

**MINUTES OF THE KANSAS BOARD OF ACCOUNTANCY  
DECEMBER 9, 2016  
LONDON STATE OFFICE BUILDING, ROOM 556A  
TOPEKA, KS**

**1. ADMINISTRATIVE MATTERS:**

**A. CALL TO ORDER:**

Denise O. Denning, CPA, Chair, called the meeting to order. Board members in attendance were Ms. Denning; John R. Helms, CPA; T. C. Anderson, Public Member; Michael L. Marsh, CPA; Kathryn J. Mitchell, CPA; and Rodney Van Norden, CPA. Patricia O'Sullivan, public member, was not in attendance at the meeting. Also in attendance was Susan Somers, Executive Director; Randy Forbes, Disciplinary Counsel to the Board; Darin Conklin, General Counsel to the Board; Natasha Schamberger, Chad Allen and Rita Barnard, on behalf of the Kansas Society of CPAs; and Joyce Schartz on behalf of the Public Accountants Association.

**B. CONSENT CALENDAR:**

1-3. The Board reviewed the minutes of the October 28, 2016 meeting; reciprocity certificates/permits to practice; firm registrations; and the November 2016 financials. Mr. Helms moved and Mr. Van Norden seconded to approve the Consent Calendar. Upon a vote, the motion carried.

**C. DIVISION OF BUDGET RECOMMENDATIONS FOR 2018-2019:** The Board reviewed the Division of Budget's recommendation that a fee increase should be seriously considered or expenditure levels reduced in order to maintain an adequate cash balance in the fee fund. Mr. Helms led the discussion on this matter reporting that a reduction in expenses was not feasible and provided detail as to projected fee increases for both firms and permits. Further discussion will be had at the January 2017 meeting.

**2. CPA EXAM:**

A. The Board reviewed the exam fee increase notice from NASBA reflecting an increase in the fees charged by Prometric. No action was required to be taken.

B. The Board reviewed a request from NASBA for permission to contact our exam candidates for a research project to determine why they have dropped out of the exam process. After discussion, Mr. Helms moved and Mr. Marsh seconded to agree to provide the information. Upon a vote, the motion carried.

C. The Board reviewed a request from an exam candidate to extend the length of his NTS to schedule due to a medical issue that he incurred while sitting for the FAR section of the exam. After discussion, Mr. Van Norden moved and Mr. Helms seconded to deny the request. 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. Mr. Helms moved and Mr. Van Norden seconded that in the case of firms not timely complying with Peer Review, a “warning” letter will be sent notifying them that if they do 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 will be issued. If the firm complies within the thirty days, no disciplinary action will be taken. If the firm does not comply within the thirty days, the Summary Order of Suspension and Fine will be issued. For those firms who have received a second “warning” letter, should the firm fail to comply a third time, a Summary Order will be issued without a warning letter. Upon a vote, the motion carried. The Board also set the next 2017 due dates for Peer Review letters of completion or additional “in process” letters to be June 9, 2017 and December 1, 2017, unless otherwise warranted. Upon a vote, the motion carried.

B. The Board reviewed a request for an extension of the Peer Review due date from the firm Barr Assurance & Advisory, Inc. Based upon the information provided, Mr. Anderson moved and Mr. Helms seconded to approve the request, with no further extensions. Upon a vote, the motion carried.

C. The Board reviewed a request for an extension of the Peer Review due date from the firm Agler & Gaeddert Chartered. Based upon the information provided, Mr. Van Norden moved and Mr. Marsh seconded to approve the request. Upon a vote, the motion carried.

D. The Board reviewed the results of the CPE audit performed on 2016 permit renewals. Ms. Somers reported that the results are consistent with the audits conducted in previous years. No action was required to be taken.

E. The Board reviewed a request for an extension of the Peer Review due date from the firm Ring Auditing and Accounting. Based upon the information provided, Mr. Van Norden moved and Mr. Helms seconded to approve the request, with no further extensions. Upon a vote, the motion carried.

### **4. HEARINGS AND OTHER DISCIPLINARY MATTERS:**

**A. ARNONE, SALERNO & COMPANY, P.A., JOSEPH V. ARNONE, CPA; FRANK PAUL SALERNO, CPA; STIPULATION AND CONSENT ORDERS:** Ms. O’Sullivan, the investigative Board member, recused herself from this matter. Arnone, Salerno & Company, P.A. appeared in person by and through Joseph V. Arnone and Frank Paul Salerno. Mr. Arnone and Mr. Salerno also appeared in their individual capacities. This matter was before the Board for consideration of Stipulation and Consent Orders relative to each of the named Respondents arising from an investigation wherein it was determined that the firm of Arnone, Salerno & Company, P.A. and the individual respondents failed to disclose that they were delinquent in paying payroll taxes for multiple tax periods which resulted in discipline pursuant to K.S.A. 1-312(a)(2) and K.S.A. 1-312(a)(6) for the firm, and discipline pursuant to K.S.A.

1-311(a)(1); K.S.A. 1-311(a)(6); K.S.A. 1-311(a)(8); and K.S.A. 1-311(a)(14) for the individuals. The terms of the Stipulation and Consent Orders required each respondent to appear before the Board; to each pay a fine in the amount of \$1,000, and costs pursuant to K.S.A. 1-206, to include attorney's fees and court reporter fees, and to provide proof of timely filing of payroll tax returns and payment of taxes collected on behalf of others for tax years 2016-2020. After hearing testimony, Mr. Helms moved and Mr. Van Norden 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 accept the Stipulation and Consent Orders as presented. Upon a vote, the motion carried, with Ms. O'Sullivan not participating.

**B. JENNIFER LYNN CALLAHAN, CPA CONSENT AGREEMENT AND FINAL ORDER:** Ms. O'Sullivan, the investigative Board member, recused herself from this matter. Ms. Callahan appeared in person. This matter was before the Board for consideration of a Consent Agreement and Final Order arising from an audit of Ms. Callahan's CPE claimed in support of her most recent permit renewal. The Board determined that Ms. Callahan engaged in fraud, dishonesty or deceit in obtaining renewal of her permit to practice certified public accountancy, failed to comply with the requirements for renewal of a permit, violated a regulation, committed a willful violation of a rule of professional conduct and engaged in conduct reflecting adversely on her fitness to practice certified public accountancy. The terms of the Consent Agreement and Final Order required Ms. Callahan to appear before the Board; pay a fine in the amount of \$750.00 plus costs pursuant to K.S.A. 1-206, to include attorney's fees and court reporter fees. After hearing testimony, Mr. Van Norden moved and Mr. Helms seconded to accept the Consent Agreement and Final Order as presented. Upon a vote, the motion carried with Ms. O'Sullivan not participating.

**C. DENISE MICHELLE ENGLAND, CPA CONSENT AGREEMENT AND FINAL ORDER:** Ms. Mitchell, the investigative Board member, recused herself from this matter. Ms. England appeared in person. This matter was before the Board for consideration of a Consent Agreement and Final Order arising from an investigation arising from an audit of Ms. England's CPE claimed in support of her 2014 and 2016 permit renewals. The Board determined that Ms. England failed to maintain compliance with the requirements for renewal of a permit. The terms of the Consent Agreement and Final Order required Ms. England to appear before the Board; pay a fine in the amount of \$250.00 plus costs pursuant to K.S.A. 1-206, to include attorney's fees and court reporter fees; and to complete and provide proof of completion of 53.5 hours of CPE to the Board on or before December 2, 2016, which she had provided before the Board meeting. After hearing testimony, Mr. Van Norden moved and Mr. Marsh seconded for the Board to accept the Consent Agreement and Final Order as presented. Upon a vote, the motion carried, with Ms. Mitchell not participating.

**D. JEFFERY LEE MCDANIEL, CPA CONSENT AGREEMENT AND FINAL ORDER:** Ms. Mitchell, the investigative Board member, recused herself from this matter. Mr. McDaniel appeared by telephone. This matter was before the Board for consideration of a Consent Agreement and Final Order arising from an audit of Mr.

McDaniel's CPE claimed in support of his 2014 and 2016 permit renewals. The Board determined that Mr. McDaniel failed to maintain compliance with the requirements for renewal of a permit. The terms of the Consent Agreement and Final Order required Mr. McDaniel to appear before the Board; pay a fine in the amount of \$500.00 plus costs pursuant to K.S.A. 1-206, to include attorney's fees and court reporter fees; and to complete and provide proof of completion of 96.5 hours of CPE to the Board, which he completed prior to the Board meeting. After hearing testimony, Mr. Marsh moved and Mr. Van Norden seconded for the Board to accept the Consent Agreement and Final Order as presented. Upon a vote, the motion carried, with Ms. Mitchell not participating.

**E. ANTHONY R. MOELLER, CPA & INTEGRITY ADVISORY, LLC CONSENT AGREEMENT AND FINAL ORDER:** Ms. O'Sullivan, the investigative Board member recused herself from this matter. 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. Moeller had failed to register his firm with the Board from 2007 to the present, and the firm engaged in the practice of certified public accountancy without a valid firm registration. The terms of the Consent Agreement and Final Order required Respondents to appear before the Board; and for Mr. Moeller 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. Van Norden moved and Ms. Mitchell seconded to accept the Consent Agreement and Final Order as presented. Upon a vote, the motion carried, with Ms. O'Sullivan not participating.

**F. JULIE MAE RUMFORD, CPA CONSENT AGREEMENT AND FINAL ORDER:** Mr. Marsh, the investigative Board member, and Mr. Van Norden recused themselves from this matter. This matter was before the Board for consideration of a Consent Agreement and Final Order arising from an investigation wherein it was determined that Ms. Rumford engaged in the practice of certified public accountancy without a valid permit to practice. The terms of the Consent Agreement and Final Order required Ms. Rumford to appear before the Board; payment of 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. Helms seconded to accept the Consent Agreement and Final Order as presented. Upon a vote, the motion carried, with Mr. Marsh and Mr. Van Norden not participating.

**G. SCOTT PATRICK SAMWAY, CPA CONSENT AGREEMENT AND FINAL ORDER:** Ms. O'Sullivan, the investigative Board member, recused herself from this matter. Mr. Samway appeared in person. This matter was before the Board for consideration of a Consent Agreement and Final Order arising from an audit of Mr. Samway's CPE claimed in support of his 2014 and 2016 permit renewals. The Board determined that Mr. Samway failed to maintain compliance with the requirements for renewal of a permit. The terms of the Consent Agreement and Final Order required Mr. Samway to appear before the Board; pay a fine in the amount of \$500.00 plus costs pursuant to K.S.A. 1-206, to include attorney's fees and court reporter fees; and to complete and provide proof of completion of 164 hours of CPE to the Board on or before January 12, 2017. After hearing testimony, Ms. Mitchell moved and Mr. Marsh

seconded for the Board to accept the Consent Agreement and Final Order as presented. Upon a vote, the motion carried, with Ms. O'Sullivan not participating.

**H. JOHN J. SAMYN, CPA STIPULATION AND CONSENT ORDER:** Ms. Denning, the investigative Board member, recused herself from this matter. Mr. Samyn appeared in person. This matter was before the Board for consideration of a Stipulation and Consent Order arising from an investigation wherein it was determined that Mr. Samyn violated the PCAOB Rules and standards, as well as the Securities and Exchange Act of 1934, concerning auditor independence. He was found to be subject to discipline pursuant to K.S.A. 1-311(a)(4), (a)(8) and (a)(14). The terms of the Stipulation and Consent Order required Mr. Samyn to appear before the Board; pay a fine in the amount of \$1,500.00 plus costs pursuant to K.S.A. 1-206, to include attorney's fees and court reporter fees. After hearing testimony, Ms. Mitchell moved and Mr. Marsh seconded for the Board to accept the Stipulation and Consent Agreement as presented. Upon a vote, the motion carried, with Ms. Denning not participating.

**I. TROY D. RENKEMEYER APPLICATION FOR REINSTATEMENT OF PERMIT:** Mr. Renkemeyer appeared in person. This matter was before the Board for consideration of Mr. Renkemeyer's application for permit to practice certified public accountancy in the State of Kansas. Mr. Renkemeyer had been previously subject to discipline in Board of Accountancy case number 2015-60. After hearing testimony, Mr. Anderson moved and Mr. Marsh seconded for the Board to go into closed session to deliberate the matter. Upon a vote, the motion carried.

Upon reconvening in open session, Mr. Van Norden moved and Mr. Marsh seconded for the Board deny Mr. Renkemeyer's application for a permit to practice certified public accountancy in the State of Kansas. Upon a vote the motion carried.

**J. JAMES PATRICK LOGAN RECONSIDERATION OF COSTS ASSESSED IN SUMMARY ORDER DENYING APPLICATION FOR CPA CERTIFICATE:** Mr. Helms, the investigative member, and Mr. Conklin, the Board's general counsel, recused themselves from this matter. Mr. Logan appeared by phone. This matter was before the Board upon Mr. Logan's request for reconsideration of costs assessed in a Summary Order issued denying his application for a CPA certificate and his further request to have any mention of the Summary Order being a disciplinary action removed from the document. Mr. Anderson moved and Mr. Marsh seconded to strike the disciplinary language from the Summary Order. Upon a vote, the motion carried, with Mr. Helms not participating.

After hearing testimony, Mr. Van Norden moved and Mr. Marsh seconded for the Board to go into closed session to deliberate the matter. Upon a vote, the motion carried.

When the Board reconvened, Mr. Van Norden moved and Mr. Anderson seconded to approve the Summary Order denying the application for CPA certificate and affirm the costs for attorney's fees in the amount of \$312.50, to be paid within six

months from the date of this hearing, which cannot be paid by credit card. Upon a vote, the motion carried, with Mr. Helms not participating.

**K. DOUGLAS E. STRUBBE MOTION TO DETERMINE COSTS:** Mr. Strubbe failed to appear for the hearing. This matter was before the Board to determine and assess costs incurred by the Board for attorney's fees and court reporter fees in the amount of \$4,858.06 relative to the Board's investigation and prosecution of the case titled *In the Matter of Douglas E. Strubbe*, Board case number 2016-52. The Board has previously issued a Final Order in case number 2016-52 directing the Board to hold a separate hearing as to the costs to be assessed if any, to Respondent. After hearing testimony, Mr. Van Norden moved and Mr. Marsh seconded to assess to Mr. Strubbe, costs in the amount of \$4,858.06, to be paid to the Board on or before August 29, 2017, and which cannot be paid by credit card. Upon a vote, the motion carried.

## **5. OTHER:**

A. Ms. Denning reported on the recent NASBA meeting that she and Ms. Somers attended where the topics of nano/blended CPE; Peer Review administrative entity restructuring; CGMA designation; and services available through NASBA for social media were addressed. Discussion was held concerning these topics, but no action was taken.

B. The Board reviewed information about the ICPA (International Institute of Certified Professional Accountants) and the potential impact that such a designation could have in Kansas and whether it would be misleading to the public. It is the Board's understanding that membership in that organization would be comprised of professional accounting designations that are not CPAs. Ms. Somers reported that NASBA was working on crafting language to be included in the Uniform Accountancy Act that would enable the Boards of Accountancy to regulate the use of the term "ICPA" and other terms using "CPA" in their name.

C. The Board discussed delegating authority in certain circumstances to a Board member or members when necessary in the event Summary Orders, pre-hearing orders, and matters that are of immediate concern and don't otherwise require consideration of the full Board.

After discussion, Mr. Van Norden moved and Mr. Helms seconded to authorize the Board chair to serve as a presiding officer for prehearing matters in disciplinary cases pending further order of the Board. Upon a vote, the motion carried.

After discussion, Mr. Van Norden moved and Mr. Marsh seconded to authorize the investigative Board member to sign Summary Orders pending further order of the Board. Upon a vote, the motion carried.

After discussion, Mr. Van Norden Moved and Mr. Marsh seconded to authorize Susan L. Somers, Executive Director of the Board, to sign Summary Orders relating to a firm's failure to timely comply with Peer Review. Upon a vote, the motion carried.

**6. ADJOURN:**

There being no further business to come before the Board, Mr. Van Norden moved and Mr. Helms seconded to adjourn the meeting. Upon a vote, the motion carried.

/s/ Susan L. Somers

Susan L. Somers, Executive Director