

OKLAHOMA ACCOUNTANCY BOARD
MINUTES OF REGULAR MEETING AND HEARINGS

October 29, 2010

The Oklahoma Accountancy Board (OAB) convened in regular session on Friday, October 29, 2010, in the Executive Board Room of the Centennial Center, at Rogers State University (RSU), 1701 W. Will Rogers Blvd., Claremore, OK 74017. A recording of the meeting is on file in the OAB office. Members present at the meeting:

Janice L. Gray, CPA, Chair
Barbara Ley, CPA, Vice Chair
Vicky Petete, CPA, Member
Mike Sanner, CPA, Member
Kim Shoemake, CPA, Member
Tom Volturo, Representing the Public, Member

Board staff present at the meeting: Nicole Prieto Johns, Interim Executive Director; Colin Autin, Peer Review Coordinator and Certified Procurement Officer (CPO); Linda Ruckman, Licensing Coordinator; and LaLisa Semrad, Enforcement Coordinator. Assistant Attorney General John Crittenden was also present.

Agenda Item #1a -- Call To Order: At approximately 8:37 a.m. Chair Gray called the meeting to order.

Agenda Item #1b -- Declaration of Quorum: Chair Gray declared a quorum.

Agenda Item #1c – Announcement of Legal Meeting Notice: Interim Executive Director Prieto Johns confirmed the notice of the meeting was filed with the Secretary of State and the agenda for the meeting was properly posted 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: Chair Gray noted that Member St. John is absent and that his absence is excused.

Agenda Item #2 – Announcement of Visitors: The following visitors were present: Massood Saffarian and Bob Willis, Associate Professors, RSU Department of Business; Ted M. Williams, President of the Northeast Chapter of the Oklahoma Society of CPAs (OSCPA); Rhonda Sandberg, Dana Arric, Del W. McClung and Thomas Carment, CPAs. Also in attendance for portions of the meeting were the following RSU students: Stephanie Phillips, Audra Landers, Bryan Kirby, Donald Becker, Tyler Harold, and Laura Greenlee.

Agenda Item #3 – Public Comment Period: Interim Executive Director Prieto Johns advised the OAB she was notified by Member Volturo, the Public Member, that he would like to make a public comment.

Member Volturo thanked the Board for meeting on the RSU campus. He stated that RSU is one of the state's best kept secrets. He related many significant accomplishments the institution has had in its 100 years of existence.

Chair Gray expressed appreciation to Mr. Volturo and Rogers State University for hosting the Board meeting.

Agenda Item #4 – Consent Agenda: The Consent Agenda contained five items for the OAB's consideration; (1) Approve the Minutes of the September 24, 2010, Regular Meeting of the OAB; (2) Take official notice of the OAB's Statements of Receipts and Disbursements for the Month ended September 30, 2010; (3) Approve the verification of the administrative posting to the OAB's records and certification of scores for Window 3/2010 Examination, July – August 2010; (4) Take official notice of the experience verification applications which have been approved by the Interim Executive Director; and (5) Approve the actions taken by the Interim Executive Director on applications and registrations filed since the previous meeting. (Appendix I)

There was discussion regarding the Minutes of the September 24, 2010, Board meeting and the possibility of a scribner error with regard to the Consent Order in Case No. 1623. Chair Gray requested that the OAB staff verify that information in the Minutes regarding the terms of the Consent Order.

It was discussed that the Statements of Receipts and Disbursements was in a different format than has been presented in the past. Member Sanner noted that last month there was discussion about revising the format and it is still a work in progress. He requested that Board members advise him of any suggestions or recommendations in this regard. There was also discussion regarding the amount budgeted for Unit Incentive Pay and whether or not this item should have been budgeted since the Board has not implemented a pay for performance program. It was noted by Interim Executive Director Prieto Johns that while this is not a currently an approved program, it had been included as part of the FY2011 budget at the direction of last year's Audit and Budget Committee Chair with a notation indicating that it could be established at a later time if the Board chose to do so.

Motion by Sanner to approve the Consent Agenda with corrections being made as discussed to the Minutes of the September 24, 2010, Board meeting. Second by Shoemake.

Affirmative Votes: Gray, Ley, Petete, Sanner, Shoemake, and Volturo. Abstentions: Petete and Shoemake on the Minutes of the September 24, 2010, Board meeting only. Absent: St. John.

Agenda Item #5(a) – Peer Review Issues: Discussion and possible action on Peer Review Oversight Committee (PROC) Quarterly Report: Peer Review Coordinator Colin Autin addressed this item. A written report was presented to the Board. Mr. Autin stated that the PROC is meeting on a quarterly basis. It was noted that there were no enforcement referrals from the PROC during this quarter. It was also noted that Mr. Williamson's total fees are higher than the other members of the PROC, but that Mr. Williamson is the Chair of the Committee. Mr. Williamson spent additional time on PROC activities during the quarter since he was the primary contact for the annual report.

Agenda Item #5(b) – Peer Review Issues: Discussion and possible action on PROC Annual Report: Peer Review Coordinator Colin Autin addressed this item. An annual report was presented to the Board. Mr. Autin stated that the annual report has been a work in progress for some time. The PROC started with few examples, but used reports developed by Texas and Mississippi as a guide. The annual report states the purpose of the PROC, and it covers the processes of the PROC and the PROC's activities for the entire year. This report is a medium by which the PROC can communicate to the Board its satisfaction with the peer review process. One of the PROC's charges is to provide reasonable assurance to the Board that peer reviews are being conducted and performed in accordance with the AICPA's minimum peer review standards. Mr. Autin reported that at least one member of the PROC attends each OSCP Peer Review Committee meeting.

Chair Gray commended Mr. Autin and the PROC on the annual report provided. She felt it was a good, concise document that provides a good foundation as to what the PROC is doing and as to the PROC's findings. She noted that the annual report will be submitted to NASBA and that it may then be used by NASBA to provide assistance to other boards with regard to the peer review process.

Motion by Petete to accept the annual peer review report provided by the PROC. Second by Ley.

Affirmative votes: Gray, Ley, Petete, Sanner, Shoemake, and Volturo. Absent: St. John.

Note: Chair Gray noted for the record that Member Sanner stepped out of the meeting following the discussion on Agenda item #5 (at approximately 8:57 a.m.) and that he would be rejoining the meeting later.

Agenda Item #6 - Discussion and possible action on Administrative Actions and recommendations and report from the Enforcement Committee: Vice Chair Ley addressed this item.

ADMINISTRATIVE CONSENT ORDER:

Case No. 1848 – MARCI MILLER, CPA

This case is a result of a referral from the Peer Review Coordinator that Respondent failed to complete the required peer review after performing Respondent's first audit.

An Administrative Consent Order was offered by the Enforcement Committee and accepted by the Respondent whereby Respondent is assessed a fine of \$2,500 and costs of \$478.50, payable within 30 days of the Order. In addition, Respondent agrees to not perform audits unless Respondent enrolls in a peer review program prior to performing an audit, and Respondent must maintain enrollment in the program and successfully complete the peer review. Any failure by the Respondent to comply with any of the terms of this Order shall result in an immediate hearing before the Board. In addition, a proven violation of the ACO, the Act or the Board's Rules authorizes the Board to take such other and further action as the Board may deem appropriate under the Act. The Enforcement Committee recommends the Administrative Consent Order in this case be approved by the Board.

OAB Records Summary

CPE Status: Registrant is in compliance. Registrant reported 44 hours of CPE for 2007 (includes 2 hours of ethics); 50 hours of CPE for 2008 (includes 3 hours of ethics); and 32 hours of CPE for 2009 (includes 4 hours of ethics).

Peer Review Status: Registrant is not in compliance.

Chair Gray noted that the summary provided indicates that the Respondent agrees to not perform audits, and she inquired as to whether it should provide that the Respondent will agree to not perform reviews as well. Committee Chair Ley noted that this was not a provision of the ACO which the respondent signed, nor the ACO's approved in the past for similar situations. She stated that the Enforcement Committee would need to make a permanent change in that direction. Chair Gray indicated that a letter should be sent to remind the Respondent that pursuant to Section 15.30(A) of the Oklahoma Accountancy Act a peer review would be required if Respondent should perform a review.

Motion by Ley to approve the Administrative Consent Order for Case No. 1848. Second by Volturo.

Affirmative Votes: Gray, Ley, Petete, Shoemake, and Volturo. Absent: Sanner, and St. John.

FILES TO CLOSE:

File No. 1483 – Deceased Registrant

Seven years after the registrant's death, registrant was listed under "Accountants Certified Public" on Yellowbook.com. A cease and desist letter was sent to registrant's estate/successor firm, but due to the lack of a timely response, an investigator was assigned. The investigator found that the number was retained by the registrant's son without thought to how it was listed. That listing has been removed; therefore, the Enforcement Committee recommends the file be closed.

File No. 1723 – Non-Registrant

A complaint was filed that alleged the Non-Registrant was holding out by preparing a compilation report that was submitted to a State agency by a vocational school. The State agency requires submitted reports to be prepared by a CPA. However, it was the school that submitted the report (not the non-registrant). The statements prepared by the non-registrant did not contain a reference to SSARS and do not appear to be in violation of the Act. The Enforcement Committee recommends the file be closed.

File No. 1725 – CPA

A complaint was filed that alleged the registrant took records from the complainant and furnished confidential information to the authorities and news media. The assigned investigator found that the registrant returned complainant's records within a 45 day timeframe. While the registrant did admit providing information when questioned by law enforcement, that information was not privileged as it was concerning criminal acts. In addition, the investigator concluded that the facts were insufficient to prove the registrant released confidential information to the news media. The Enforcement Committee recommends the file be closed.

OAB Records Summary

CPE Status: Registrant is in compliance. Registrant reported 48 hours of CPE for 2007 (includes 2 hours of ethics); 37 hours of CPE for 2008 (includes 2 hours of ethics); and 42 hours of CPE for 2009 (includes 2 hours of ethics).

Peer Review Status: Not Applicable.

File 1745 – Cancelled CPA

This file was opened as a result of a referral by the CPE Coordinator that the registrant failed to file a reporting form in 2009 to report CPE completed for 2008 or claim an exemption to the CPE requirement. The registrant filed the missing report on February 3, 2010 stating that the registrant is retired and no longer practicing public accounting. In addition, the registrant has cancelled registrant's certificate. The Enforcement Committee recommends the file be closed.

OAB Records Summary

CPE Status: Certificate is cancelled. Registrant reported 54 hours of CPE for 2006 (includes 4 hours of ethics); 54 hours of CPE for 2007 (includes 4 hours of ethics); and claimed an exemption for 2008.

Peer Review Status: Not Applicable.

File 1751 – CPA

This file was opened as a result of a referral by the CPE Coordinator that the registrant failed to file a reporting form in 2009 to report CPE completed for 2008 or claim an exemption to the CPE requirement. The registrant was granted an extension to complete the CPE requirements for 2008 and 2009. Registrant has submitted the 2009

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reporting form and is now in compliance with all requirements. The Enforcement Committee recommends the file be closed.

OAB Records Summary

CPE Status: Registrant is in compliance. Registrant reported 42 hours of CPE for 2007 (includes 2 hours of ethics); 36 hours of CPE for 2008 (includes 2 hours of ethics); 42 hours of CPE for 2009 (includes 6 hours of ethics).
Peer Review Status: Not Applicable.

File 1789 – CPA Firm

This file was opened as a result of a referral by the Licensing Coordinator. During a phone conversation with a firm representative, it was determined by a line of questioning that the firm had performed audits for Oklahoma clients prior to being registered. The firm manager has submitted a letter stating that the firm has not performed any audits for Oklahoma clients, and that the representative might have been confused in that the firm was registering in Oklahoma because it intends to pursue Oklahoma audit work in the future. The Enforcement Committee recommends the file be closed.

OAB Records Summary

CPE Status: Not Applicable
Peer Review Status: Not Applicable

Motion by Ley to close File Nos. 1483, 1723, 1725, 1745, 1751, and 1789. Second by Volturo.

Affirmative Votes: Gray, Ley, Petete, Shoemake, and Volturo. Absent: Sanner, and St. John.

Files to be assigned to the Administrative Law Judge:

Subchapter 10:15-37-6(e) of the Oklahoma Administrative Code provides "Hearings will be conducted by one (1) of the following methods, **as determined by the Board** (emphasis added): (3) By an attorney licensed to practice law in this state appointed by the Board to act as a hearing examiner or Administrative Law Judge."

The Vice Chair recommends the following file be heard before the Administrative Law Judge unless settled prior to the hearing:

File Nos. 1767, 1470, 1475, and 1536.

Motion by Ley that File Nos. 1767, 1470, 1475, and 1536 be assigned to the Administrative Law Judge unless settled prior to the hearing. Second by Volturo.

Affirmative Votes: Gray, Ley, Petete, Shoemake, and Volturo. Absent: Sanner, and St. John.

Chair Ley stated that it has come to the attention of the Enforcement Committee that there was a Scribner error with regard to a certain file number that was acted on last month. File No. 1772 was misidentified as File No. 1777 and File No. 1777 was incorrectly closed. Chair Ley noted that Assistant Attorney General John Crittenden was consulted regarding this matter.

Motion by Ley that File No. 1772 be closed consistent with the scenario given in the Committee report presented on September 24, 2010; that File No. 1777 be reopened for further investigation; and that the Minutes of the September 24, 2010 Board meeting be amended to document the correction. Second by Petete.

Affirmative Votes: Gray, Ley, Petete, Shoemake, and Volturo. Absent: Sanner, and St. John.

For the benefit of the visitors present a brief overview of the enforcement process was presented as well as a brief explanation as to the difference between Case Nos. and File Nos.

Agenda Item #7 - Discussion and possible action on report from the Outreach Committee: Committee Chair Ley addressed this item. She stated that the Outreach Committee hopes that by meeting on college campuses the Board can meet registrants from the area, and that registrants and students will have an opportunity to get to know more about the OAB. She thanked those from RSU and from the Northeast Chapter of the OSCPA for all they have done to host the Board.

Member Ley reported that the Outreach Committee is continuing to look at the logos NASBA prepared as drafts and hopes to have a recommendation within the next couple of months.

Member Ley reported that another outreach meeting in February 2011 is being considered. Initial inquiry has been made to Southwestern Oklahoma State University in Weatherford, Oklahoma. This contact has been made through Dr. Melody Ashenfelter who is also one of the OAB's registrants. Dr. Ashenfelter has stated that SWOSU would be delighted to host the OAB for its February meeting. Member Ley noted that nothing has been finalized and requested the Board's input in this regard. Chair Gray stated that the OAB has never been to Weatherford, and this would provide a good opportunity for students and registrants in that area. She noted that the 2011 Board meeting schedule will be set at the November meeting, and asked that Board members notify Interim Executive Prieto Johns of any dates they have already scheduled so that conflicts can be avoided as much as possible.

Member Ley noted that staff has been researching the feasibility of supplying newspapers a press release regarding new registrants. There was also discussion regarding the draft for the next issue of the *Bulletin*. Member Ley noted that the Candidates' Corner section includes information through 2009 regarding the "Percentage of Passing Per Section." It was discussed that more current information should be available to include and it was the consensus that three years of representative information is enough to present. There was also discussion regarding the listing of successful candidates. There was discussion as to whether the recipients of awards presented by the OSCP should be designated and as to whether those who passed all sections of the CPA exam during their first sitting should be designated. It was the consensus that the award recipients should not be designated since the awards are not presented by the OAB, but that those who pass the exam during their first sitting should be designated.

Motion by Ley to approve issuance of Volume 38 of the *Bulletin* with the corrections as discussed, subject to the final draft being submitted to the Outreach Committee Chair for approval prior to issuance. Second by Shoemake.

Affirmative Votes: Gray, Ley, Petete, Shoemake, and Volturo. Absent: Sanner, and St. John.

Agenda Item #8 - Discussion and possible action on report from the Personnel Committee: Member Volturo asked Mr. Autin to provide an update on the status of the request for proposals (RFP) for an executive search firm to assist in the selection of an Executive Director. Mr. Autin reported that all required documents have been submitted to the Department of Central Services (DCS). Mr. Autin stated it was his understanding that DCS would review the documents and that the RFP would be sent to registered vendors this week, but it appears it has not yet been issued. Mr. Autin reported that he has made numerous attempts to contact the DCS Contracting Officer and the DCS Deputy Director by phone regarding the status, but he has received no reply.

Mr. Volturo stated that the OAB is at DCS's mercy in this regard. Once DCS approves the RFP it will be sent to the firms on DCS's approved list. He stated that due to the delay in the issuance of the RFP, the OAB will most likely not be able to select a search firm until after Thanksgiving. Chair Gray requested that the Personnel Committee Chairman contact DCS to let them know the Board is interesting in getting the RFP issued as quickly as possible.

Member Ley inquired as to whether the Personnel Committee would consider going ahead and posting the position. Mr. Volturo stated that the position could be posted so that the firm selected would have resumes and candidates to review. He noted that the search firm selected could also advertise the position in some national publications. There was discussion as to where the position could be posted and regarding where resumes should be sent.

Motion by Ley that the Executive Director position be posted in appropriate publications as determined by the Personnel Committee, but particularly in the Tulsa and Oklahoma City markets, with OPM and with the OSCPA; that coordination of the posting be handled by Peer Review Coordinator Colin Autin; and that the Personnel Committee determine where the postings will instruct that resumes are to be sent. Second by Petete.

Affirmative Votes: Gray, Ley, Petete, Shoemake, and Volturo. Absent: Sanner, and St. John.

Agenda Item #9 - Discussion and possible action on report from the Ad Hoc Committee concerning the use of specialty certifications: Chair Gray reported that she sat in on the NASBA Regional Directors meeting and brought up the issue of specialty certifications. This issue did not make the short list for focus questions this time, but Chair Gray stated that she believes it will be an issue that will be in a focus question soon. Chair Gray stated that a letter should be sent to NASBA defining the OAB's concerns in this regard and requesting that this issue be considered for a focus question.

Chair Gray inquired as to whether the response to the letter from the American College of Forensic Examiners has been sent. Interim Executive Director Prieto Johns responded that a draft has been prepared. Chair Gray requested that the draft be submitted to the Ad Hoc Committee for review.

For the benefit of the visitors present, Assistant Attorney General John Crittenden noted that the specialty certifications being discussed are not certifications from the Licensing Board. What is being discussed are certifications other organizations might use that might conflict with or be confused with the CPA designation which could be misleading to the public.

Agenda Item #11 - Discussion and possible action on OAB Rules Committee report and on Staff report on the House Interim Study Committee meeting on Administrative Rules and Agency Oversight: Member Petete addressed this item. She reported that CPE Coordinator Barbara Walker and Assistant CPE Coordinator Dana Reyna attended a recent House Interim Study Committee Meeting regarding administrative rules. She briefly reviewed a report on the meeting which was prepared by Ms. Walker and Ms. Reyna. Member Petete noted that the purpose of the meeting was to hear comments from individuals about the rulemaking process with a view to making changes to the rules promulgation process. It appeared that the primary concerns are as follows: 1) The current process of legislative inactive approval as opposed to active approval of proposed rules; 2) Agencies' abuse of emergency rules; 3) Whether interested parties have enough opportunity for input into the proposed rules; and 4) The number of rules agencies promulgated every year (agencies not putting enough forethought into the rules they promulgate).

Agenda Item #12 - Discussion and possible action on report on AICPA Board of Examiners (BOE) October meeting:

Member Petete addressed this item. She stated that the BOE has tried to have several meetings around the country. This is the BOE's way of communicating with all of the boards in the different jurisdictions and giving the boards the opportunity to express issues or concerns. She noted that Chair Gray had requested that a Board member and staff member participate in a conference call. During this conference call it was reported that the international testing contract has been signed and four countries will be able to take the exam probably starting in 2011. As expected, it was reported that testing in the fourth window of 2010 has been the heaviest ever. Candidates are pushing to take the exam prior to the CBTE which will be launched January 1, 2011. IFRS will begin to be tested, to a very limited amount at first, beginning in January 2011. Member Petete reported that Prometric is making every effort to accommodate the large number of candidates wanting to test during this window by expanding the days and times available for testing. Member Petete reported that the AICPA is trying to determine what a passing score will be on the new test coming out in January 2011. The AICPA will be slow in releasing the passing information and grades and has indicated that it is expected that testing will be light as far as the number of candidates taking the exam in the first window of 2011.

Agenda Item #14 - Discussion and possible action on Reciprocal Applications and Reinstatement Application delayed in processing due to enforcement issues:

Chair Gray requested that OAB staff explain the issues related to this agenda item so that the Board would have a better understanding of the issues related to Agenda Item #13. Licensing Coordinator Linda Ruckman briefly advised the Board as to circumstances related to the delay in processing of two reciprocal applications, one of which was received in July of 2008 and the other in March of 2009, and a reinstatement application received in October of 2008.

Agenda Item #15 - Discussion and possible action on revision of Board Policy 2004-01 (Policy for Consistency in the Dating of Permits, Certificates, Licenses and Approvals): Chair Gray asked OAB staff to present staff's recommendation with regard to possible amendments to Board Policy 2004-01.

Licensing Coordinator Linda Ruckman advised the Board that staff is recommending an amendment to the policy that would provide for the effective date of a reinstatement, individual or firm, being the date of Board approval rather than the date the acceptable application is received in the Board office. Staff is recommending that the reciprocal certificates bear the date the acceptable application was received in the Board office (date the application and all documentation required to determine qualification for the reciprocal certificate was received). Staff is also recommending that initial firm registrations will be effective on the date the acceptable application was received and that such date will be reflected in the OAB's database as the firm registration approval date. It was also noted that a timeline for the prompt processing of such applications has been included in the proposed amendments to the policy.

Chair Gray and Member Ley expressed concern regarding the staff recommendation pertaining to the effective date for individual and firm reinstatements. Chair Gray noted that the three applications in question are unusual cases and any such cases should be

considered on a case-by-case basis. She inquired as to whether there are other such applications of which staff is aware, and Ms. Ruckman responded in the negative.

Chair Gray requested that staff give further consideration to the proposed policy changes and bring this back for reconsideration in November.

Agenda Item #14 [Revisited] - Discussion and possible action on Reciprocal Applications and Reinstatement Application delayed in processing due to enforcement issues: Chair Gray requested that OAB staff present options for the Board's consideration with regard to the issues related to fees, CPE reporting, etc., related to the dating of the reciprocal certificates and effective date of the reinstatement for the applications delayed in processing. Licensing Coordinator Linda Ruckman discussed possible options such as: 1) waiving of fees from the date the application was received to the date the application was approved by the Board; 2) requiring the applicant to pay all fees that would have been applicable from the date the application was received; 3) waiving of CPE reporting requirements from the date the application was received to the date the application was approved; 4) requiring the reporting of all applicable CPE but granting an extension if there are deficiencies in this regard.

Assistant Attorney General Crittenden inquired as to whether each of the Board rules that would relate to the various options has been identified. He noted that if the Board has a promulgated rule, it must be followed or the rule must be amended.

Chair Gray stated that action on this item would be deferred until the November Board meeting. She requested that staff review and identify the applicable statutes and administrative rules. It was also requested that staff review the three cases to determine if there are still outstanding enforcement issues.

NOTE: Member Sanner rejoined the meeting during the discussion on Agenda Item #14 (at approximately 10:31 a.m.).

Agenda Item # 15 - Discussion and possible action on schedule of expiration dates for individual permits to practice public accounting as provided for in Section 10:15-25-3 (f)-(g) of the Board's Rules: Chair Gray addressed this item. She noted that as discussed last month, OAC 10:15-25-3(g) directs that the Board provide a schedule of expiration dates based on birth months for purposes of transitioning into the new staggered annual renewal dates.

Chair Gray recommended that the Board establish the following as the schedule:

The schedule established by the Board, pursuant to Section 10:15-25-3(g) of the Board's Rules, provides that all permits issued during the registration period June 1, 2010 through August 31, 2010, to Individuals with birthdays January through December 2010, shall be effective July 1, 2010 and will remain in effect until June 30, 2011 or until such time that the Board provides a new schedule of expiration dates and prorated fees for purposes of transitioning into the new staggered annual renewal dates.

Additionally, all permits issued during the registration period June 1, 2011 through August 31, 2011, to Individuals with birthdays January through December 2011, shall be effective July 1, 2011 and will remain in effect until June 30, 2012 or until such time that the Board provides a new schedule of expiration dates and prorated fees for purposes of transitioning into the new staggered annual renewal dates.

Chair Gray stated that this schedule would resolve the issue related to permit expirations, particularly for those with birthdays in January through June of next year, as well as ratify what was done during the current year. Chair Gray recommended that due to the continued delay in the award of a contract for the enterprise licensing software, the Legislative Committee and Rules Committee should begin looking at transitional language to be placed in statutes and administrative rules so that issues are not created for practitioners.

Assistant Attorney General John Crittenden stated that he believed the proposed schedule for the expiration of permits is the best the Board can do with an imperfect situation. The statutes state that the permits will expire on a rotating schedule based on birth month; however, the OAB's computer system is not yet designed to facilitate that. He stated that it is a matter of looking at the statutes and rules and making sure the Board's records are on the "hind side" rather than on the front side of a birthday.

Motion by Petete to approve the schedule for expiration of permits as discussed. Second by Volturo.

Affirmative Votes: Gray, Ley, Petete, Sanner, Shoemake, and Volturo. Absent: St. John.

Agenda Item #10 - Discussion and possible action on Budget Request Program and Strategic Plan to be filed for FY2012: Member Sanner addressed this item. He requested that the item be deferred until the next Board meeting. He noted the Committee has received the draft of the budget submittal, and the Interim Executive Director has been requested to provide additional information so that the Committee can be in a position to make a recommendation.

Agenda Item #18 - Interim Executive Director's Report: Interim Executive Director Prieto Johns reported on the following:

- RFP for Enterprise Software – The Office of State Finance (OSF) Enterprise Systems & Business Analyst and RFP Committee Chair, Ms. Lisa McKeithan, related that the OSF technical team and OSF management are continuing to hold discussions with the vendor, however, the contract has not yet been awarded.
- Imaging Project – The BIS Statement of Work and Service Agreement approved by the Board at the August meeting has been submitted to OSF for plan approval. The plan is being reviewed by Mr. Joe Fleckinger, Deputy Director of the OSF Information Services Division (ISD) and OSF's technical staff. Mr. Fleckinger has requested a meeting on November 1 to discuss the project.

- OAB Personnel Handbook - The staff's comments on the OAB Personnel Handbook were recently submitted to the Personnel Committee for review.
- Strategic Plan & Budget Request Program – A revised Strategic Plan and the completed Budget Request Program was submitted to the Audit and Budget Committee for review.
- Updates – The revised Purchasing Policy approved by the Board has been approved by the Department of Central Services.
- Expenditures made by the Interim Executive Director with approval of the Chair between \$2,500 and \$10,000 since the preceding Board meeting:

BEP One Limited (August 2010 Lease Payment) - \$4,392

BEP One Limited (September 2010 Lease Payment) - \$4,392

BEP One Limited (October 2010 Lease Payment) - \$4,392

State Auditor and Inspector – Progress Payment for Auditing Services - \$2,670

Crawford and Associates – Consulting Services - \$5,568

Interim Executive Director Prieto Johns noted that approval from the Board Chair for the payment to Crawford and Associates was received after the payment had been made. There was a problem in processing, but revisions have been made to the process to ensure this does not happen again. Chair Gray noted that the services provided by Crawford and Associates were in accordance with a contract approved by the Board.

Agenda Item #19a - Chair's Announcements: Chair Gray reported several members of the Board attended the National Association of State Boards of Accountancy (NASBA) annual meeting. The Board members who attended, and the Interim Executive Director, reflected on significant issues discussed at the meeting and on what those who attend gain by having the opportunity to interact with leaders and standards setters in the industry.

Agenda Item #19b – Announce date and location of the next meeting: It was noted that the next meeting is currently scheduled to be held on November 19, 2010, at the OAB Board Room, 201 N.W. 63rd Street, Suite 210, Oklahoma City, OK 73116.

Agenda Item #17 – New Business: Chair Gray addressed this item. She noted that because she was out of her office for several days she just received a letter at approximately 8:00 p.m. on October 28, 2010, from Oscar Jackson, Administrator and Cabinet Secretary of Human Resources and Administration. Chair Gray noted that the letter was dated October 21, 2010, and it was postmarked October 22, 2010. Chair Gray reported that the letter indicated that the Affirmative Action Plan that was to be submitted to the Office of Personnel Management (OPM) by September 1, 2010, had

not been received. Chair Gray asked Interim Executive Director Prieto Johns to address this matter.

Interim Executive Director Prieto Johns reported that the OAB's Affirmative Action plan was filed late. An electronic copy was filed around October 8, and the hard copy was filed after that. Interim Executive Director Prieto Johns stated that she had received a call a few days ago indicating that one page of the Plan that is supposed to be signed and dated was not dated, and that was corrected and resubmitted this week. She stated that she did not have a reason the Affirmative Action Plan was filed late other than it was not completed on time.

There was discussion as to the communications which took place between Interim Executive Director Prieto Johns and Brenda Thornton, OPM Director of Equal Opportunity and Workforce Diversity, between September 1, 2010, and the date of the letter from Mr. Jackson. There was also discussion as to whether the Affirmative Action Plan should be approved by the Board. Assistant Attorney General John Crittenden felt the Affirmative Action Plan should come before the Board at least for oversight purposes. Chair Gray requested that the a copy of the Affirmative Action Plan filed this year as well as the plan filed in 2009 be sent to the Executive Committee for review. She further requested that both plans be placed on the agenda for ratification at the November Board meeting.

Agenda Item #16 - Proposed Executive Session pursuant to Title 25 O.S. Supp. 2006, Section 307(B)(1) for discussion and possible action on employment, hiring appointment, promotion, disciplining, resignation, changes to existing salaries, or setting salary ranges for the following individual positions: a) Executive Director, b) Interim Executive Director, c) Deputy Director, d) Licensing Coordinator, e) Examination Coordinator, f) CPE Coordinator, g) Assistant CPE Coordinator, h) Peer Review Coordinator, i) Records Coordinator, j) Accountant II, and k) Enforcement Coordinator:

Motion by Shoemake that the Board go into Executive Session for consideration of the matters stated in Agenda Item #16. Second by Sanner.

Affirmative Votes: Gray, Ley, Petete, Sanner, Shoemake, Volturo. Absent: St. John.

The Board entered into Executive Session at approximately 11:35 a.m.

Motion by Shoemake that the Board come out of Executive Session. Second by Sanner.

Affirmative Votes: Gray, Ley, Petete, Sanner, Shoemake, Volturo. Absent: St. John.

The Board came out of Executive Session at approximately 12:30 p.m. Chair Gray noted for the record that no action was taken during the Executive Session. Several

issues were discussed, one being the request of the Interim Executive Director that an evaluation process be performed.

Motion by Volturo that the Board retain the services of Jim Farris who performed the last evaluation and that Mr. Farris coordinate the evaluation process through the Personnel Committee. Second by Sanner.

Affirmative Votes: Gray, Ley, Petete, Sanner, Shoemake, Volturo. Absent: St. John.

Chair Gray noted that she will send a letter to all employees informing them that they will be contacted by Mr. Farris.

Agenda Item #21 – Adjourn: There being no further business to come before the Board, Chair Gray entertained a motion to adjourn.

Motion by Petete that the meeting be adjourned. Second by Sanner.

Affirmative Votes: Gray, Ley, Petete, Sanner, Shoemake, Volturo. Absent: St. John.

The meeting was adjourned at approximately 12:35 p.m.

Janice L. Gray, Chair

ATTEST:

E. B. St. John, Secretary

APPENDIX I

CERTIFICATES SURRENDERED BY REGISTRANTS:

CPAs:

Surrendering CPA Certificate Due To The New CPE Requirements: None

Coming into Oklahoma to practice under Mobility: None

No Longer Practicing in Oklahoma: None

No Longer Residing in Oklahoma: None

Retired: None

PAs:

Retired: None

INDIVIDUALS AUTOMATICALLY REVOKED ON August 31, 2010:

As a result of non-compliance with 68 O.S. § 238.1 and 59 O.S. § 15.14:

CPAs:

<u>Certificate No.</u>	<u>Name</u>	<u>Certificate No.</u>	<u>Name</u>
722	Neal Roy Ferguson	10038	Walter Benson Reif Sr.
816	Robert W. Karlovich	10338-R	Scott H. Beech
1514	William Leon Pearce	10896	Lisa K. Rollinson
1878	Walter E. Monroe	11154	Nina Leslie Klein
1888-R	Albert W. Green	11168	Robert T. Martella
2324	Reagan Ted Wilson Jr.	12208	Mun Sun Chang
2346	Kenneth B. Carter	12294	Derrick G. Martin
2372	Charles G. Meckfessel	12444	Wenjian Xing
2702-R	Frederick E. Roll	12922	Mark Andrew Holder
3336	P. Ann Epps Ritter	13866	Jackie Scott Grass
3442-R	William D. Trahan	13916	Kari Lee Nicklas
4260	Mary Lillian Dees	14256	David F. Sprouse Jr.
4360	Ronald Jack York	14518	Carolyn E. Hughes
5266	Cheryl Ann Rich	15178-R	Cynthia Lee Dye
5652	Greg L. Armstrong	15200-R	Katherine Anne Gronen
6608	Ann Denise Hendrix	15762	Stephen R. Smith
6638	Phillip David Kramer	15938-R	Kelly Chase Lindner
6676	Mae L. Parcel	15958	Laura Kathleen Stillwell
7584	Edward K. Golbach	16116-R	Jeannette R. Absher

8368	Johnna Kay Randolph	16284-R	Lauren Emily Labass
9416	Lesa A. Creveling	16286-R	Skip Riley
9498	Janet L. Nibel	16414	Jason Lee Engstrom
9932	Martha Beggs Frazier		

DECEASED REGISTRANTS:

CPAs:

Bill Scott Richards	Certificate No. 914	Issued July 24, 1953
William Graham	Certificate No. 1047	Issued Jan. 22, 1955
John Dow Fisher III	Certificate No. 2076	Issued July 27, 1968

PAs:

None

DISSOLVED FIRMS:

PA Partnerships: None

CPA Partnerships: None

CPA Corporations:

Denise Mason CPA, P.C.
John D. Wingard CPA, Inc.

PA Limited Liability Companies:

Medearis & Associates, PLLC

CPA Limited Liability Companies: None

CPA Limited Liability Partnerships: None

APPLICATIONS APPROVED: The OAB took official notice of the following experience verification applications which have been approved by the Interim Executive Director:

Kelsey Renee Bastings
Kristen Michelle Bruce
Sara Ann Edwards
Ibrahim Bello Issa
Kyle Charles Jackson
Jonathan David Johnsen
Adrienne Michelle Johnson
Brandon Lynn Lackey
Kristen Michelle Lindblom

Jennifer Lynn Patterson
Trent Joseph Pettus
Shelly Denise Polakow
Allison Renee Reynolds
Rachel Joy Rivera
Timothy Eric Roe
William Robert Ross
Jasmin Natascha Ruyle
Rabecca Sande
Julie Ann Southerland
Justin Ray Southerland
Shyloh Shanae Wheeler
Autumn LaVerne Williams

APPLICATIONS AND REGISTRATIONS APPROVED:

The OAB approved the actions taken by the Interim Executive Director on the following applications and registrations filed since the previous meeting

APPLICATIONS FOR CERTIFICATION (Successful Candidates):

16778	Lori Anne Taylor
16920	Stephen Jeffrey Cowan
16922	Christopher Douglas Eason
16921	William Francis Murphy
16928	Jacob Wade Winkler
16929	Kelly René Rhodes
16932	Matthew A. Sartin
16934	Sara Ann Edwards
16935	Autumn L. Williams
16936	William Robert Ross
16946	Jennifer Lynn Patterson
16948	Julie Ann Southerland
16949	Shyloh S. Wheeler
16950	Justin Ray Southerland

APPLICATIONS FOR RECIPROCAL CPA CERTIFICATES:

Charles Heath Grimes (Arkansas)
Adam M. Smith (Texas)
Edward W. Greenlee (Texas)

APPLICATIONS FOR REINSTATEMENT OF CPA CERTIFICATES:

4989	Vickie Ferguson
8354	Stephen W. Sims
13866	Jackie Scott Grass

INITIAL FIRM REGISTRATIONS OF SOLE PROPRIETORSHIPS UNDER SECTION 15.15:

Daryl C. Soward

INITIAL FIRM REGISTRATIONS OF PROFESSIONAL CORPORATIONS:

Tom L. Cross CPA, P.C.

INITIAL FIRM REGISTRATIONS OF PROFESSIONAL LIMITED LIABILITY PARTNERSHIPS:

None

INITIAL FIRM REGISTRATIONS OF PROFESSIONAL LIMITED LIABILITY COMPANIES:

Green Country Advisory Services, PLC
Wingard & Ragsdale CPA's, PLLC

REINSTATEMENT OF CPA PROFESSIONAL LIMITED LIABILITY COMPANIES:

None

REINSTATEMENT OF CPA PROFESSIONAL LIMITED LIABILITY PARTNERSHIPS:

None

REINSTATEMENT OF CPA PROFESSIONAL CORPORATIONS:

Phillip Courtney Hogan P.C.

REINSTATEMENT OF PA PROFESSIONAL CORPORATION:

None

5725.

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