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; Corlene Lange, CPA; Michael L. Marsh, CPA; and Kathryn J. Mitchell, CPA. Also in attendance was Susan Somers, Executive Director; Randy Forbes, Disciplinary Counsel to the Board; Darin Conklin, General Counsel to the Board; Natasha Schamberger, on behalf of the Kansas Society of CPAs; and Joyce Schartz and Jessica Loveland, on behalf of the Public Accountants Association.

   Special guests at this meeting were representatives of NASBA: Dan Dustin, Vice President of State Board Relations; Pat Hartman, Director of Client Services; and Alfonzo Alexander, Chief Relationship Officer of NASBA and President of NASBA’s Center for the Public Trust. Mr. Dustin gave an overview on issues affecting State Boards. Ms. Hartman gave an overview of the change in format to the CPA exam beginning with Q2 in 2017; the score delays as a result of the format change; and upcoming shorter score delays in 2018. Mr. Alexander provided a presentation on NASBA’s ethics exam, which the Board is interested in utilizing for disciplinary purposes. The ethics presentation consists of 3 modules, with a fourth module that would be created by the Board specific to Kansas ethics. After hearing the presentation, Mr. Anderson moved and Mr. Helms seconded to proceed with the utilization of NASBA’s ethics exam for disciplinary purposes, with a fourth module to be designed specific to Kansas ethics. Upon a vote, the motion carried.

   **B. CONSENT CALENDAR:**

   1-3. The Board reviewed the minutes of the June 2, 2017 and June 16, 2017 meetings; reciprocity certificates/permits to practice; firm registrations; and the June 30, 2017 financials. Mr. Helms moved and Ms. Lange seconded to approve the Consent Calendar. Upon a vote, the motion carried.

   4. Ms. Mitchell moved and Mr. Marsh seconded to approve travel for the Executive Director, Board Members and legal counsel to attend meetings for Board business for FY2018. Upon a vote, the motion carried.

2. **CPA EXAM:**

   A. The Board reviewed a list of CPA Exam candidates who could potentially lose conditional status for exam sections during Q2 and Q3 of 2017 due to the change in format to the CPA exam in April 2017. After discussion, the Board deferred further action
until the August meeting to see if any candidates would be impacted after receiving their test scores in August of 2017 and make decisions on a case by case basis at that time.

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 CPAs who had indicated that they weren’t renewing, or that couldn’t be located. No action was required to be taken.

4. HEARINGS AND OTHER DISCIPLINARY MATTERS:

   A. THOMAS J. HAEFELE: This matter was before the Board for hearing on Mr. Haefele’s application for Kansas CPA certificate. Mr. Helms, the investigator in this matter, recused himself. Mr. Haefele appeared in person to request approval of his application for a CPA certificate. After discussion, Mr. Anderson moved and Mr. Marsh seconded for the Board to go into closed session to deliberate the matter.

      When the Board reconvened, Ms. Mitchell moved and Mr. Marsh seconded to approve the application for CPA certificate with Mr. Helms not participating.

   B. KEITH LEROY ZACHARIASEN MOTION TO DETERMINE COSTS: Mr. Zachariasen stipulated to the costs in the amount of $2,328.67. Mr. Marsh moved and Mr. Anderson seconded that Respondent shall pay costs in the amount of $2,328.67 to the Board within 30 days of the date the Final Order is mailed, and that those costs cannot be paid by credit card. Upon a vote, the motion carried.

   C. PSK, LLP DISCIPLINARY HEARING: Bryan Baughman, CPA appeared by telephone on behalf of PSK, LLP. This matter was before the Board for a hearing requested by Respondent as a result of a Summary Order of Suspension issued to Respondent for failure to timely comply with Peer Review. A request for hearing was timely filed by the firm. After discussion, Mr. Helms moved and Ms. Mitchell seconded for the Board to go into closed session to deliberate the matter.

      When the Board reconvened in open session, Mr. Helms moved and Mr. Marsh seconded to assess to the Respondent a fine in the amount of $250.00 and costs in the matter pursuant to K.S.A. 1-206 premised on Respondent’s failure to timely comply with peer review. Upon a vote, the motion carried. Ms. Somers informed the Board that Respondent had already paid the fine and $75.00 towards costs.

   D. BAS PARTNERS, LLC STIPULATION AND CONSENT ORDER: Ms. Denning, the investigator in this matter, recused herself. Audley Porter, CPA, appeared by telephone on behalf of the firm. This matter was before the Board for consideration of a Stipulation and Consent Order which would require the firm to undergo preissuance reviews for certain types of attest services performed for Kansas clients. Mr. Marsh moved and Ms. Mitchell seconded to go into closed session pursuant to K.S.A. 1-501 to discuss the results and content of peer review. When the Board reconvened in open session, Mr. Anderson moved and Mr. Marsh seconded to table the matter until the next
meeting of the Board to review new information. Upon a vote, the motion carried, with Ms. Denning not participating. Mr. Marsh then moved and Ms. Lange seconded to issue a protective order pursuant to K.S.A. 1-501(h) closing that portion of the agency records regarding the results and content of peer review. Upon a vote, the motion carried, with Ms. Denning not participating.

E. BYRON PORTER, CPA AND CAVANAUGH & PORTER, LLC STIPULATION AND CONSENT ORDER: Ms. Denning, the investigator in this matter, recused herself. Mr. Porter appeared in person and on behalf of the firm. This matter was before the Board for consideration of a Stipulation and Consent Order whereby Mr. Porter and his firm would be subject to preissuance reviews of certain reports until further notice of the Board. Mr. Marsh moved and Ms. Lange seconded for the Board to go into closed session pursuant to K.S.A. 1-501 to discuss the results and content of peer review. Upon a vote, the motion carried.

When the Board reconvened in open session, Ms. Mitchell moved and Mr. Anderson seconded to accept the Stipulation and Consent Order as presented. Upon a vote, the motion carried, with Ms. Denning not participating. Mr. Marsh then moved and Ms. Lange seconded to issue a protective order pursuant to K.S.A. 1-501(h) closing that portion of the agency records regarding the results and content of peer review. Upon a vote, the motion carried, with Ms. Denning not participating.

5. OTHER:

A. The Board reviewed the proposal from Metropolitan Court Reporters for approval of a contract to provide court reporter services to the Board. After discussion, Ms. Mitchell moved and Mr. Marsh seconded to authorize Ms. Somers to sign the contract on behalf of the Board. Upon a vote, the motion carried.

B. The Board reviewed a draft of a letter to be sent by the Board to the NASBA UAA Committee regarding suggested changes to the UAA relative to the use of titles. Mr. Helms indicated that he would review the draft and provide a letter to the Board for review at the August 25, 2017 meeting.

C. ELECTION OF OFFICERS: Ms. Mitchell nominated Mr. Helms for Chair of the Board for the ensuing year. Upon a vote, Mr. Helms was elected as Chair. Mr. Helms nominated Ms. Mitchell as Vice-Chair of the Board for the ensuing year. Upon a vote, Ms. Mitchell was elected as Vice-Chair.
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