

**MINUTES OF THE KANSAS BOARD OF ACCOUNTANCY
DECEMBER 8, 2006
9:00 AM, LANDON STATE OFFICE BUILDING, ROOM 106
TOPEKA, KS**

1. ADMINISTRATIVE MATTERS:

A. CALL TO ORDER:

Adley Johnson, CPA, Chair, called the meeting to order. Board members in attendance at the meeting were Mr. Johnson; Paul Allen, CPA; Jeff Bottenberg, Public Member; Patricia O'Sullivan, Public Member; Ginger Powell, CPA; and Rodney Van Norden, CPA. Also in attendance were Susan Somers, Executive Director; Mary Feighny, Assistant Attorney General, General Counsel to the Board; Derenda Mitchell, Assistant Attorney General, Disciplinary Counsel to the Board; Victor Barbo, CPA and Joyce Schartz, Public Accountants Association; and Tony Scott, Kansas Society of CPAs.

B. 1-2 CONSENT CALENDAR:

The Board reviewed the minutes of the October 20, 2006 meeting; reciprocity certificates/permits to practice; practice by notification; firms, and the November 30, 2006 financials. Mr. Allen moved and Ms. O'Sullivan seconded to approve. Upon a vote, the motion carried.

2. CPA EXAM:

A. Paul Allen, Chair of the Board's task force formed to recommend amendments to the accountancy laws, reported that he, Ms. Powell and Ms. O'Sullivan had recently met with representatives of Butler County Community College; Johnson County Community College; Highland Community College; Colby Community College, the Kansas Association of Community Colleges, the Kansas Board of Regents, and two potential CPA exam candidates to discuss concurrent/dual credits. As a result of the meeting, the task force determined that these courses were in fact college courses and should be accepted as such. Mr. Allen further reported that no amendment to the accountancy statutes would be required and that the acceptance thereof should be in the form of a Board policy. Mr. Van Norden moved and Ms. Powell seconded that the Board adopt a policy to accept concurrent/dual credits to qualify towards the 150 hour education requirement, so long as they have been accepted by a college or university recognized by the Board. Upon a vote, the motion carried.

B. The Board reviewed a request from Jacob Rodman to waive 3 hours of written and oral communications. Although the Board had adopted a policy not to waive communications hours after January 1, 2007, due to the fact that Mr. Rodman had 3 hours of advanced placement credits for an Expository Writing

course, and due to the fact that the Board would be changing its statutes and regulations to accommodate advanced placement hours, Mr. Van Norden moved and Mr. Allen seconded to waive the 3 hours of communications in this instance. Upon a vote, the motion carried, with Mr. Bottenberg voting against.

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

A. The Board reviewed a list of Peer Reviews due and “in process”. Mr. Allen moved and Mr. Van Norden seconded that any firm or individual who did not comply with their Peer Review due date would be issued a Summary Order of Suspension of firm registration and/or permit (whichever is applicable), imposing a \$250 fine (or in the case of repeat violations, double the previous fine) with the suspension being stayed for thirty days from the date of issuance of the Summary Order, provided the fine was paid and a Peer Review letter of completion or “in process” letter was provided to the Board. Upon a vote, the motion carried.

Ms. Somers reported that Robert Howell had been issued a Summary Order of Suspension of firm registration and permit for the reason that he had not complied with his Peer Review due date, nor did he satisfy the terms of the Summary Order within the thirty day period, thereby resulting in his firm registration and permit being suspended. She indicated that after conversations with Mr. Howell, she wasn’t sure that he fully understood exactly what had transpired. The Board instructed Ms. Somers to write to Mr. Howell explaining that he was suspended, and what would be required to reinstate his firm and permit.

Ms. Somers pointed out that the Peer Review of Murray Vendetti was due to be completed by February 28, 2005 and that it had been in process ever since. After discussion, Mr. Bottenberg moved and Ms. O’Sullivan seconded to request that Ms. Somers write to Mr. Vendetti, pursuant to K.A.R. 74-5-407, requiring him to appear before the Board at its January 19, 2007 meeting, and that he be requested to bring all of his Peer Review documents with him. Upon a vote, the motion carried.

4. LEGISLATIVE MATTERS:

A. The Board reviewed the proposed statute amendments. Mr. Allen indicated that the task force believed that when they met with representatives of the colleges and universities relative to advanced placement credits and other types of credits obtained by potential exam candidates, they believed that the consensus was that advanced placement, military credits, credit by exam, and vocational technical school or college credits accepted by a college or university recognized by the Board, be accepted. Further discussion resulted in the Board placing a limit of 24 hours for one or a combination of all these types of credits.

Ms. Feighny was instructed to draft a Regulation amendment to be disseminated with written responses due back to the Board by January 12, 2007.

Tony Scott, on behalf of the KSCPA, indicated to the Board that the KSCPA was in agreement with all the proposed statute amendments and that they would stand by the Board in its presentation to the legislature. He also indicated that the KSCPA would not be seeking any other legislation during the session.

5. COMPLAINT/DISCIPLINARY MATTERS:

A. 9:45 AM JENNIFER CHICK: Ms. Chick appeared before the Board for approval of a Consent Order issued for failure to pay withholding taxes in a timely manner. The terms of the Consent Order were that she appear before the Board, be censured, and be required to take the AICPA Comprehensive Ethics Exam and pass with a 90% or higher score within 90 days of appearing before the Board. Mr. Van Norden moved and Mr. Allen seconded to accept the terms of the Consent Order. Upon a vote, the motion carried.

B. 10:00 AM KEITH MINES: Mr. Mines appeared before the Board to seek reinstatement of his firm registration and permit as a result of a Summary Order of suspension and fine being issued for failure to comply with Peer Review. Mr. Mines had paid the \$500 fine, and had submitted his Peer Review letter of completion. After discussion, Ms. Powell moved and Ms. O'Sullivan seconded to reinstate the firm registration and permit of Mr. Mines. Upon a vote, the motion carried.

C. 10:00 AM THOMAS DEBERRY: The disciplinary hearing of Mr. DeBerry was continued to the January 19, 2007 meeting.

D. The Board reviewed a Summary Order issued to Sara Jenkins for failure to comply with Peer Review. Her permit was issued conditionally for the period July 1, 2005 to June 30, 2007 upon her successful completion of Peer Review with proof back to the Board on or before September 30, 2006. She did not comply with the due date and on October 5, 2005, she was sent the Summary Order of suspension and fine, with the suspension being stayed for thirty days if she paid the \$250 fine and submitted a Peer Review letter of completion, or "in process" letter. She did not comply with the Summary Order, so her permit was suspended. The Summary Order also required that, if suspension occurred, she was to return her permit to practice within ten days of the date of suspension to the Board. She did not comply. Mr. Allen moved and Ms. O'Sullivan seconded to issue another Summary Order suspending the certificate of Ms. Jenkins and imposing an additional fine of \$500.00 for failure to comply with a Board Order. If, in the future, Ms. Jenkins were to seek reinstatement, she would be required to appear before the Board. Upon a vote, the motion carried.

E. Ms. Somers reported to the Board that Kimberly Stewart was issued a Summary Order of Suspension and Permit for failure to cooperate as a result of not responding to an inquiry relative to an investigation into a complaint filed against her. Although her permit was suspended for failure to cooperate, there was still the matter of the underlying complaint. Mr. Van Norden, the investigative Board member assigned to the complaint, made a motion, and Mr. Allen seconded, that this matter be sent to disciplinary counsel to prepare a Petition for violations of the accountancy laws as counsel sees fit. Upon a vote, the motion carried.

F. Ms. Somers pointed out to the Board that when it authorized the issuance of Summary Orders of Suspension of Certificate and Permit for Failure to Cooperate, which would indicate that the suspension would be stayed for 14 days if a written response to the letter initially requiring their response was provided, there was no mention of what happens if the certificate and permit are actually suspended and what would be required to occur if the person would seek reinstatement. Also, the motion did not include a provision for a fine. After discussion, Ms. Powell moved and Mr. Van Norden seconded, that if a person was suspended as a result of failure to cooperate, they would be required to appear before the Board if they sought reinstatement, and to impose a \$250 fine to be paid within the 14 day period of stay. Upon a vote, the motion carried.

G. The Board reviewed a request for hearing from Dwayne Laubinger for denial of his application for Practice by Notification. Ms. Somers inquired as to whether the full Board would want to hear the matter, or if a smaller hearing panel should be convened. The Board determined that the full Board would hear the matter at its January 19, 2007 meeting.

H. Ms. Mitchell informed the Board that Thomas V. Poppe, whose certificate was revoked in April of 2004 for continuing to practice as a CPA while under suspension, has continued to issue audits since his revocation. She pointed out that under K.S.A. 1-318, the Board could, if it determined that a person had or was about to violate K.S.A. 1-316, seek an injunction in District Court. Further, she indicated that he never paid his \$1,000 fine. After discussion, Ms. Powell moved and Mr. Bottenberg seconded to authorize the Attorney General to initiate proceedings to seek payment of the \$1,000 fine and if appropriate, file an injunctive action against Mr. Poppe in District Court. Upon a vote, the motion carried.

6. OTHER:

A. Mr. Allen discussed difficulties that he had encountered in applying for reciprocity in other states, echoed by Ms. Powell and Mr. Van Norden. He stated that while the idea of substantial equivalency was a good one, other states that had adopted the provision, still had extremely cumbersome requirements. Ms. Powell indicated that one state still required official transcripts. Mr. Allen

requested that Mr. Smoll, who was not present at the meeting, and who is a Regional Director of NASBA, be requested to lead a effort to simplify reciprocity in other states. Mr. Scott of the KSCPA indicated that mobility was an issue that was discussed by other state Societies of CPAs, as well as NASBA. Mr. Allen indicated that if other states would simply require what Kansas required that the whole process would be more in line with the original intent of substantial equivalency.

B. Ms. O'Sullivan discussed the number of practitioners who were appearing before the Board with issues of depression, substance abuse, etc. and asked if the KSCPA would form a program that would assist those CPAs. She indicated that lawyers and corporate entities had programs in place to provide assistance in obtaining professional help and guidance and to make sure that the client's needs were being met during those times when they were dealing with these types of issues. The Board agreed with Ms. O'Sullivan and encouraged the KSCPA to look into the matter.

7. ADJOURN

There being no further business to come before the Board, upon a motion by Ms. O'Sullivan and seconded by Mr. Bottenberg, the meeting was adjourned.

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