

**KANSAS BOARD OF ACCOUNTANCY MEETING MINUTES
DECEMBER 10, 2004
9:00 AM
LONDON STATE OFFICE BUILDING, ROOM 106
TOPEKA, KS**

1. ADMINISTRATIVE MATTERS:

A. CALL TO ORDER:

Paul Allen, CPA, Chair, called the meeting to order. Board members in attendance were Mr. Allen; Jeff Bottenberg, Public Member; Adley Johnson, CPA; Lois Loucks, Public Member; Tim Mitchell, CPA; and Ginger Powell, 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; John Jarvis and Joyce Schartz, Public Accountants Association.

B. 1-4 CONSENT CALENDAR:

The Board reviewed the minutes of the October 29, 2004 meeting; reciprocity certificates/permits to practice/practice by notification; registrations of new/reorganized practice units and the second quarter financials. Mr. Johnson moved and Ms. Loucks seconded to approve the consent calendar. Upon a vote, the motion carried.

2. CPA EXAM MATTERS:

Ms. Somers reported that the grades from the third testing window should begin to be released to the State Boards by December 14, 2004, barring any unforeseen problems. Mr. Allen inquired as to the anticipated future release date of the grades. Ms. Somers reported that all reports so far were that after the first year, the goal would be to release the grades within two weeks of the date the candidate sat for the exam.

3. CPE/RECIPROCITY/PERMITS/FIRM MATTERS/PEER REVIEW:

A. Ms. Somers reported that firm renewal registrations had been mailed November 15, 2004.

B. The Board reviewed a list of Peer Reviews due and in process. Ms. Somers pointed out that there were two firms that had not complied with their due dates and that they had or would be receiving Summary Orders of suspension with a \$250.00 fine, with the suspension being stayed until January 13, 2005. She also reported that

there were eight firms whose Peer Reviews were due January 13, 2005, before the Board's next meeting. Mr. Johnson moved and Mr. Mitchell seconded that if those firms did not comply with their due dates, a Summary Order would be issued suspending the firm registration or permit (whichever was applicable), with the suspension being stayed until March 15, 2005, if either a Peer Review letter of completion or an "in process" letter were provided, and payment of a \$250.00 fine. Upon a vote, the motion carried.

C. The Board reviewed a letter from Thomson RIA regarding a self-study course ("2004 Federal Tax Handbook CPE Quizzer and Federal Tax Review") that had been disqualified by NASBA and their request for the Kansas Board to allow the credits without the approval. NASBA had provided a chronological listing of the events that took place in the matter, one of which was that Thomson RIA agreed that if the course were to be disqualified, it would notify the participants and would reissue the certificate of completion eliminating the QAS membership and QAS CPE credit. Thomson RIA is currently appealing NASBA's decision. Ms. Loucks moved and Ms. Powell seconded to instruct Ms. Somers to write Thomson RIA a letter and advise them that they have an obligation, through their agreement with NASBA, to notify the Kansas participants that the course has been disqualified and request that a copy of the notification being sent to the participants be sent to the Board. Upon a vote, the motion carried.

D. The Board reviewed a letter from Bob Walsh, of Franklin and Walsh, notifying the Board of his partner's death on November 30, 2004. The firm had two offices, but only two CPAs, and with the passing of his partner, John David Franklin, the firm no longer met the requirements set forth in the Regulations for the second office. In addition, with tax season impending, he was seeking time to get the affairs of the office in order. Ms. Powell moved and Mr. Mitchell seconded to allow Mr. Walsh six months from the date of Mr. Franklin's death, or until May 31, 2005, to set the firm matters straight. Upon a vote, the motion carried.

4. DISCIPLINARY HEARING MATTERS:

A. **JOANNE DESHAZO:** Ms. DeShazo was appearing before the Board for practicing without a permit by indicating such on her late permit renewal and to appeal the \$250.00 fine imposed for the late renewal. Ms. DeShazo testified that prior to July 1, 2004, she had been coming into the state to perform accounting services, but since that time had not been practicing in Kansas.

Mr. Mitchell moved and Mr. Johnson seconded to go into Executive Session for the purpose of deliberating this matter for 10 minutes. Upon a vote, the motion carried.

After 10 minutes, Mr. Mitchell moved and Ms. Loucks seconded to extend the Executive Session for an additional 10 minutes. Upon a vote, the motion carried.

Upon reconvening the meeting, Mr. Mitchell moved and Ms. Powell seconded to waive the \$250 fine. Upon a vote, the motion carried.

JOHN GOSS: Mr. Allen recused himself from discussion and deliberation of this matter. Mr. Goss appeared before the Board for practicing without a permit. Mr. Goss is an owner of a CPA firm, Peterson Peterson & Goss, in Wichita, KS. Ms. Loucks moved and Mr. Bottenberg seconded to go into Executive Session for 16 minutes to deliberate the matter. Upon a vote, the motion carried.

Upon reconvening the meeting, Mr. Bottenberg moved and Mr. Johnson seconded to issue Mr. Goss a permit conditioned upon a Censure being issued and his payment of a fine in the amount of \$1,000 on or before December 31, 2004. Upon a vote, the motion carried.

TODD CAMPBELL: Mr. Campbell appeared before the Board for practicing without a permit. Mr. Campbell is an owner of a CPA firm in Lenexa, Ks. Ms. Loucks moved and Mr. Johnson seconded to go into Executive Session for five minutes to deliberate the matter. Upon a vote, the motion carried.

Upon reconvening the meeting, Mr. Mitchell moved and Mr. Johnson seconded to issue Mr. Campbell a permit conditioned upon his providing proof of completion of 78 hours of CPE and payment of a fine in the amount of \$250.00 on or before December 31, 2004. Upon a vote, the motion carried.

THOMAS DEBERRY: Mr. Allen recused himself from discussion and deliberation of this matter. Mr. DeBerry appeared before the Board in person and with his legal counsel, Michael Jones, for failure to produce documents. Ms. Loucks moved and Mr. Bottenberg seconded to go into Executive Session to deliberate the matter for 25 minutes.

Upon reconvening the meeting, Ms. Loucks moved and Mr. Bottenberg seconded to suspend Mr. DeBerry's permit. Mr. DeBerry can request that the Board lift the suspension if he produces copies of the first page and the signature page of all tax returns prepared during the period of January 16, 2004 through April 15, 2004; and that he produce copies of all correspondence to clients authored by him during the period of January 16, 2004 through April 15, 2004; or that he allows a Board representative to come to his office and inspect and copy the requested documents. The Board's representative shall review the documents and determine whether Mr. DeBerry has complied with the Order. Upon such determination, the Board shall advise Respondent, in writing, that the suspension is lifted. Mr. DeBerry's permit is

suspended until he has been notified by the Board that the suspension has been lifted. Upon a vote, the motion carried.

5. OTHER:

A. Mr. Allen, during the time that he had recused himself from the Goss and DeBerry matters, completed the NASBA Focus questions, so there was no need for the Board to take up the matter.

B. The Board reviewed the mutual recognition agreement between the Irish Institute of Chartered Accountants and the NASBA/AICPA International Qualifications Appraisal Board. Ms. Somers reported that this was similar to the agreements entered into with Canada, Mexico and Australia previously approved by the Board. Ms. Loucks moved and Mr. Johnson seconded to approve the agreement. Upon a vote, the motion carried.

6. ADJOURN

There being no further business to come before the Board, the meeting was adjourned.

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