OKLAHOMA ACCOUNTANCY BOARD

MINUTES OF MEETING AND HEARING

February 18, 2005

The Oklahoma Accountancy Board (OAB) convened in regular session on Friday, February 18, 2005 in Suite 269, 4545 N. Lincoln Boulevard, Oklahoma City, Oklahoma. A tape recording of the meeting is on file in the OAB office. Members present at the meeting:

Carlos E. Johnson, CPA, Chairman
J.H. Jay Engelbach, CPA, Vice Chairman
E.B. St. John, PA, Secretary
Tom Volturo, Representing the Public
James A. Nickles, CPA, Member
Janice L. Gray, CPA, Member
Vicky Petete, CPA, Member

Also in attendance at the meeting: Staff: Edith Steele, Executive Director and Kelly Brown, Deputy Director; Jim Shepherd, Donita Graves and Barbara Walker; David Kinney, Assistant Attorney General; Guests: Daryl Hill representing the Oklahoma Society of CPAs; Jim Nolen and Dean Taylor representing the Oklahoma Society of Accountants; Others: John Crittenden, Assistant Attorney General, Andrea Gorman, court reporter, and Robert Burcham, Respondent, were also present for relevant segments of the meeting.

Agenda Item #1a -- Call To Order: At 8:33 a.m. Chairman Johnson called the meeting to order.

Agenda Item #1b -- Declaration of Quorum: All members were present and Chairman Johnson declared a quorum present.

Agenda Item #1c – Announcement of Absences and Action, if Necessary, to Determine Whether Absence(s) Was Unavoidable Pursuant to Title 59, Section 15.3.B.5: No absences pursuant to Title 59, Section 15.3.B.5 were declared.

Agenda Item #1d – Announcement of Legal Meeting Notice: Executive Director Steele stated that notice of the meeting was filed with the Secretary of State and the agenda for the meeting was posted in the reception area of the OAB's office in compliance with the Open Meeting Act.

Agenda Item #2 – Announcement of Visitors: Executive Director Steele read the names of the visitors present.

Agenda Item #3 – Public Comment Period: Executive Director Steele advised the OAB that she had received a letter from a public accounting firm requesting to appear before the OAB to disclose possible violations of the Oklahoma Accountancy Act and Rules. Ms. Steele explained that she and the OAB's legal counsel had advised the firm

that it would be premature to appear before the OAB and advised the firm of the appropriate steps to take in accordance with the OAB's rules.

Chairman Johnson recognized Dean Taylor, representing the Oklahoma Society of Accountants (OSA). Mr. Taylor advised the OAB that after discussions with the Oklahoma Society of CPA's (OSCPA) that the OSA agreed to withdraw HB 1478 and SB 879.

Mr. Taylor also referenced a letter formally requesting from the OAB clarification on general guidance of CPE courses related to topics. He encouraged the OAB to allow CPE topics related to a CPA's industry employment.

Agenda Item #4 – Consent Agenda: The Consent Agenda contained 3 items for the OAB's consideration. (1) Approve the minutes of the January 21, 2005 Board Meeting; (2) Ratify CPE Committee's granting of an extension for Larry Evans until May 1, 2005 to earn the CPE required for renewal of the permit that will expire on June 30, 2005; and (3) Ratify actions taken by the Executive Director on applications and registrations filed since the previous meeting. (Appendix 1)

> Engelbach moved to approve Consent Agenda; Volturo second.

Upon requests for clarification from OAB members regarding certain items of the January 21, 2005 minutes, Chairman Johnson deferred action on the minutes until the March meeting.

> Engelbach amended his motion to approve Items 2 and 3 on the Consent Agenda and continue Item 1 until the March meeting; Volturo accepted the amendment. Affirmative votes: Petete, Volturo, Johnson, Engelbach, St. John, Nickles and Gray.

Agenda Item #5 – Discuss and Act on Legislation Filed Which Directly Affects the OAB: Chairman Johnson addressed legislation which could affect the OAB. He stated that the purpose of HB 2060 was to provide cleanup language to change the OAB's sunset termination date from July 4, 2004 to July 4, 2010. Member Nickles expressed concern about the OAB's Legislative Committee being given the authority to act on bills that affect the OAB. He emphasized that his concern rested with the OAB's Legislative Committee creating or deleting new provisions or sections to legislation that would affect the OAB without discussion by the full Board.

Chairman Johnson requested authorization of the Legislative Committee to respond to inquiries, attend committee meetings and make comments on specific bills. Member Gray recommended discussion about expansion of the responsibilities of the OAB's Legislative Committee at the March meeting.

Nickles moved to give the Legislative Committee authority to respond to inquiries about bills, offer comments in committees or to authors, and work with sponsoring organizations in accordance with the Oklahoma Accountancy Act, the OAB's rules and policies provided that there is no creation of new legislation; Volturo second. Affirmative votes: Petete, Volturo, Johnson, Engelbach, St. John, Nickles and Gray.

Agenda Item #6a: Discuss and Act on Oklahoma's Recommendation to the NASBA Nominating Committee for Vice Chair:

Engelbach moved to support Michael Dagget; St. John second. Affirmative votes: Petete, Volturo, Johnson, Engelbach, St. John, and Gray. Abstained: Nickles.

Agenda Item #6b -- Request OAB Member's Responses to NASBA's Quarterly Focus Questions: Chairman Johnson encouraged responses from the OAB members be completed by the March meeting.

Case No. 1592 – Show Cause Hearing of the Application to Reinstate the CPA Certificate of Robert C. Burcham: This matter came on for hearing at 9:40 a.m. The members of the Oklahoma Accountancy Board present were seated on the hearing panel. Assistant Attorney General John Crittenden represented the Board. Respondent was present but was not represented by counsel.

The purpose of the hearing was to determine whether the Respondent's certification should be reinstated. The Respondent's certificate had been revoked on August 29, 2003.

No witnesses were called by the State. Respondent testified on his own behalf.

Nickles moved to go into Executive Session; Volturo second. Affirmative votes: Petete, Volturo, Johnson, Engelbach, St. John, Nickles and Gray.

Nickles moved to come out of Executive Session; St. John second. Affirmative votes: Petete, Volturo, Johnson, Engelbach, St. John, Nickles and Gray.

Assistant Attorney General Crittenden noted for the record that no votes or official actions were taken during Executive Session.

Nickles moved that the OAB reinstate Robert C. Burcham CPA Certificate No. 5449 and that he be subject to the cost of the court reporter for the January 21, 2005 OAB meeting when he did not appear before the Board and be subject to an audit of CPE for the current year; Engelbach second. Affirmative votes: Petete, Volturo, Johnson, Engelbach, St. John, Nickles and Gray.

Gray moved to adjourn the hearing; Nickles second. Affirmative votes: Petete, Volturo, Johnson, Engelbach, St. John, Nickles and Gray.

The proceedings and the individual votes of the members were conducted in open session. The evidence is contained in Docket File No. 1592.

Agenda Item #7 -- Administrative Actions Taken: Vice Chairman Engelbach presented a written summary of investigative files and administrative actions taken, with recommendations for the disposition of each.

Engelbach moved that Case Nos. 1522 and 1533 be dismissed; St. John second. Affirmative votes: Petete, Volturo, Johnson, Engelbach, St. John, Nickles and Gray.

Engelbach moved that File Nos. 1062, 1087, 1091, 1104, 1105, 1127, and 1146 be closed; Nickles second.

Gray offered an amendment to the motion that File No. 1062 be closed on the condition that the firm's name is on the list of firms approved to perform audits in accordance with governmental auditing standards. Engelbach and Nickles accepted the amendment. Affirmative votes: Petete, Volturo, Johnson, Engelbach, St. John, Nickles and Gray.

Agenda Item #8a -- Discuss and Act on the Committee Report and Recommendations of Review Procedures and Qualifications of Independent Auditors Filing Reports: Member Volturo referenced a summary of responses distributed by Executive Director Steele.

Volturo moved that those firms which have not responded by February 21, 2005 those firm's will be removed from the list titled, "Independent Auditors Registered To Perform Audits Of Government Entities". As required by statute and by OAB rule, after 30 days from the issuance of the letter which was dated February 3, 2005 requiring them to respond and if they continue not to respond, the remaining firms will be referred to the OAB's Enforcement Committee after March 5; Gray second.

Gray offered an amendment that on March 5, 2005, those firms which have not responded will be removed from the list titled, "Independent Auditors Registered To Perform Audits Of Government Entities" with observance of postmarks. Gray withdrew her amendment.

Affirmative votes: Petete, Volturo, Johnson, Engelbach, St. John, Nickles and Gray.

Agenda Item #8b -- Discuss and Act on the Committee Report and Recommendations of the CPE Committee: As Chairman of the CPE Committee, Secretary St. John referenced a summary report from the CPE Committee dated February 17, 2005 agreed upon by CPE Committee Member Petete and disagreed by CPE Committee Member Nickles. The summary report presented by CPE Committee Chairman St. John concluded that the OSCPA seminar related to Grass Roots Lobbying will not qualify for CPE for a majority of CPAs unless a CPA can justify taking the course in accordance with OAB rule 10-15-29-1.1. He added that OAB policy does not provide for advance rulings on courses, seminars as to whether or not such course material is acceptable to fulfill the CPE requirements.

Member Nickles presented a minority report which addressed the need for a policy regarding acceptable subject matter and topics for CPE. He suggested that a policy statement be issued which provides guidance to CPE program sponsors, attendees, and staff on topics that on the surface do not appear to qualify as CPE.

St. John moved that the OAB accept the CPE Committee's report in the matter of the OSCPA's Grass Roots Lobbying Seminar; Engelbach second. Affirmative votes: Petete, Volturo, Johnson, Engelbach, St. John and Gray. Negative vote: Nickles. Motion passed.

Agenda Item #9 – Report on the FARB Annual Forum Attended by Legal Counsel: Assistant Attorney General Kinney presented a report. Among those issues discussed at the FARB Forum was a Board Member Certification Program which would include a training session and a competency test in administrative matters.

Agenda Item #10 – Determine Which Members of the OAB Will Attend Rules Hearings on February 25, and March 17: Vice Chairman Engelbach will be present for the Rules Hearing on February 25. Chairman Johnson will be present for the Rules Hearing on March 17.

Agenda Item #11 – Director's Report: Executive Director Steele addressed the following issues:

- The vacant position of Peer Review Coordinator has been posted with a deadline of March 1st.

- Report on her attendance of the Rules seminar conducted by the new House staff members and that Assistant Attorney General Kinney spoke.

- Development of Module for Substantial Equivalency on the OAB's website and portal.

- Positive feedback from candidates who participated in the AICPA's webcast sent to the candidates by staff in a mass e-mail.

Agenda Item #12a – Chairman's Report: Chairman Johnson addressed the following issues:

- Approval of emergency rules regarding the individual and firm registration fees which were submitted to the Governor's Office.

- No vehicles have been leased by the OAB from the Department of Central Services' Motor Pool Division.

- Legislative Committee's role in a particular bill.

- Name and mission changes of the OAB's Presentation Ceremony Committee to Outreach Programs Committee.

- OAB's requested participation in sponsoring Oklahoma Accounting Educators' Conference.

- Date of Presentation Ceremony to be scheduled soon.

- The role of NASBA's Substantial Equivalency Task Force.

Agenda Item #12b -- Next Meeting Date Announced: The next OAB Meeting is scheduled for 8:30 a.m., March 18, 2005 in Conference Room 269 at the Lincoln Office Plaza in Oklahoma City.

Agenda Item #13 – New Business: No new business.

Agenda Item #14 – Adjournment: There being no further business to come before the OAB, at 11:39 a.m. Chairman Johnson adjourned the meeting.

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Carlos E. Johnson, Chairman

ATTEST:

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E. B. St. John, Secretary

APPENDIX 1

Deceased Registrants:

CPAs:

Roger Lloyd Benson, Certificate No. 9380, issued July 23, 1987
Van Smithen, Certificate No. 5202-R, issued March 28, 1980

DISSOLVED FIRMS:

CPA Partnerships:

Gorrell and Associates
Jones & Laib, CPA's
Luton & Co.

CPA Corporations:

Professional Business Systems, P.C.
Reznick Fedder & Silverman, Certified Public Accountants,
A Professional Corporation

CPA Limited Liability Company:

Fleming and Gandall, P.L.L.C., Certified Public Accountants

Applications and Registrations Approved: The OAB took official notice of the following applications and registrations, which have been approved by the Executive Director:

APPLICATIONS FOR CERTIFICATION (Successful Candidates):

15976 Kyna Aileen Leyva
15993 Clayton Roy Wilber

APPLICATIONS FOR RECIPROCAL CERTIFICATES:

16025-R Jennifer Alcoser
16026-R David W. Evans
16027-R Mary Ip
16028-R Constance Lee Tommerup

APPLICATIONS FOR SUBSTANTIAL EQUIVALENCY (Based on State SE Recognition):

Russell Clark Andorka (Texas)
Gerene Sue Bovermann (Texas)
John Miller Clark III (Tennessee)
John Kristopher Lonborg (Texas)
Robert Meikle (Tennessee)
Michael Philipp (Arkansas)
Kimberly A. Rock (Tennessee)
Douglas James Rohleder (Tennessee)
Keith Richard Seeloff (Georgia)
Jason Neil Werth (Texas)
Dana Anne Zukierski (Tennessee)

APPLICATION FOR SUBSTANTIAL EQUIVALENCY (Based on Individual SE Recognition):

Stephen Paul Taylor (Colorado)

APPLICATIONS FOR REINSTATEMENT OF CPA CERTIFICATES:

7825-R	Dale L. Hageman
11274	Sylvia A. Brown
13418-R	Ronald Jay Wilburn

INITIAL REGISTRATION OF A CPA PARTNERSHIP:

Mueller & Decker, CPA's

INITIAL REGISTRATIONS OF CPA PROFESSIONAL CORPORATIONS:

Gary Meunier, C.P.A., P.C.
Gorrell & Associates, P.C.
Peggy Johnson, CPA, P.C.
Reznick Group, P.C.

INITIAL REGISTRATIONS OF CPA PROFESSIONAL LIMITED LIABILITY COMPANIES:

Aaron Tax & Accounting PLLC
Creason & Associates, P.L.L.C.
KraftCPAS PLLC
Luton & Co., PLLC
Wyatt & Littleton, PLLC

INITIAL REGISTRATION OF A PA PROFESSIONAL CORPORATION:

Kimberly R Brock PA Accounting & Tax, PC