the Stipulation and Consent Order required Respondent to appear before the Board; 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 incurred in the matter; and censure. Respondent's application for permit renewal was granted without condition. After hearing testimony, Ms. Denning moved, and Ms. Mitchell

seconded to accept the Stipulation and Consent Order. Upon a vote, the motion carried, with Mr. Marsh not participating.

G. JASON E. GOETHE, CPA; ENCOMPASS ACCOUNTING SOLUTIONS, LLC; AND OREAD RISK AND ADVISORY, LLC STIPULATION AND CONSENT ORDER:

Mr. Denning, the investigative Board member, recused herself. This matter was before the Board for approval of a Stipulation and Consent Order arising from an investigation and subsequent determination that Mr. Goethe had engaged in the practice of certified public accountancy without holding a valid permit to practice and the Respondent firms' failure to comply with K.S.A. 1-308. The terms of the Stipulation and Consent Order required Respondents to appear before the Board. Mr. Goethe is ordered to complete the AICPA Comprehensive Ethics exam with a score of 90% or higher and 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 incurred in the matter. Respondents were each censured for their actions. Mr. Goethe's application for permit renewal was granted without condition. Respondent firms' applications for firm registration were granted without condition. After hearing testimony, Ms. Lange moved, and Ms. Richey seconded to accept the Stipulation and Consent Order. Upon a vote, the motion carried, with Ms. Denning not participating.

H. MONICA R. KELLOGG, CPA AND MONICA R. KELLOGG, CPA, LLC REQUEST FOR HEARING ON SUMMARY ORDER OF SUSPENSION OF FIRM REGISTRATION AND PERMIT AND IMPOSITION OF FINE FOR FAILURE TO COMPLY WITH PEER REVIEW:

Ms. Denning, the investigative Board member, recused herself. This matter was before the Board upon Respondent's request for hearing relative to a Summary Order of Suspension of Firm Registration and Permit and Imposition of Fine for Failure to Comply with Peer Review. After hearing testimony, Ms. Mitchell moved, and Mr. Marsh seconded for the Board to go into closed session to deliberate the matter. Upon a vote, the motion carried, with Ms. Denning not participating.

When the Board reconvened, Ms. Lange moved, and Mr. Marsh seconded to dismiss the Summary Order of Suspension of Firm Registration and Permit and Imposition of Fine for Failure to Comply with Peer Review. Upon a vote, the motion carried, with Ms. Denning not participating.

I. LE COMPTE, PC REQUEST FOR HEARING ON SUMMARY ORDER OF SUSPENSION OF FIRM REGISTRATION AND IMPOSITION OF FINE FOR FAILURE TO COMPLY WITH PEER REVIEW:

This matter was before the Board upon Respondent's request for hearing on a Summary Order of Suspension of Firm Registration and Imposition of Fine for Failure to Comply with Peer Review. After hearing testimony, Mr. Marsh moved, and Ms. Mitchell seconded for the Board to go into closed session to deliberate the matter. Upon a vote, the motion carried.

When the Board reconvened, Ms. Mitchell moved, and Mr. Marsh seconded that Respondent failed to timely comply with peer review and that Respondent be censured and 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 to be determined upon a motion of the Board and a subsequent hearing thereon. Upon a vote, the motion carried.

J. PKF O’CONNOR DAVIES, LLP REQUEST FOR HEARING ON SUMMARY ORDER OF SUSPENSION OF FIRM REGISTRATION AND IMPOSITION OF FINE FOR FALURE TO COMPLY WITH PEER REVIEW: This matter was before the Board upon Respondent’s request for hearing on a Summary Order of Suspension of Firm Registration and Imposition of Fine for Failure to Comply with Peer Review. After hearing testimony, Ms. Denning moved, and Ms. Richey seconded for the Board to go into closed session to deliberate the matter. Upon a vote, the motion carried.

When the Board reconvened, Mr. Anderson moved, and Mr. Marsh seconded to dismiss the Summary Order of Suspension of Firm Registration and Imposition of Fine for Failure to Comply with Peer Review. Upon a vote, the motion carried.

K. DAVID A. UNGER, CPA & UNGER & ASSOCIATES, P.C. STIPULATION AND CONSENT ORDER AMENDING THE STIPULATION AND CONSENT ORDER DATED JANUIARY 20, 2017: Ms. Denning, the investigative Board member, recused herself. This matter was before the Board to for consideration of a proposed amendment to the Stipulation and Consent Order issued by the Board on January 20, 2017. The amendment proposed to eliminate the requirement that certain attest reports be subject to preissuance review. All remaining terms of the Board’s Stipulation and Consent Order issued on January 20, 2017 would remain in place. Mr. Anderson moved and Mr. Marsh seconded to accept the Stipulation and Consent Order amending the Stipulation and Consent Order dated January 20, 2017. Upon a vote, the motion carried, with Ms. Denning not participating.

L. WILSON HAAG & CO., PC REQUEST FOR REINSTATEMENT OF FIRM: This matter was before the Board for consideration of Respondent’s request for reinstatement of its firm registration. Mr. Marsh moved, and Ms. Richey seconded for the Board to go into closed session pursuant to K.S.A. 1-501(h) to discuss the results of the firm’s Peer Review.

When the Board reconvened, Ms. Mitchell moved, and Ms. Lange seconded to continue the hearing until the December 8, 2017 meeting. Upon a vote, the motion carried.

The Board reviewed the following Summary Orders issued, which required no further action by the Board:

M. BRADLEY L. FUNK SUMMARY ORDER OF REVOCATION OF CERTIFICATE AND IMPOSITION OF FINE

N. ARTHUR WHITE & ASSOCIATES, LLC SUMMARY ORDER OF SUSPENSION OF FIRM REGISTRATION AND IMPOSITION OF FINE FOR FAILURE TO COMPLY WITH PEER REVIEW

6. ADJOURN

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

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