# OKLAHOMA ACCOUNTANCY BOARD

## MINUTES OF MEETING

November 18, 2005

The Oklahoma Accountancy Board (OAB) convened in regular session on Friday, November 18, 2005 in Suite 20, 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:

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

Also in attendance at the meeting: Staff: Edith Steele, Executive Director, Kelly Brown, Deputy Director; Jim Shepherd, Donita Graves, Barbara Walker, Colin Autin and Holley Whitman; David Kinney, Assistant Attorney General; Guests: Jim Nolen and Dean Taylor representing the Oklahoma Society of Accountants (OSA); Charlene K. Bradshaw, CPA and Alan Hart, CPA.

**Agenda Item #1a -- Call To Order:** At 8:37 a.m. Chairman Engelbach called the meeting to order.

**Agenda Item #1b -- Declaration of Quorum:** Chairman Engelbach declared a quorum.

**Agenda Item #1c – Announcement of Legal Meeting Notice:** Executive Director Steele confirmed the 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 and outside the building and meeting room in compliance with the Open Meeting Act.

**Agenda Item #1d – Announcement of Absences and Action, if Necessary, to Determine Whether Absence(s) Was Unavoidable Pursuant to Title 59, Section 15.3.B.5:** He noted that Member Johnson would arrive late. All other members were present.

**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 request from Jim Nolen, OSA, to speak with regard to Item 11c. Chairman Engelbach stated that Mr. Nolen will be recognized when Item 11c is addressed.

**Agenda Item #4 – Consent Agenda:** The Consent Agenda contained 3 items for the OAB's consideration. (1) Approve the minutes of the October 21, 2005 Board Meeting; (2) Ratify verified experience of successful candidates for certification; (Appendix 1) and (3) Ratify actions taken by the Executive Director on applications and registrations filed since the previous meeting. (Appendix 1)

> Nickles moved to approve the Consent Agenda as presented; Gray second. Affirmative votes: Petete, Engelbach, Volturo, Gray, Nickles, and St. John. Absent: Johnson.

**Agenda Item #5a – Report on the Verification of the Administrative Posting of Scores to the Board's Records:** Vice Chairman Volturo reported the same testing procedures used to verify examination scores in prior reporting periods were used to verify the final scores for Window 3/2005 and no errors were found.

**Agenda Item #5b – Consideration and Vote to Certify the Scores, Authorization to Notify All Candidates of the Official Examination Scores and Notification to All Candidates Who Have Completed the Examination to Make Application for Certification:** The OAB considered the official score report of the CBT examination issued by NASBA for Window 3/2005.

> Volturo moved to certify the scores and authorize the staff to notify the candidates of the official examination scores; Gray second. Affirmative votes: Petete, Engelbach, Volturo, Gray, Nickles, and St. John. Absent: Johnson.

Note: There are no candidates within this group of scores who successfully passed the Certified Public Accountant Examination.

**Agenda Item #6 – Discuss and Act on Proposed Policy for Certification of Examination Scores:** Executive Director Steele stated that the same testing procedures currently in place will be used.

> Gray moved to approve the policy as presented; Nickles second. Affirmative votes: Petete, Engelbach, Volturo, Gray, Nickles, and St. John. Absent: Johnson.

**POLICY FOR CERTIFICATION**
**OF EXAMINATION SCORES**

The Executive Director will be responsible for the verification of the score postings to the OAB records using the same methodology as used by OAB members. The scores would then be considered official. The scores and names of successful candidates would then be ratified by the OAB on the Consent Agenda at the next scheduled meeting.

**Agenda Item #7 – Establish the Board Meeting Schedule for Calendar Year 2006:** The OAB took official notice of the Board Meeting Schedule for Calendar Year 2006.

**Agenda Item #8 – Discuss and Act on Recommendations by the Enforcement Committee:** Assistant Attorney General Kinney summarized the Administrative Consent Order in Case No. 1627.

> Volturo moved to accept the Administrative Consent Order for Case No. 1627; St. John second. Affirmative votes: Petete, Engelbach, Volturo, Gray, Nickles, and St. John. Absent: Johnson.

**Agenda Item #9 – Discuss and Act on Request from Gerald Keating to Allow an Ethics Course Sponsored by the Accountants Education Group to Meet the Requirements of Section 15.9.E.:** Executive Director Steele reported staff had contacted the sponsoring organization and spoke with the Director of Curriculum. The Director of Curriculum advised this course sponsored by the Accountants Education Group was not developed to be equivalent to the AICPA's Ethics Examination. Ms. Steele added that the table of contents from the Accountants Education Group's course and the AICPA's Ethics course were not comparable.

> Nickles moved the OAB not allow this course to qualify based on the facts presented; Gray second. Affirmative votes: Petete, Engelbach, Volturo, Gray, Nickles, and St. John. Absent: Johnson.

**Member Johnson arrived at the meeting at 8:50 a.m.**

**Agenda Item #10 -- Discuss and Act on Request from Kimberly J. Wilson, CPA for a Waiver of Oklahoma Administrative Code 10:15-33-4(a):** Executive Director Steele explained the registrant had not realized she was required to notify the OAB prior to June 30, 2005, had discontinued performing audits, and was requesting a waiver of the notification requirement.

> Nickles moved to waive the notification requirement for peer review; St. John second. Affirmative votes: Johnson, Petete, Engelbach, Volturo, Gray, Nickles, and St. John.

**Agenda Item #11a – Discuss and Act on Report from the CPE Committee:** As Chairman of the CPE Committee, Member St. John summarized the report from the meeting held by the CPE Committee on October 20, 2005. He explained that the CPE Committee recommended a change in policy, for purposes of 10:15-30-2 and 10:15-30-3 of the Oklahoma Administrative Code, the ethics examination administered by the OAB until 1980 in connection with the CPA Examination be considered equivalent to the AICPA Comprehensive Ethics Examination. He noted the CPE Committee had suggested changes to the CPE Rules and these will be forwarded to the Rules Committee.

St. John moved the OAB approve the actions of the CPE Committee as reflected in the report dated October 20, 2005; Nickles second.

Johnson offered an amendment to the proposed motion to delete the policy as recommended in paragraph 2 on page 3 of the CPE Committee's recommendation related to Ethics; St. John and Nickles accepted the amendment. Gray seconded the amendment. Affirmative votes: Johnson, Petete, Engelbach, Volturo, Gray, Nickles, and St. John.

Vote was taken on the initial motion as amended. Affirmative votes: Johnson, Petete, Engelbach, Volturo, Gray, Nickles, and St. John.

Secretary Gray recommended putting the questions related to CPE on the OAB website.

**Agenda Item #11b – Discuss and Act on Report from the Outreach Committee:** As Chair of the Outreach Committee, Member Petete referenced two surveys conducted by the OAB: 1) a survey as to whether other states have recognition ceremonies and 2) what type of ceremony the candidates preferred. The Outreach Committee recommends the ceremony continue and that an oath be added to the ceremony to reinforce the responsibility of the individual as a future CPA. The Outreach Committee also recommends the policy of not mailing certificates until after the ceremony in order to encourage attendance at the ceremony and to hold at least 3 recognition ceremonies per year. Member Petete added that it was not the committee's intent for individuals who still must meet the experience requirement to be required to attend the ceremony twice in order to receive his/her certificate. Assistant Attorney General Kinney offered to research whether or not a statute or rules change would be needed with regard to requiring an oath of office be taken prior to the issuance of the certificate. Vice Chairman Volturo asked whether attendance of the ceremony would be mandatory. Member Johnson responded that the ceremonies in discussion at this time would be voluntary.

Johnson moved the OAB hold at least 3 ceremonies per year to recognize those individuals passing the examination and/or receiving their certificate; Petete second. Affirmative votes: Johnson, Petete, Engelbach, Volturo, Gray, and St. John. Negative vote: Nickles. Motion passed.

Gray moved the certificates not be mailed until the ceremony the individual is eligible to attend had been completed; Petete second. Affirmative votes: Johnson, Petete, Engelbach, Gray, and St. John. Negative vote: Nickles. Abstained: Volturo. Motion passed.

**Agenda Item #11c – Discuss and Act on Ad Hoc Committee with Regard to the UAA Exposure Draft:** Member Johnson reported that the committee had met and recommended that the amendments to the UAA's exposure draft be supported by the OAB. He added that the exposure draft had already been supported by the NASBA and AICPA committees. He suggested the Executive Director write a letter to the Chairmen of the Committee supporting these amendments.

Chairman Engelbach recognized Mr. Jim Nolen representing the OSA. Mr. Nolen expressed concern regarding the change in the definition of attest in the UAA's exposure draft.

Member Nickles recommended that action on this item be deferred until next month's OAB meeting to allow members an opportunity to review the Uniform Accountancy Act (UAA) again. Member Johnson stated that the comment period had already passed.

> Johnson moved the OAB support the changes as recommended by the joint committee of the Uniform Accountancy Act; Petete second. Affirmative votes: Johnson, Petete, Engelbach, Volturo, Gray, and St. John. Negative vote: Nickles. Motion passed.

**Agenda Item # 12 – Report from NASBA Annual Meeting:** Chairman Engelbach, Secretary Gray, Member Petete, Member Johnson, and Executive Director Steele presented reports.

**Agenda Item #13 – Director's Report:** Executive Director Steele addressed the following issues:

- The CPE Audit has started with a total of 259 of the 265 being randomly selected for audit.

- Changes in notification procedures to examination candidates regarding inactivation based on testimony during the Show Cause Hearing in October.

**Supplemental Agenda Item: Discuss and Authorize the Audit Committee to Receive FY 2005 Audit Report and Forward on to Appropriate State Agencies:** Member Petete stated that the audit report had been reviewed by the Audit Committee and cosmetic changes were made. She added that the audit report was an unqualified opinion.

> Petete moved the OAB authorize the Audit Committee to receive the 2005 Audit Report and when approved by the Audit Committee, the OAB authorize the Audit Committee to send the audit report to the appropriate state agencies; Johnson second. Affirmative votes: Johnson, Petete, Engelbach, Volturo, Gray, Nickles, and St. John.

**Agenda Item #14a – Chairman's Report:** Chairman Engelbach noted that the issues he was to address were included in the NASBA Annual Meeting reports.

**Agenda Item #14b -- Next Meeting Date Announced:** The next OAB Meeting is scheduled for 8:00 a.m., December 16, 2005, in Conference Room 20 at the Lincoln Office Plaza in Oklahoma City.

**Agenda Item #15 – New Business:** No new business.

**Agenda Item #16 – Adjournment:** There being no further business to come before the OAB, at 10:48 a.m. Chairman Engelbach called for a motion to adjourn the meeting.

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

_____
J.H. Engelbach, Chairman

ATTEST:

_____
Janice L. Gray, Secretary

## APPENDIX 1

**Applications Approved:** The OAB took official notice of the following experience verification applications which have been approved by the Executive Director:

Edwin Alan Casteel
Jason Derek Garber
Nicholas Harroz III
Brent Wayne Hinds
Kevin Bates Launchbaugh
Yelena Y. Martyanova
Christine Meredith Soucek

**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):

| | |
|---|---|
| 16056 | Jerrilyn Alley Eisenhauer |
| 16066 | Rayna M. Day |
| 16069 | Joshua L. Gober |
| 16072 | Joseph Robert Harrington |
| 16093 | Sarah Allison Sanchez |
| 16095 | Rhonda J. Richards |
| 16100 | Dywan J. Coppock |
| 16101 | Christopher J.F. Crotts |
| 16112 | Tracy Elizabeth Feinstein |
| 16115 | Peter A. Terranova |

APPLICATION FOR A RECIPROCAL CERTIFICATE:

Kristy L. Siple

APPLICATIONS FOR PRACTICE PRIVILEGES IN ACCORDANCE WITH SUBSTANTIAL EQUIVALENCY (Based on State SE Recognition):

Lindsey Leigh Baker (Arkansas)
Christopher Chad Bellah (Texas)
Bruce W. Breitweiser (Illinois)
Pepper J. David (Kansas)
James Frankeberger (Texas)
Thomas P. Galeaz (Illinois)
Mandy Michelle Hansen (Texas)
Steven Elry Hanson (Texas)
Karen Hammock Johnson (Tennessee)
Heather Tai Jones (Tennessee)
Randall Gary Moots (Missouri)

APPLICATIONS FOR PRACTICE PRIVILEGES IN ACCORDANCE WITH SUBSTANTIAL EQUIVALENCY (Based on State SE Recognition) (Continued):

Amber Lea Schwanke (Kansas)
Patricia Anne Snell (Maryland)
David Brent Wyper (Georgia)

APPLICATION FOR PRACTICE PRIVILEGES IN ACCORDANCE WITH SUBSTANTIAL EQUIVALENCY (Based on Individual SE Recognition):

Deborah Fabbri Cannella (Florida)

APPLICATIONS FOR REINSTATEMENT OF CPA CERTIFICATES:

| | |
|---|---|
| 3300-R | James Nolan Rachel |
| 5301 | Michael D. Lewis |
| 6883 | Terry Prince Dopson |
| 7119-R | Susan Kay Esa |
| 8250 | Jim F. Hayes |
| 9007 | Marsha Hunt Tidwell |
| 12295 | Janan Larene Martin |
| 14881 | John T. Pinkston |
| 15099 | Jennifer Lee Frantz |

INITIAL REGISTRATIONS OF CPA PROFESSIONAL CORPORATIONS:

Austin's Accounting & Tax Services, P.C.
The CPA Group, P.C. (Missouri)

INITIAL REGISTRATION OF A CPA PROFESSIONAL LIMITED LIABILITY COMPANY:

Lynn Flinn Consulting and Coaching, PLLC