

**OKLAHOMA ACCOUNTANCY BOARD****MINUTES OF REGULAR MEETING AND HEARINGS**

September 24, 2010

The Oklahoma Accountancy Board (OAB) convened in regular session on Friday, September 24, 2010, in the Board Room of the Oklahoma Accountancy Board, 201 NW 63<sup>rd</sup> Street, Suite 210, Oklahoma City, Oklahoma. 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  
E. B. St. John, PA, Secretary  
Mike Sanner, 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); Dana Reyna, Assistant CPE Coordinator; Linda Ruckman, Licensing Coordinator; LaLisa Semrad, Enforcement Coordinator; and Barbara Walker, CPE Coordinator. Assistant Attorney General John Crittenden was also present. Randall Calvert, Special Prosecutor for the OAB, was present for relevant segments of the meeting.

**Agenda Item #1a -- Call To Order:** At approximately 8:35 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 Members Petete and Shoemake are absent and that both have excused absences.

**Agenda Item #2 – Announcement of Visitors:** The following visitors were present: Kurt Bernhardt, representing the Oklahoma Society of Certified Public Accountants (OSCPA). Kellie Wright, representing the Oklahoma Society of Accountants (OSA); Clint Sloan, representing eCapitol; and Stephen Covert, CPA.

**Agenda Item #3 – Public Comment Period:** Interim Executive Director Prieto Johns advised the OAB she had not received any written requests or been informed of any member of the public wishing to speak before the OAB other than Mr. Covert (Agenda Item #5).

**Agenda Item #4 – Consent Agenda:** The Consent Agenda contained eight items for the OAB's consideration; (1) Approve the Minutes of the August 20, 2010, Regular Meeting of the OAB; (2) Take official notice of the OAB's Statements of Receipts and Disbursements for the Month ended July 31, 2010 and the Month ended August 31, 2010; (3) Ratify list of inventory and equipment transferred to Department of Central Services (DCS) Surplus Property; (4) Approve invoices which are over \$10,000 to Calvert Law Firm and BEP One LP; (5) Ratify the CPE/Experience Verification Committee's approval of the verification of experience by non-registrant individual; (6) Ratify the CPE Committee's granting of extensions for Donna Milroy and Teresa Hild to comply with the CPE requirements; (7) Take official notice of the experience verification applications which have been approved by the Interim Executive Director; and (8) Approve the actions taken by the Interim Executive Director on applications and registrations filed since the previous meeting. (Appendix I)

It was discussed that the CPE/Experience Verification Committee reviews the experience verification by non-CPA qualifiers. Member St. John noted that the non-CPA qualifier for Kelly Rene Rhodes was President and Controller of a small company. The qualifier did not provide specific information as to her accounting background, knowledge or experience other than information she provided regarding the company. Member St. John stated that he and Committee Member Jay Engelbach discussed this, and Committee Member Engelbach felt that by her position with the company the qualifier had the knowledge and experience required. Member St. John indicated that in the future if a non-CPA qualifier does not have an accounting degree, more information should be provided about the qualifier's skills in accounting and accounting experience.

Chair Gray noted that the letter received from Brenda Evans, a non-CPA qualifier for Katelyn Jo Crawford, was not signed. Chair Gray felt that approval of Katelyn Jo Crawford's experience should be contingent upon receiving a signed letter from Ms. Evans.

With regard to the financial statements, Mr. Sanner noted the significant variances between actual results and the budget year to date. There was also discussion about the variances between the fiscal year 2011 and fiscal year 2010 actual year to date results. Mr. Sanner stated that when there are large variances, he would like some explanation to be included in the presentation. He also indicated that he would like for the Audit and Budget Committee to have an opportunity to review the financial statements prior to the Board meeting. Chair Gray noted that she has requested that the statements be sent to the Audit and Budget Committee for review prior to the statements being provided to the full Board.

Motion by Volturo to approve the Consent Agenda with the approval of the experience verification for Katelyn Jo Crawford being contingent on the receipt of a signed letter from the non-CPA qualifier. Second by Sanner.

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

**Agenda Item #5 - Discussion and possible action on request from Stephen Covert, CPA No. 6248, to lower the amount of the Board's late filing fee as set by statute:**

Stephen Covert, CPA, appeared before the Board. Mr. Covert advised the Board that he uses his CPA designation for teaching accounting, and that he is therefore required to be registered with the OAB. He indicated that around the end of June he was going to turn in his registration. He said he was nicely informed that he was 26 hours short of CPE. He advised the OAB staff that he would not be able to complete the CPE until the end of July, at which time he had 30 CPE hours which he submitted. Mr. Covert stated that in August he turned in his registration and found that the fee had doubled. Mr. Covert acknowledged that it was his fault for not turning in the registration earlier, but he did not feel it is right that the fee doubled.

Member Ley inquired as to whether Mr. Covert turned something in initially which resulted in OAB staff notifying him he did not have enough CPE. Mr. Covert responded that he came by with the CPE hours to submit and he was advised he was 26 hours short, which surprised him because he thought he was in compliance. Chair Gray asked Mr. Covert if he had come in prior to the registration period, and Mr. Covert responded affirmatively. Chair Gray inquired as to how Mr. Covert could be advised he was 26 hours short if he had not filed his registration. Assistant CPE Coordinator Dana Reyna advised the Board that there has been an ongoing situation with Mr. Covert being behind on CPE for multiple years. Mr. Covert has had some medical issues in the past and has been granted extensions for reporting CPE.

Mr. Covert stated that he waited to file the registration because he was 26 hours short on CPE. He said he did not realize the registration and CPE reporting were separate entities and that he thinks the penalty for filing the registration late is unfair. He asked that the Board refund the late fee.

Chair Gray inquired as to whether or not Mr. Covert has filed his registration late and incurred a late fee in the past. CPE Coordinator Barbara Walker checked the OAB's records and reported that Mr. Covert paid a late fee in 2006.

Chair Gray noted that the Board has rules and statues that it must follow. She stated that there were probably other individuals who paid late fees because for one reason or another they also failed to file appropriately. Chair Gray asked Mr. Covert if he had been advised not to file the registration until he had the CPE completed, and Mr. Covert responded that he had not been so advised.

Member Ley noted that the Board tries to treat everybody fairly, but equally. The rules that have to be followed are available to the public. The rules are on the OAB website or a copy can be obtained from OAB staff.

Chair Gray stated that the Board will take Mr. Covert's request into consideration. Chair Gray asked if Board members had any motions in this matter. Hearing none, she expressed appreciation to Mr. Covert for taking time to appear before the Board and voice his opinion.

**Case 1623 - Hearing in the matter of Williams & Williams, CPAS, Firm No. 12359, and Judy F. Williams, CPA, Certificate No. 13032:** This matter came on for hearing at 9:03 a.m. All the members of the Oklahoma Accountancy Board present were seated on the hearing panel.

Assistant Attorney General John Crittenden advised the Board. Respondent was not present and was not represented by legal counsel.

Special Prosecutor Randall Calvert represented the State. No witnesses were called on behalf of the State.

Special Prosecutor Calvert moved for the admission of Exhibits 1 through 19. Chair Gray accepted Exhibits 1 through 19 into the record.

The Special Prosecutor presented a Consent Order signed by the Respondents under the following terms: 1) Individual Respondent violated § 15.30(A) or (B) of the Act, and §§ 10:15-39-1(a) and (b), 10:15-33-4(a), and 10:15-39-9(1) of the Board's Rules by failing to timely participate in the peer review program, or Individual Respondent violated § 15.30(C) of the Act and § 10:15-33-6(a) of the Board's Rules by failing to timely submit the required peer review documentation to the Board, and is assessed a fine in the amount of \$2,500.00; 2) Firm Respondent violated § 10:15-39-8(b) of the Board's Rules by failing to respond within thirty (30) days to the Board's May 1, 2006 certified letter requesting a response, and is assessed a fine in the amount of \$1,000.00; 3) Firm Respondent violated OKLA STAT. tit. 74, § 212A by registering as a firm engaged in audits of governmental entities in accordance with Governmental Auditing Standards ("GAS") while not in compliance with the requirements of GAS, and is assessed a fine in the amount of \$1,000.00; 4) Respondents will agree to not perform any audits; 5) Respondents are assessed costs associated with this matter, including but not limited to attorney fees, investigation costs, hearing officer costs, renting of special facilities costs, and court reporter costs in the amount of \$7,402.01; 6) Respondents are required to make monthly payments in the amount of \$2,000.00 until all fines and costs are paid in full. The first payment is due on or before October 24, 2010, with subsequent payments due on or before the 24<sup>th</sup> day of each succeeding month; 7) Any failure of Respondents to comply with any of the terms of this Consent Order shall result in an immediate hearing before the Board. In addition, a proven violation of this Consent Order, 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 law; 8) Respondents agree not to violate the Act or Board's Rules in the future; 9) A copy of this Consent Order shall be on file in the Board's offices and shall be made available to any person who inquires and requests access to the Board's records. Further, notice of these proceedings shall be reported by press release and in the Board's Bulletin, available online through the Board's website, and as otherwise deemed appropriate by the Board.

Chair Gray inquired as to whether or not two fines, one for the Individual Respondent and one for the Firm Respondent, should have been assessed for failure to submit peer review documentation. Mr. Calvert stated that this was considered, but there were extenuating circumstances in this matter.

Motion by St. John to accept the Consent Order in Case No. 1623 in the matter of Williams & Williams, CPAs, Firm No. 12359, and Judy F. Williams, CPA, Certificate No. 13072, as presented. Second by Volturo.

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

Motion by Ley to adjourn the hearing. Second by St. John.

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

The hearing was adjourned at approximately 9:18 a.m.

**Agenda Item #6 - Discussion and possible action on Administrative Actions and recommendations and report from the Enforcement Committee:** Vice Chair Ley addressed this item. She noted that previously statistics were provided regarding enforcement activities that occurred in the prior calendar year. She stated she has been provided the statistics in relation to enforcement activities during the last fiscal year. Member Ley reported that on July 1, 2009, there were 184 open files. During fiscal year 2010, 116 files were opened 195 files were disposed of, leaving 105 open files as of July 1, 2010. Currently there are 116 files pending. The Enforcement Committee is working on the inventory, and hopes to get it a little lower; however, she did not believe there would be a significant decrease in the number of pending files.

#### **ADMINISTRATIVE CONSENT ORDERS:**

##### **Case No. 1835 – BRENDA LEE MCAFEE, CPA – Revoked**

This case is a result of a referral from the CPE Coordinator. Respondent failed to file the Individual Registrant Reporting Form reporting CPE earned in the 2007 compliance period or claiming an exemption to the CPE requirement for 2007. An Administrative Consent Order was offered by the Enforcement Committee and accepted by the Respondent whereby Respondent's certificate is revoked for "cause", return of the CPA certificate is required, and Respondent is assessed costs and attorney fees in the amount of \$450.07, which must be paid within 30 days of the effective date of this Order. Should Respondent apply for reinstatement, Respondent will be required to demonstrate at a hearing that Respondent satisfies the requirements for reinstatement, and has completed Professional Ethics: AICPA's Comprehensive Course, with a score of 90% and taken within ninety (90) days prior to applying for reinstatement. 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 not in compliance. Registrant reported 24 hours of CPE for 2006 (includes 2 hours of ethics); Registrant did not file a reporting form for 2007 and was administratively revoked.

Peer Review Status: Not Applicable.

**Case No. 1843 – GEORGE THOMAS PAGANIS, CPA**

This case is a result of a referral from the CPE Coordinator. Respondent failed to file the Individual Reporting Form reporting CPE earned in the 2007 compliance period or claiming an exemption to the CPE requirement for 2007. To resolve this matter, Respondent has submitted an Individual Registrant Reporting Form for the 2007 compliance period. The form was filed with the OAB on July 13, 2010 and the Respondent claimed an exemption to the CPE requirements. An Administrative Consent Order has been offered by the Enforcement Committee and accepted by the Respondent whereby Respondent admits violation of the Board's Rules by failing to timely file the reporting form for compliance year 2007.

**OAB Records Summary**

CPE Status: Registrant is now in compliance. Registrant has reported an exemption for the last three years.

Peer Review Status: Not Applicable.

Motion by Ley to approve the Administrative Consent Orders for Case Nos. 1835 and 1843. Second by Volturo.

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

**FILES TO CLOSE:**

**File No. 1407 – Non-Registrant**

This file was opened when the OAB was informed that the non-registrant held out as an Oklahoma CPA to the non-registrant's spouse and presented the spouse with a forged Oklahoma "certificate." As this individual was a Texas resident, the information was passed on to the Texas State Board which closed their file stating that there was insufficient evidence to show that this individual held out to the public. Because there is no evidence that the non-registrant held out as a CPA in Oklahoma and the incident appears to be solely related to a domestic dispute between spouses within the State of Texas, the Enforcement Committee recommends the file be closed.

**File No. 1664 – Revoked 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 2008 to report CPE completed for 2007 or claim an exemption to the CPE requirement. The registrant's certificate was automatically revoked on August 31, 2009 for failure to register, and the registrant claims he is retired. Therefore, the Enforcement Committee recommends the file be closed.

**OAB Records Summary**

CPE Status: Registrant is not in compliance. Registrant has not reported any CPE for the prior three years.

Peer Review Status: Not Applicable.

**File No. 1708 – CPA**

This file was opened as a result of a referral by the CPE Coordinator. The registrant failed to change employment information to show that the registrant was disabled and no longer employed, and failed to timely file the Individual Registrant Reporting Form to report required 2007 CPE. To resolve this matter, the registrant filed the missing form on February 3, 2010 claiming 40 hours of CPE. The registrant has provided a doctor's letter stating that the registrant has suffered from major depression since early 2007. The Enforcement Committee recommends the file be closed.

**OAB Records Summary**

CPE Status: Registrant is now in compliance. Registrant reported 40 hours of CPE for 2007 (includes 2 hours of ethics) and has claimed an exemption for 2008 and 2009.

Peer Review Status: Not Applicable.

**Files No. 1710 – CPA (Employer)  
No. 1777\* – CPA (Employee)**

A complaint was filed alleging the registrant employer and employee breached client confidentiality and failed to complete work in a professional and timely way. The assigned investigator concluded that the registrants performed the engagement competently, but failed to timely deliver client records due to a fee dispute. In addition, the investigator felt there was insufficient evidence to prove that a breach of client confidentiality had occurred. The Enforcement Committee recommends the files be closed.

**OAB Records Summary (Employer)**

CPE Status: Registrant is in compliance. Registrant reported 40 hours of CPE for 2007 (includes 2 hours of ethics); 50 hours of CPE for 2008 (includes 2 hours of ethics); and 40 hours of CPE for 2009 (includes 2 hours of ethics).

Peer Review Status: Registrant is in compliance.

**OAB Records Summary (Employee)**

CPE Status: Registrant is in compliance. Registrant reported 40 hours of CPE for 2007 (includes 2 hours of ethics); 50 hours of CPE for 2008 (includes 2 hours of ethics); and 58 hours of CPE for 2009 (includes 2 hours of ethics).

Peer Review Status: Not applicable.

**File No. 1715 – CPA**

Two complaints were made that the registrant failed to timely file the complainants' W-2s. In addition, another complaint was filed that the registrant failed to provide Form 990 to the complainant in a timely manner, and failed to include a required schedule in the return. The investigator concluded that the W-2s were filed timely as the registrant was able to produce an electronic receipt for the filings. The registrant was also able to produce records showing that the Form 990 was prepared and the client notified prior to the due date of the return. However, the investigator did find that the registrant failed to prepare the schedule in question. The Enforcement Committee recommends the file be closed with a letter to the registrant regarding due professional care requirements.

**OAB Records Summary**

CPE Status: Registrant is in compliance. Registrant reported 48 hours of CPE for 2007 (includes 2 hours of ethics); 40 hours of CPE for 2008 (includes 2 hours of ethics); and 40 hours of CPE for 2009 (includes 2 hours of ethics).

Peer Review Status: Not applicable.

Motion by Ley to close File Nos. 1407, 1664, 1708, 1710, and 1777\*, and 1715. Second by St. John.

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

**\*NOTE:** Due to scribner error, File No. 1772 was misidentified as File No. 1777 which resulted in File No. 1777 being incorrectly closed. On October 29, 2010, the Board voted to close File 1772 consistent with the scenario given in the Enforcement Committee's report, to reopen File No. 1777 for further investigation, and to amend the Minutes of the September 24, 2010, Board meeting to document the correction.

**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 1133



Motion by Ley that File No. 1133 be assigned to the Administrative Law Judge unless settled prior to the hearing.  
Second by Volturo.

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

**Agenda Item #7 - Discussion and possible action on report from the Outreach**

**Committee:** Committee Chair Ley addressed this item. The Board was provided a draft of a Recognition Ceremony Policy (Appendix II). Past practice has been that an individual who passes the CPA exam is only invited to one Recognition Ceremony. If at the time of the Recognition Ceremony they have not met the requirements for a CPA certificate, their only option was to attend the Recognition Ceremony and be recognized for passing the exam. The proposed policy contains provisions for such an individual to be able to defer attending a Recognition Ceremony until they have met the requirements for a CPA certificate.

Member Ley stated that the OAB staff and the Outreach Committee are in agreement that the proposed policy would cover their understanding of the Board's wishes in this regard.

Motion by Ley that the Board adopt the Recognition Ceremony Policy as presented. Second by Sanner.

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

Member Ley stated that the Outreach Committee has been working towards the next Board meeting which is scheduled to be held at Rogers State University. There was discussion about whether or not Board members would be available to attend an event on Thursday evening, October 28, with students, professors, and members of the Northeast Chapter of the OSCPA.

**Agenda Item #8 - Discussion and possible action on report from the Personnel**

**Committee:** Member Volturo addressed this item. He reported that staff recently submitted some revisions to the Personnel Handbook, but the Committee has not had a chance to review the revisions. The Committee hopes to be able to bring it back for consideration at the October meeting.

It was noted this agenda item would be revisited later in the meeting.

**Agenda Item #9 - Discussion and possible action on report from the Ad Hoc Committee concerning the use of specialty certifications:**

This item was addressed by Member Volturo. He noted that he and Member Petete have had discussion concerning this matter. Member Petete attended an AICPA meeting at which this was being discussed to some degree. He stated that the Ad Hoc Committee has come to the conclusion that to be consistent with what the Board has done in the past, the American College of Forensic Examiners should be written a letter indicating that under

current rules and statutes, use of the designation "Certified Forensic Accountant" by a non-CPA is prohibited. He also recommended that NASBA be written a letter to see if it would consider the use of such specialty certifications on a broader scale.

Motion by Volturo that the Board advise the American College of Forensic Examiners that under current statutes and rules, the designation of "Certified Forensic Accountant" for a non-CPA would be prohibited, and that a letter be sent to NASBA to see if NASBA would establish a task force or committee to start studying such issues on a broader scale for all the accountancy boards. Second by St. John.

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

**Agenda Item #10 - Discussion and possible action on report from the Audit and Budget Committee, to include: a) Discussion and possible action on revised Internal Purchasing Policy; and b) Discussion and possible action on SAI audit engagement letter:** Member Sanner addressed this item. The Board was provided a draft showing proposed revisions to the Internal Purchasing Procedures.

Member Sanner asked for input with regard to whether or not the policy should include provisions for the Technology Committee to be involved in the monitoring process for IT contracts. Member Ley stated that she has a problem with making any Board member responsible for monitoring a contract and that she believes that is a staff function. Chair Gray stated that if the policy provides that the monitoring of IT contracts is the responsibility of the Executive Director or designee, the Chair of the Technology Committee could be the designee if they want to be more involved. Member Volturo suggested that the involvement of the Technology Committee Chair could be based on the dollar threshold involved.

Colin Autin, the OAB's Certified Procurement Officer (CPO), stated that the proposed language was taken from the Department of Central Services example. He stated that the CPO of an agency is charged with the responsibility to monitor contracts. Chair Gray inquired as to whether a CPO goes through training for the monitoring of such contracts, and Mr. Autin responded affirmatively.

Chair Gray inquired as to why there is a limit of \$7500 for the purchase of goods and services using the P-card, and a limit of \$5,000 for the purchase of lodging or air fare. Interim Executive Director Prieto Johns stated that these limits pertain to two separate P-Cards. Chair Gray inquired as to whether the P-Card used for lodging and airfare can also be used to pay registration fees. Mr. Autin responded in the negative. Mr. Crittenden pointed out that the purchasing limits are for each CPO, but the OAB currently has only one CPO. Member Ley asked if there is a backup CPO, and Interim Executive Director Prieto Johns responded in the negative. Chair Gray and Member Ley strongly suggested that arrangements be made to have a backup CPO as soon as possible.

Motion by Sanner to approved the revised Internal Purchasing Procedures as presented. Second by Ley.

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

Member Sanner reported that the Audit and Budget Committee is recommending the engagement of the State Auditor and Inspector (SAI) to audit the OAB's financial statements for the fiscal year ended June 30, 2010. The Committee has considered the engagement on the basis of the SAI's credentials and fees, the timing of the work and past performance. Chair Gray noted that the SAI has indicated in the engagement letter that they would conclude their work and issue a report no later than January 21, 2011. She stated that the staff would need to do whatever is necessary to ensure the audit is timely. Interim Executive Director Prieto Johns stated that similar to how staff performed last year, staff will be certain to provide all documentation to the SAI as promptly as possible.

Motion by Sanner to approve engaging the State Auditor and Inspector for the audit of the OAB's financial statements for the year ended June 30, 2010. Second by St. John.

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

**Agenda Item #11 - Discussion and possible action on requirements to renew a certificate or license based on staggered expiration dates on the last day of the individuals' birth months pursuant to Section 15.14(D) of the Oklahoma Accountancy Act:** Chair Gray addressed this item. Chair Gray noted that it was the intent of the Board that effective January 1, 2010, all valid certificates and licenses would be renewed based on staggered expiration dates on the last day of the individual's birth month. The administrative rules were written the same way. The OAB has been waiting for some time for the Office of State Finance (OSF) to make a decision on the enterprise software that would enable the agency to implement this. The current software is not capable of doing this without a tremendous amount of money being spent for modifications. Chair Gray stated that she was advised by Interim Executive Director Prieto Johns that if the OAB wrote a contract for this with an alternate vendor, it would be denied. Therefore, the OAB will have to continue to use June and July as the registration period.

Chair Gray advised the Board that there were 25 individuals who had not registered as of August 31, 2010, who were born in August through December. On advice of legal counsel, these individuals will not be automatically revoked until the appropriate time after their birth month. They will be given the opportunity to renew because of the provisions in the statutes and rules.

Chair Gray stated that if OSF does not get a contract issued for the enterprise software soon and it becomes apparent that registration during an individual's birth month cannot

be implemented by July 1, 2011, it will be necessary to request a change to the statutes and to amend the administrative rules.

**Agenda Item #12 - Discussion and possible action on requirements to renew a certificate or license after five (5) years, pursuant to Section 15.14(F)(3) of the Oklahoma Accountancy Act:** Chair Gray addressed this item. She stated that in administering the provisions of Section 15.14(F)(3), the OAB staff made a decision that anyone whose certificate had been revoked, surrendered or cancelled prior to November 1, 2004, would be eligible for reinstatement through October 31, 2009. Chair Gray stated that she is not sure if that was the Board's intent, however it is the way it was administered by staff. There have been 37 individuals whose certificates had been revoked for five years or more who were permitted to register due to the interpretation by staff. No one was denied registration during that time period due to having been revoked, surrendered, or cancelled for a certain number of years, so everyone was treated equally so to speak.

Chair Gray stated that going forward, if an individual's certificate has been relinquished for five years or more for any reason other than suspension, and if the individual has not been licensed to practice in another jurisdiction for the preceding five years, the individual will not be eligible to register unless they follow the provisions of the statute for obtaining an original certificate or license. Chair Gray noted that there has been indication that two or three individuals were given instruction by staff regarding their eligibility for reinstatement that might have been incorrect. She stated that she has advised the Interim Executive Director that anyone has the right to come before the Board and present their case, and the Board will consider it.

Chair Gray stated that she believes this issue is settled and that nothing has been done that would harm the public. She stated that protecting the public is the Board's utmost duty.

**Agenda Item #13 - Discussion and possible action on requirement for reciprocal and reinstatement applications to bear the date the application was filed with the Board pursuant to Board Policy 2004-01:** Chair Gray requested that OAB staff explain the issue related to this agenda item.

Linda Ruckman, OAB Licensing Coordinator, stated that her understanding of the policy is that the effective date for the reinstatement of a certificate and for the issuance of reciprocal certificate is supposed to be the date the acceptable application was received in the OAB office rather than the date the Board approved the application. She stated that there have been a couple of reciprocal applications that were received by the OAB up to two years ago, that were not approved by the Board until this year. If the issue date of the reciprocal certificate is the date the application was received, there are issues that will have to be addressed such as registration fees, permit fees, and CPE which should have been paid and/or reported in the last two years. Ms. Ruckman stated that the same situation will be occurring with regard to some reinstatement applications. There are two reinstatement applications that have been held for a considerable amount of time which may be coming to the Board for approval in the next couple of months.

It was discussed that the reciprocal applications had been held because potential enforcement issues were identified. Interim Executive Director Prieto Johns reported that past practice was that if a reciprocal application was received and there was an identified enforcement issue, the file would be routed to the enforcement program and no action would be taken on the application until the potential enforcement issue was resolved. Current practice is that the reciprocal application is processed even if an enforcement issue is identified. Chair Gray expressed concern that a reciprocal application would be approved if there was an enforcement issue. Member Ley felt that most often the enforcement issue would be related to the reciprocal application not being filed within 120 days of the date the applicant began practicing public accounting in Oklahoma. It was discussed that if there were other enforcement issues, such would have to be considered on a case by case basis. There was considerable discussion as to how a potential enforcement issue would be identified in the application review process.

Ms. Ruckman stated that with regard to the two reciprocal applications, one of which was approved in June and one in August, staff is recommending that the Board consider allowing the issuance date of the reciprocal certificates to be the date the applications were approved by the Board. Member Ley expressed concern that this would cause the reciprocal registrants to have additional enforcement issues such as practicing without a license between the date the application was submitted and the date of Board approval. Member Sanner asked if the Board could instead consider a waiver of the enforcement of fees and CPE reporting responsibilities during that time. Member Ley stated that if there are a handful of applications that have been held for some reason, a written scenario of the cases needs to be presented to the Board so that any issues related to effective dates, fees, reporting requirements, etc., can be resolved. Member Ley also indicated that she would like the Board to adopt a policy that reinstatement and reciprocal applications will be acted upon, either approved or denied, in a certain amount of time.

Ms. Ruckman also advised the Board as to some inconsistencies that have occurred with regard to the effective date of permits and the effective date of a reinstatement or the issuance of a reciprocal certificate. It was discussed that any such inconsistencies would have to be dealt with on a case by case basis.

Chair Gray asked that the OAB staff review the current policy, Policy No. 2004-01, and submit staff's recommendation for any amendments that might need to be made for the Board's consideration in October. Member Ley asked that staff's recommendations also include a timeline for processing and administrative approval or denial of reinstatement and reciprocal applications.

Member Volturo inquired as to whether the OAB actually mails registrants a hard copy of the permit to practice. Ms. Ruckman stated that if a registrant renews online, they are not automatically being mailed a hard copy of the permit. As a part of the online renewal process, the registrant can download the receipt and a copy of their permit to practice. Chair Gray asked that staff make note that better instructions are needed with regard to the printing of the permit to practice on the online renewal system.

Member Volturo asked if consideration should be given to having a requirement that a registrant be able to produce a copy of their permit to practice. He noted that this is a requirement of some regulatory boards. It was discussed that some firms require their employees to provide a copy of their permit to practice as part of their quality control.

**Agenda Item #14 - Discussion and possible action for the selection of the OAB voting representative and alternate at the NASBA Annual meeting:**

Motion by St. John that the Board Chair be the voting representative and that the Vice Chair be the alternate at the NASBA Annual meeting. Second by Sanner.

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

**Agenda Item #16 - New Business:** There was no new business considered.

**Agenda Item #17 - Interim Executive Director's Report:** Interim Executive Director Prieto Johns reported on the following:

- RFP for Enterprise Software – The OAB was recently advised by the Director of the Information Services Division of the Office of State Finance, Mr. Fleckinger, that he believes the award of the contract will be made by October 1. The RFP Committee Chair, Ms. Lisa McKeithan, has reported that a meeting was recently held with the vendor to negotiate proposed changes to the agreement with the vendor.

Interim Executive Director Prieto Johns stated that it is very important that the OAB have information within the next 30 to 60 days regarding the award of a contract and the ability to proceed with the implementation of the software needed to operate an online birth month registration system.

- Imaging Project – The plan for the imaging project has been submitted to OSF for approval.
- OAB Personnel Handbook -- The staff's comments on the OAB Personnel Handbook were recently submitted to the Personnel Committee for review.
- NASBA Focus Questionnaire – A draft of the answers developed by staff to the current NASBA Focus Questionnaire was provided to the Board for review and comments. The answers are due back to NASBA by October 6.
- Strategic Plan – The strategic plan is being worked on as a part of the budget request program that will be submitted to OSF.

Member Ley asked if it will be included in the packet for the October Board meeting, and Interim Executive Director Prieto Johns responded affirmatively.

Chair Gray inquired as to when the information would be provided to the Audit and Budget Committee, and Interim Executive Director Prieto Johns responded that it could be sent to the Committee in a week or two as there are not many changes from last year's request. Member Ley stated that the budget request is important, but the strategic plan is something the Board has attempted to place a lot of emphasis on and it would be good to see it brought to fruition.

- Expenditures made by the Interim Executive Director with approval of the Chair between \$2,500 and \$10,000 since the preceding Board meeting:
  - o National Association of State Boards of Accountancy (NASBA) - FY11 membership dues - \$6,600.00
  - o Fidelis Group - Investigative services - \$2,829.00
  - o Attorney General – Legal council @ 25% - \$2,706.2 (monthly rate)
  - o Office of State Finance – Data lines and equipment installation- \$3,949.12
  - o Office of State Finance – New telephone equipment - \$5,245.20
  - o Bank of America – Merchant services (credit card usage fees) - \$5,763.31
  - o Compsource Oklahoma – FY 11 Worker’s Compensation Insurance - \$5,861.00
  - o Department of Central Services – “We’ve Moved” notice to all registrants - \$3,178.95
  - o Standley Systems LLC – Copy machine lease charges 4<sup>th</sup> quarter FY 10 - \$2,601.45

Chair Gray asked that Board members send any comments regarding the NASBA Focus Questionnaire to the Interim Executive Director. She noted that she requested the Interim Executive Director to complete the questionnaire and provide it to Board members for comments so that it can be submitted to NASBA by the October 6 deadline. She noted that the document should probably mention the issue discussed earlier with regard to specialty designations.

Member Volturo expressed concern regarding the answer to Question No. 2 which indicates that "the records destruction schedule is not currently being followed." He noted that each state agency is required to have a record retention schedule, and he inquired as to whether all of the OAB's records are on the schedule. Interim Executive Director Prieto Johns stated that the records are on the schedule, but the OAB has not been destroying documents. Member Volturo believed it would be more accurate to say that the records destruction schedule is being followed, but the OAB has not yet submitted requests to destroy specific records. Interim Executive Director Prieto Johns stated that some records that are eligible for destruction will not be destroyed until they have been imaged. Chair Gray stated that if such is the case, staff is apparently making a decision that there are records that should be kept that the Board does not believe need to be kept. Interim Executive Director Prieto Johns stated that for about ten years there has been no type of records transfer or destruction of records. It was discussed that some time ago there was an enormous amount of purging, but the purged records were moved to storage rather than being destroyed.

Chair Gray requested that staff review the records retention schedule and submit any revisions believed to be necessary to the Board for approval. She also requested that staff develop a plan as to when the destruction of documents eligible for destruction will be accomplished. Member Ley stated that she wanted it to be clear that if a document is eligible to be destroyed, it does not get imaged.

Member Volturo stated that with regard to Question No. 3, the Board has discussed a swearing-in ceremony in the past and it was determined that it would require a statutory change. Chair Gray asked that the answer be amended to reflect that a statute change would be required.

Chair Gray noted that she has previously provided the Interim Executive Director with additional verbiage that needs to be included in the answer to Question No. 6 with regard to legislation that the OSCPA is planning to have introduced during the next legislative session.

Interim Executive Director Prieto Johns noted that Question No. 4 pertains to the designation for a retired CPA. She stated that retired registrants are currently required to complete the same registration form as other registrants. This seems to cause a great deal of stress and confusion for some retired registrants. Chair Gray stated that if staff believes a different form should be completed by retired registrants, staff needs to create the form and bring it to the Board for approval.

**Agenda Item #18a - Chair's Announcements:** Chair Gray reported that Member Volturo's name is going to be offered to the AICPA Nomination Committee to serve as one of the public members on the Professional Ethics Executive Committee (PEEC).

Chair Gray noted that there is an issue regarding the expiration date for permits that will be brought to the Board next month. Current statutes and rules contain a provision that permits will expire during the registrant's birth month. Also, the Board is required to provide a schedule of prorated fees for the purposes of transitioning into the staggered annual renewal dates. Chair Gray stated that until such time as the software is available, permits for those who are born in January through December will expire on June 30.

**Agenda Item #18b – Announce date and location of the next meeting:** It was noted that the next meeting is currently scheduled to be held on October 29, 2010, on the Rogers State University Campus located at 1701 W. Will Rogers Blvd., Claremore, OK 74017.

**Agenda Item #15 - 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 Sanner that the Board go into Executive Session for consideration of the matters stated in Agenda Item #15. Second by Ley.

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

The Board entered into Executive Session at approximately 11:27 a.m.

Motion by Ley that the Board come out of Executive Session. Second by Volturo.

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

The Board came out of Executive Session at approximately 11:45 a.m. Chair Gray noted for the record that no action was taken during the Executive Session. The only items discussed during the Executive Session were those items in the Request for Proposal draft that included salary information and the position description. All other items will be discussed in open session.

**Agenda Item #8 – Discussion and possible action on report from the Personnel Committee [REVISITED]:** Member Volturo reported that the Personnel Committee has met and has worked with Mr. Autin to develop the proposed RFP for an executive search firm. It is the Committee's belief the RFP complies with the requirements of the Department of Central Purchasing for solicitation.

Member Volturo stated the goal is to get the RFP issued so that a firm can be selected as soon as possible. Based on the purchasing policy approved today, if the proposal selected is more than \$10,000.00, it may be necessary for the Board to approve the contract. Chair Gray asked Mr. Crittenden if the Board could take action to delegate approval of a contract up to \$25,000.00, and Mr. Crittenden responded affirmatively.

It was discussed that the RFP would have to be submitted to DCS for approval, which could take seven to ten days. Member Volturo stated that the Committee is hoping it will not take that long because Mr. Autin has been in contact with DCS and the RFP is based on a prior RFP which DCS approved. There was discussion as to the period of time that the RFP would be open. Mr. Autin stated that he can request a short close, which would be about three weeks. Member Ley asked if it could possibly be two weeks. Mr. Autin stated he will discuss that with the contracting officer.

Chair Gray asked Mr. Autin where he thinks the responses will come in dollar-wise. Mr. Autin stated that based on some cursory research, he believes it will be between \$25,000.00 and \$35,000.00. Chair Gray noted that based on the Internal Purchasing Procedures just approved, final approval of the successful bidder and authorization for the purchase must be by vote of the OAB during a regular or special meeting in order to purchase any good or service over \$25,000.00 and not exceeding \$50,000.00.

5685.

Member Volturo noted that if there is a delay in DCS approval of the RFP and there is not a Special Board meeting for final approval of the successful bidder and authorization of the purchase, it may be necessary to modify the maximum contract period dates.

Motion by Volturo to approve the draft Request for Proposal for an executive search firm. Second by Sanner.

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

Motion by Volturo to authorize the Board Chair to sign a contract for an executive search firm not to exceed \$25,000.00. Second by Sanner.

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

Motion by Volturo to allow Mr. Autin to extend the maximum contract period in the RFP by 30 days if required due to time constraints. Second by Ley.

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

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

Motion by St. John that the meeting be adjourned. Second by Sanner.

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

The meeting was adjourned at approximately 12:04 p.m.

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Janice L. Gray, Chair

\_\_\_\_\_  
Date

ATTEST:

\_\_\_\_\_  
E. B. St. John, Secretary

\_\_\_\_\_  
Date

## APPENDIX I

### CERTIFICATES SURRENDERED BY REGISTRANTS:

#### CPAs:

**Surrendering CPA Certificate Due To The New CPE Requirements: None**

#### **Coming into Oklahoma to practice under Mobility:**

James M. Ridenour	Certificate No. 14143-R	Issued Feb. 27, 1998
Stephen B. Bruner	Certificate No. 14922-R	Issued Nov. 17, 2000
Alan Taylor	Certificate No. 15191-R	Issued Aug. 24, 2001
Clifford Mac Crockett	Certificate No. 15222-R	Issued Oct. 26, 2001
Dean William Fullinwider	Certificate No. 15485-R	Issued July 31, 2002
Kevin Earl Cook	Certificate No. 15792-R	Issued Aug. 29, 2003
Thomas E. Unke	Certificate No. 15935-R	Issued May 14, 2004
Peter Thomas Cangany, Jr.	Certificate No. 16097-R	Issued Aug. 24, 2005

#### **No Longer Practicing in Oklahoma:**

Kenneth Charles L. Ellison	Certificate No. 1548	Issued Feb. 3, 1962
Raymond Louis Tullius Jr.	Certificate No. 1692	Issued Aug. 2, 1963
James Horace Holloman	Certificate No. 2088	Issued July 27, 1968
Morton Vincent Weir	Certificate No. 3525	Issued July 28, 1975
Jack G. Arnold	Certificate No. 5431	Issued Jan. 26, 1981
Phillip Richmond	Certificate No. 6188-R	Issued May 27, 1982
Robert Willis Slott	Certificate No. 6713	Issued Jan. 17, 1983
David L. Crowell	Certificate No. 6872	Issued July 28, 1983
Robin Blanscet Johnson	Certificate No. 7855	Issued Jan. 31, 1985
David G. Clark	Certificate No. 9118	Issued Jan. 29, 1987
Frances Freund Hillsman	Certificate No. 9436	Issued July 23, 1987
John A. Taylor Jr.	Certificate No. 9628-R	Issued Dec. 17, 1987
Wendy Lynn Alexander	Certificate No. 11024	Issued July 26, 1990
Teddy Ray North	Certificate No. 11911-R	Issued July 28, 1992
Matthew Wayne Thornton	Certificate No. 14426	Issued Feb. 1, 1999
Carl T. Turner	Certificate No. 15026	Issued Jan. 29, 2001
Eldona F. Canterbury	Certificate No. 15540	Issued Feb. 3, 2003
Andrew Stephen White	Certificate No. 15943-R	Issued July 29, 2004
Bryan G. Bower	Certificate No. 16266-R	Issued Oct. 10, 2006
Zane Phillip Finch	Certificate No. 16556-R	Issued Nov. 19, 2008
Michael L. Wiedemer	Certificate No. 15646-R	Issued Feb. 28, 2003

**No Longer Residing in Oklahoma:**

Susan Frank Nobles	Certificate No. 3828	Issued July 19, 1976
Linda Lee Clark	Certificate No. 5032	Issued Jan. 28, 1980
Linda K. Lawson	Certificate No. 5868	Issued Nov. 20, 1981
Steven Hudson Harrington	Certificate No. 5958	Issued Jan. 29, 1982
Shirley J. Norman	Certificate No. 6020	Issued Jan. 29, 1982
Lyn Alison Guffey	Certificate No. 6362	Issued July 22, 1982
David W. Unruh	Certificate No. 6738	Issued Jan. 17, 1983
Robert Steven Paugh	Certificate No. 7361	Issued Jan. 26, 1984
Betty L. Flora	Certificate No. 8872	Issued July 31, 1986
Patricia Ray Clancy	Certificate No. 9629	Issued Dec. 17, 1987
Gregory D. Owens	Certificate No. 10603-R	Issued Nov. 16, 1989
Richard Charles Griffith	Certificate No. 10677	Issued Jan. 25, 1990
Lori A. Wright	Certificate No. 11263-R	Issued April 25, 1991

**Retired:**

Gerald Michael Bauer	Certificate No. 550	Issued Aug. 16, 1948
Don L. Jones	Certificate No. 1350	Issued July 28, 1959
Daniel Garth Osborn	Certificate No. 1362	Issued July 28, 1959
Robert W. Bowker	Certificate No. 1430	Issued July 29, 1960
Perry A. Wimpey	Certificate No. 1454	Issued Feb. 4, 1961
James L. Dining	Certificate No. 3072	Issued Jan. 28, 1974
Dianne E. Wigley	Certificate No. 5240	Issued July 25, 1980
Betty Wright	Certificate No. 5488	Issued Jan. 26, 1981
Robert D. Lundgren	Certificate No. 2009-R	Issued Oct. 23, 1967
Joanne Burrage Thach	Certificate No. 3520	Issued July 28, 1975
Marilyn M. Dabner	Certificate No. 5918	Issued Jan. 29, 1982
Theodora C. Rees	Certificate No. 6674	Issued Jan. 17, 1983
James Michael Evans	Certificate No. 8742-R	Issued Jan. 23, 1986
Kent G. Miller	Certificate No. 9760	Issued Jan. 28, 1988
Richard Lee Anderson	Certificate No. 12127-R	Issued Jan. 28, 1993
Richard C. Muse	Certificate No. 15934-R	Issued May 14, 2004
Gerald Clifton Boon	Certificate No. 16207-R	Issued June 23, 2006

**PAs:****Retired:**

David E. Corral, Sr.	License No. 963	Issued Dec. 3, 1975
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**DECEASED REGISTRANTS:****CPAs:**

Darcy Gile-Reents	Certificate No. 8232	Issued July 26, 1985
Ron Dale Tisdale	Certificate No. 3832	Issued July 19, 1976

Charlotte Banks Stover  
Edwin Arthur Kymes

Certificate No. 5884  
Certificate No. 7124-R

Issued Jan. 29, 1982  
Issued Sept. 15, 1983

**PAs:**

None

**DISSOLVED FIRMS:**

**PA Partnerships:**

None

**CPA Partnerships:**

None

**CPA Corporations:**

Miller and Company P.C.

**CPA Limited Liability Companies:**

McLaughlin and Company, P.L.L.C.

**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:

Steve Shane Bowman  
Elena Chitsey  
Stephen Jeffrey Cowan  
Katelyn Jo Crawford (Non CPA Verifier)  
Christopher Douglas Eason  
William Francis Murphy  
Kelly Rene Rhodes (Non-CPA Verifier)  
Matthew Allen Sartin  
Matthew Kemp Warne  
Jacob Wade Winkler (Non-CPA Verifier)

**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):**

16899	Veronica R. Tichavsky
16894	Ryan M. Alden
16895	Preston L. Biller
16896	Michael Shawn Crisp
16897	Michael Ryan Madsen
16900	Candice Dawn Wagner
16902	Aaron Benjamin Betz
16903	Seth P. Carr
16904	Kara Elzo
16905	Joseph William Hendrix
16906	Brian Joseph Metz
16908	Rebecca Ann Ladd
16909	Arriane Alexis Scott
16910	Anne Marie Winter
16917	Stephen Shane Bowman

**APPLICATIONS FOR RECIPROCAL CPA CERTIFICATES:**

Debi Rodriquez-Florence (Texas)  
Susan Marie Lewis (Arizona)  
Christopher Shawn Lowry (Colorado)  
Stephen Daniel Sharpe (Florida)  
Megan K. Tulloch (Kansas)

**APPLICATIONS FOR REINSTATEMENT OF CPA CERTIFICATES:**

10621 J. Kevin Barnes

**INITIAL FIRM REGISTRATIONS OF SOLE PROPRIETORSHIPS UNDER SECTION 15.15:**

None

**INITIAL FIRM REGISTRATIONS OF PROFESSIONAL CORPORATIONS:**

Kalvin Lee CPA, PC  
Maddox & Associates A Professional Corporation

**INITIAL FIRM REGISTRATIONS OF PROFESSIONAL LIMITED LIABILITY PARTNERSHIPS:**

None

**INITIAL FIRM REGISTRATIONS OF PROFESSIONAL LIMITED LIABILITY COMPANIES:**

Busby Ford & Reimer, LLC  
Northeastern Oklahoma Accounting, PLLC

**REINSTATEMENT OF CPA PROFESSIONAL LIMITED LIABILITY COMPANIES:**

None

**REINSTATEMENT OF CPA PROFESSIONAL LIMITED LIABILITY PARTNERSHIPS:**

Curtis Milligan, PLLC

**REINSTATEMENT OF CPA PROFESSIONAL CORPORATIONS:**

Jerry Parsons CPA PC  
Sandra R. Henderson, P.C.

**REINSTATEMENT OF PA PROFESSIONAL CORPORATION:**

None

## APPENDIX II

### Recognition Ceremony Policy

- All successful candidates will be sent an invitation to the first Recognition Ceremony which is held following official notification being sent to them that they have passed the CPA exam.
- The successful candidates who have met the requirements to receive their CPA certificate will be presented their certificate at the Recognition Ceremony if they are able to attend.
- The successful candidates who have not met the requirements to receive their CPA certificate will be given the option of attending the Ceremony and being recognized for passing the CPA exam, or waiting to attend a Ceremony after they have completed the requirements for the CPA certificate.
  - If they choose to attend the Ceremony and be recognized for passing the exam, they will not be invited to a future Ceremony. When they meet the requirements for a CPA certificate, the certificate will be mailed to them.
- If a successful candidate who has met the requirements to receive their CPA certificate is unable to attend the first ceremony to which they are invited (at which they could be presented the certificate), they will have the following options:
  - Request that the OAB mail their CPA certificate to them with the understanding that if this option is chosen they will not receive an invitation to a future Recognition Ceremony.
  - Request that the OAB hold their CPA certificate and they will receive an invitation to attend the next Recognition Ceremony. If they do not attend the next Ceremony, the certificate will be mailed to them.



## APPENDIX III

### STATE OF OKLAHOMA OKLAHOMA ACCOUNTANCY BOARD (OAB)

#### INTERNAL PURCHASING PROCEDURES

Title 74, Section 85.39, Oklahoma Statutes, requires the OAB to establish the following Internal Purchasing Procedures. All acquisitions shall comply with the provisions of the Oklahoma Central Purchasing Act (Purchasing Act), rules of the Central Purchasing Division, the Oklahoma Information Act, provisions of the State Use Committee, the State of Oklahoma Purchase Card (P-card) procedures and these internal purchasing procedures. These procedures are effective following approval by the OAB and the Director of Central Services.

The OAB is a non-appropriated agency, with all expenditures being funded by the OAB's Revolving Fund. As a small agency, personal communication is facilitated on a routine basis concerning purchasing and allows for less formal internal communications and a minimum of internal paperwork with respect to purchasing.

The OAB may maintain on staff, an individual who has successfully passed the examination to become a Certified Procurement Officer (CPO), or designate a CPO through an interagency agreement to assist the Executive Director or the Executive Director's designee (designee) with OAB agency procurement.

At such time the Executive Director, designee or CPO determines there is a need to procure a good or service, the need to make that purchase is assessed and if found to be appropriate, it is communicated to the OAB as documented below.

Documentation for the purchase of goods or services made in accordance with these internal procedures will be maintained for a period of three years following completion and/or termination of the acquisition. If audit litigation or other action is started before the end of the three year period, the records shall be maintained for two years from the date all issues have been resolved or until the end of the three year retention, whichever is later. Records will be made available to the State Purchasing Director, the Office of State Finance (OSF), the State Auditor and Inspector or any entity engaged to perform an audit of the OAB upon request.

Oklahoma House Bill 1170, the "Oklahoma Information Service Act", Information Technology (IT) provides for purchases that fall within its established thresholds, and must be approved by OSF. All telecommunication purchases must be approved by OSF regardless of dollar amount.<sup>1</sup>

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<sup>1</sup> In accordance with an OSF recommendation, the OAB internal purchasing policy will not explicitly reference the current threshold as it may change at any time.

The following procurement categories require OSF approval at the zero dollar amount:

- Financial Systems
- Electronic Portal Systems
- Web Design/Applications
- Asset Management Software/Applications
- Licensing, Permit or Grants Software/Applications
- Imaging Systems
- Requests to purchase personal computers and laptops from sources other than the statewide mandatory contract
- Any installation of telephone, teletype, switchboard, line, cable system, data communication system, internet, E-Government, or systems of communication or intercommunication to be installed in any building or buildings owned, rented, or leased or otherwise held by this state or its agencies at locations described in subsection a of title 62 section 34.19

Oklahoma Administrative Code (OAC) 580:15-6-6 divides all purchases into six categories: 1) purchases below \$5,000; 2) purchases over \$5,000 and not exceeding \$10,000; 3) purchases over \$10,000 and not exceeding \$25,000; 4) purchases over \$25,000 and not exceeding \$50,000; 5) purchases over \$50,000 and not exceeding \$100,000; 6) purchases over \$100,000.

**1) To purchase any good or service below \$2,500, the OAB procedures shall be:**

The OAC requires that purchases not exceeding \$5,000 shall be open market that are fair and reasonable.

Before each acquisition is made, the Executive Director or designee verifies that sufficient funding is available. If the contract is related to any telecom purchase it must first be submitted to OSF for approval.

The OAB Purchasing Policy provides the Executive Director and/or designee may approve purchases for goods and services not to exceed \$2,500.

If the good or service is included on a mandatory State Contract, a Purchase Order (PO) is then drafted by the CPO or the P-card is used. The PO is subject to approval by the Executive Director and/or designee. Copies of the POs maintained by the agency serve as a log of purchases against State Contracts. Prior to the purchase of a good or service, the OAB may provide the State Purchasing Director a written request to waive the requirement to procure an item listed on a mandatory State Contract.

If the good or service is not included on a mandatory State Contract, the CPO identifies potential suppliers. Factors involved in such consideration are price, availability of product, whether the product meets specifications, fair and best value of product, and quality of product. The Executive Director and/or designee review and select the best supplier and authorize the purchase.

Once an appropriate vendor is selected, the CPO contacts that vendor and initiates the purchase, which is charged against an approved PO drafted by the designee, or CPO or the P-card is used.

If the contract is related to IT, it is the responsibility of the designee to monitor the contract(s) for compliance with the specifications after award. If the contract is related to professional services, it is the responsibility of the Executive Director to monitor the contract(s) for compliance with the specifications after award.

If the contract is related to services provided specifically by legal counsel other than the Assistant Attorney General or an investigator, it is the responsibility of the Enforcement Committee Chair or his/her designee to approve any invoice prior to payment.

**2) To purchase any good or service over \$2,500 and not exceeding \$10,000, the OAB procedures shall be:**

The OAC requires that purchases over \$5,000 and not exceeding \$10,000 shall be based on the lowest and best or best value criteria.

Before an acquisition is made, the Executive Director or designee verifies that sufficient funding is available. If the contract is related to any telecom purchase it must first be submitted to OSF for approval.

The OAB Purchasing Policy provides the Executive Director and/or designee may approve purchases, with approval by the Chair of the OAB, for goods and services over \$2,500 and not exceeding \$10,000.

If the good or service is included on a mandatory State Contract, a PO is then drafted by the CPO. The PO is subject to approval by the Executive Director and/or designee. Copies of the POs maintained by the agency serve as a log of purchases against State Contracts. Prior to the purchase of a good or service, the OAB may provide the State Purchasing Director a written request to waive the requirement to procure an item listed on a mandatory State Contract.

If the good or service is not included on a mandatory State Contract, a minimum of three potential vendors must be solicited via phone, fax or by means of electronic commerce. If less than three registered suppliers are available for solicitation, purchasing documentation will reflect the lack of registered suppliers. No vendor that has been suspended or debarred by the State Purchasing Director, the Oklahoma Tax Commission or the Federal Government will be solicited.

Within the solicitation, the OAB will provide in writing to each registered supplier a list of specifications, terms and conditions that are to be met, along with a reasonable deadline within which to respond.

Vendor responses must include a quoted price for the good or service, delivery time, information regarding the ability to meet the specifications, terms and conditions, proof

of sales tax permit along with a notarized non-collusion affidavit bearing an original signature of the vendor.

If a vendor fails to respond in writing to the solicitation the vendor may be considered non-responsive.

Quotes are reviewed and evaluated by the Executive Director, designee and/or CPO.

Vendor responsiveness, fair and best value, past vendor performance, quality of product and service are key factors in determining an award of contract.

Upon selection of a vendor, a PO is drafted by the CPO. The PO is subject to approval by the Executive Director and/or designee. Once approved, the vendor is contacted.

Vendor performance and any contact made with the vendor during fulfillment of the contract is documented and maintained on file. The supplier shall provide a document stating, at a minimum, the date of the delivery, the name and address of the supplier, and a description of the acquisition. An OAB staff member shall verify that all items purchased were received by signing and dating the delivery document. The person who verifies and signs the delivery document cannot be the same individual that placed the order with the supplier for that good or service.

Vendors contracted to perform professional services may be asked to provide regular progress reports at OAB monthly meetings.

All documentation of bids, including quotes, evaluations, specifications and delivery documentation are maintained by the OAB in a file pursuant to the Purchasing Act. All documentation of purchases requested and authorized shall be maintained for a period of three years following completion and/or termination of the acquisition. If audit litigation or other action is started before the end of the three year period, the records shall be maintained for two years from the date all issues have been resolved or until the end of the three year retention, whichever is later. Records will be made available to State Purchasing Director, OSF, and the State Auditor and Inspector upon request.

If the contract is related to IT, it is the responsibility of the Executive Director's designee to monitor the contract(s) for compliance with the specifications after award. If the contract is related to professional services, it is the responsibility of the Executive Director to monitor the contract(s) for compliance with the specifications after award.

If the contract is related to services provided specifically by legal counsel other than the Assistant Attorney General or an investigator, it is the responsibility of the Enforcement Committee Chair or his/her designee to approve any invoice prior to payment.

**3) To purchase any good or service over \$10,000 and not exceeding \$25,000, the OAB procedure shall be:**

The OAC requires purchases over \$10,000 and not exceeding \$25,000 shall be based on the lowest and best or best value criteria.

Before an acquisition is made, the Executive Director or designee verifies that sufficient funding is available. If the contract is related to any telecom purchase it must first be submitted to OSF for approval. If the contract is related to IT, an OSF Form 115 must first be submitted to OSF for approval.

The Executive Director, the designee and/or CPO will draft and document the specifications for the proposed acquisition. If the specifications are technical in nature, the staff may conduct in-depth research and seek input from outside sources. The OAB Purchasing Policy provides that the Executive Director and/or designee shall make recommendations of purchases within this dollar threshold to be approved by vote of the OAB.

If the requested acquisition is approved by the OAB, is included in a mandatory State Contract and the good or services reasonably meet the specifications, a PO will then be drafted by the CPO. The PO is subject to approval by the Executive Director and/or the designee. Copies of the POs maintained by the agency serve as a log of purchases against State Contracts. Prior to the purchase of a good or service, the OAB may provide the State Purchasing Director a written request to waive the requirement to procure an item listed on a mandatory State Contract.

If the requested acquisition is approved by the OAB and is not included on a mandatory State Contract, a minimum of ten suppliers registered on a list compiled by the Purchasing Division must be solicited via mail, fax or by means of electronic commerce. No vendor that has been suspended or debarred by the State Purchasing Director, the Oklahoma Tax Commission or the Federal Government will be solicited.

If the good or service is clearly defined, an Invitation to Bid will be utilized. If the good or service involves more complex variables, a Request for Proposal will be utilized. The solicitation will be sent to a minimum of ten registered suppliers. If less than ten registered suppliers are available for solicitation, purchasing documentation will reflect the lack of registered suppliers.

Within the solicitation, the OAB will provide each registered supplier the criteria for evaluating the bid, a list of specifications, terms and conditions that are to be met, along with a reasonable deadline within which to respond.

Vendor responses must include a quoted price for the good or service, delivery time, information regarding the ability to meet specifications, terms and conditions, proof of sales tax permit along with a notarized non-collusion affidavit bearing an original signature of the vendor.

If a vendor fails to respond in writing to the solicitation the vendor will be considered non-responsive.

Vendor responsiveness, fair and best value, past vendor performance, quality of product and service are key factors in determining an award of contract.

Quotes are reviewed and evaluated by the Executive Director, designee and/or CPO.

Upon selection of a vendor, a PO is drafted by the CPO. The PO is subject to approval by the Executive Director and/or the designee. Once approved, the vendor is contacted.

Vendor performance and any contact made with the vendor during fulfillment of the contract is documented and maintained on file. The supplier shall provide a document stating, at a minimum, the date of the delivery, the name and address of the supplier, and a description of the acquisition. An OAB staff member shall verify that all items purchased were received by signing and dating the delivery document. The person who verifies and signs the document cannot be the same individual that placed the order with the supplier for that good or service.

Vendors contracted to perform professional services may be asked to provide regular progress reports at OAB monthly meetings.

All documentation of bids, including quotes, evaluations, specifications and delivery documentation are maintained by the OAB in a file pursuant to the Purchasing Act. All documentation of purchases requested and authorized shall be maintained for a period of three years following completion and/or termination of the acquisition. If audit litigation or other action is started before the end of the three year period, the records shall be maintained for two years from the date all issues have been resolved or until the end of the three year retention, whichever is later. Records will be made available to State Purchasing Director, OSF and the State Auditor and Inspector upon request.

If the contract is related to IT, it is the responsibility of the designee to monitor the contract(s) for compliance with the specifications after award. If the contract is related to professional services, it is the responsibility of the Executive Director to monitor the contract(s) for compliance with the specifications after award.

If the contract is related to services provided specifically by legal counsel or an investigator, it is the responsibility of the Enforcement Committee Chair or his/her designee to approve any invoice prior to payment.

**4) To purchase any good or service over \$25,000 and not exceeding \$50,000, the OAB procedure shall be:**

The OAC requires purchases over \$25,000 and not exceeding \$50,000 shall be based on lowest and best or best value criteria.

Before an acquisition is made, the Executive Director or designee verifies that sufficient funding is available. If the contract is related to any telecom purchase it must first be submitted to OSF for approval. If the contract is related to IT, an OSF Form 115 must first be submitted to OSF for approval.

The Executive Director, designee and /or CPO will draft and document the specifications for the proposed acquisition. If the specifications are technical in nature, the staff may conduct in-depth research and seek input from outside sources. The

Executive Director and/or designee shall make recommendations of purchases within this dollar threshold to be approved by vote of the OAB.

If the requested acquisition is approved by the OAB, is included in a mandatory State Contract and the good or services reasonably meets the specifications, a PO will then be drafted by the CPO. The PO is subject to approval by the Executive Director and/or designee. Copies of the POs maintained by the agency serve as a log of purchases against State Contracts. Prior to the purchase of a good or service, the OAB may provide the State Purchasing Director a written request to waive the requirement to procure an item listed on a mandatory State Contract.

If the requested acquisition is approved by the OAB and is not included on a mandatory State Contract, all suppliers in the appropriate commodity classification from the registered list compiled by the Purchasing Division must be solicited via mail, fax or by means of electronic commerce. No vendor that has been suspended or debarred by the State Purchasing Director, the Oklahoma Tax Commission or the Federal Government will be solicited.

If the good or service is clearly defined, an Invitation to Bid will be utilized. If the good or service involves more complex variables, a Request for Proposal will be utilized. The solicitation will be sent to all registered suppliers within the appropriate commodity code.

Within the solicitation, the OAB will provide in writing to each registered supplier the criteria for evaluating the bid, a list of specifications, terms and conditions that are to be met, along with a reasonable deadline within which to respond.

Vendor responses must include a quoted price for the good or service, delivery time, information regarding the ability to meet the specifications, terms and conditions, proof of sales tax permit along with a notarized non-collusion affidavit bearing an original signature of the vendor.

If a vendor fails to respond in writing to the solicitation the vendor will be considered non-responsive. Vendor responsiveness, fair and best value, past vendor performance, quality of product and service are key factors in determining an award of contract.

Quotes are reviewed and evaluated by the Executive Director, designee and/or CPO.

Final approval of the successful bidder and authorization for the purchase must be by vote of the OAB during a regular or special meeting.

Upon selection of a vendor, a PO is drafted by the CPO. The PO is subject to approval by the Executive Director and/or designee. Once approved, the vendor is contacted.

Vendor performance and any contact made with the vendor during fulfillment of the contract is documented and maintained on file. The supplier shall provide a document stating, at a minimum, the date of the delivery, the name and address of the supplier, and a description of the acquisition. An OAB staff member shall verify that all items

purchased were received by signing and dating the delivery document. The person who verifies and signs the document cannot be the same individual that placed the order with the supplier for that good or service.

Vendors contracted to perform professional services may be asked to provide regular progress reports at OAB monthly meetings.

All documentation of bids, including quotes, evaluations, specifications and delivery documentation are maintained in a file pursuant to the Purchasing Act. All documentation of purchases requested and authorized shall be maintained for a period of three years following completion and/or termination of the acquisition. If audit litigation or other action is started before the end of the three year period, the records shall be maintained for two years from the date all issues have been resolved or until the end of the three year retention, which ever is later. Records will be made available to State Purchasing Director, OSF, and the State Auditor and Inspector upon request.

If the contract is related to IT, it is the responsibility of the designee to monitor the contract(s) for compliance with the specifications after award. If the contract is related to professional services, it is the responsibility of the Executive Director to monitor the contract(s) for compliance with the specifications after award.

If the contract is related to services provided specifically by legal counsel or an investigator, it is the responsibility of the Enforcement Committee Chair or his/her designee to approve any invoice prior to payment.

**5) To purchase any good or service over \$50,000 and not exceeding \$100,000, the OAB procedure shall be:**

The OAC requires purchases over \$50,000 and not exceeding \$100,000, if approved by the State Purchasing Director, shall be based on lowest and best or best value criteria.

Before an acquisition is made, the Executive Director or designee verifies that sufficient funding is available. The Executive Director, designee and/or CPO then draft and document the specifications for the good or service. If the specifications are technical in nature, the staff may conduct in-depth research and seek input from outside sources. The OAB Purchasing Policy provides that the Executive Director and/or designee shall make recommendations of purchases within this dollar threshold to be approved by vote of the OAB.

If the requested acquisition is approved by the OAB, a written request will then be sent to the Department of Central Services State Purchasing Director to request authority exceeding \$50,000 but not exceeding \$100,000. Upon consideration of OAB internal purchasing procedures, procurement training and certifications of the OAB procurement staff, the OAB will request that the State Purchasing Director provide in writing, the determination to approve or disapprove the request.

If the State Purchasing Director approves the request and it is related to any telecom purchase, prior to the purchase, a request for approval will be submitted to OSF. If the



request is related to IT, a request for approval will be submitted to OSF on an OSF Form 115.

If the OAB, the State Purchasing Director and OSF approve the request and it is included in a mandatory State Contract and the good or services reasonably meets the specifications, a PO will then be drafted by the CPO. The PO is subject to approval by the Executive Director and/or designee. Copies of the POs maintained by the agency serve as a log of purchases against State Contracts. Prior to the purchase of a good or service, the OAB may provide the State Purchasing Director a written request to waive the requirement to procure an item listed on a mandatory State Contract.

If the requested acquisition is approved by the OAB and is not included on a mandatory State Contract, all suppliers in the appropriate commodity classification from the registered list compiled by the Purchasing Division must be solicited via mail, fax or by means of electronic commerce. No vendor that has been suspended or debarred by the State Purchasing Director, the Oklahoma Tax Commission or the Federal Government will be solicited.

If the good or service is clearly defined, an Invitation to Bid will be utilized. If the good or service involves more complex variables, a Request for Proposal will be utilized. The solicitation will be sent to all registered suppliers within the appropriate commodity code.

Within the solicitation, the OAB will provide in writing to each registered supplier the criteria for evaluating the bid, a list of specifications, terms and conditions that are to be met, along with a reasonable deadline within which to respond.

Vendor responses must include a quoted price for the good or service, delivery time, information regarding the ability to meet the specifications, terms and conditions, proof of sales tax permit along with a notarized non-collusion affidavit bearing an original signature of the vendor.

If the vendor fails to respond in writing to the solicitation the vendor will be considered non-responsive. Vendor responsiveness, fair and best value, past vendor performance, quality of product and service are key factors in determining an award of contract.

Quotes are reviewed and evaluated by the Executive Director, designee and/or CPO.

Final approval of the successful bidder and authorization for the purchase must be by vote of the OAB during a regular or special meeting.

Upon selection of a vendor, a PO is drafted by the CPO. The PO is subject to approval by the Executive Director and/or designee. Once approved, the vendor is contacted.

Vendor performance and any contact made with the vendor during fulfillment of the contract is documented and maintained on file. The supplier shall provide a document stating, at a minimum, the date of the delivery, the name and address of the supplier, and a description of the acquisition. An OAB staff member shall verify that all items purchased were received by signing and dating the delivery document. The person

receiving and signing the document cannot be the same individual that placed the order with the supplier for that good or service.

Vendors contracted to perform professional services may be asked to provide regular progress reports at OAB monthly meetings.

All documentation of bids, including quotes, evaluations, specifications and delivery documentation are maintained in a file pursuant to the Purchasing Act. All documentation of purchases requested and authorized shall be maintained by the OAB for a period of three years following completion and/or termination of the acquisition. If audit litigation or other action is started before the end of the three year period, the records shall be maintained for two years from the date all issues have been resolved or until the end of the three year retention, whichever is later. Records will be made available to State Purchasing Director, OSF, and the State Auditor and Inspector upon request.

If the contract is related to IT, it is the responsibility of the designee to monitor the contract(s) for compliance with the specifications after award. If the contract is related to professional services, it is the responsibility of the Executive Director to monitor the contract(s) for compliance with the specifications after award.

If the contract is related to services provided specifically by legal counsel or an investigator, it is the responsibility of the Enforcement Committee Chair or his/her designee to approve any invoice prior to payment.

**6) To purchase any good or service over \$100,000, the OAB procedure shall be:**

The OAC requires that before the Oklahoma Accountancy Board contracts to privatize a function, program, service, unit, or division valued at One Hundred Thousand Dollars (\$100,000.00) or more, the agency will perform a cost analysis and submit a copy of the written cost analysis report to the Department of Central Services.

(A) **Cost analysis report contents.** The cost analysis report shall include, but not be limited to:

(1) A cost-benefit analysis comparison that shall include the collection and analysis of the direct and indirect costs of the current governmental operation and the private vendor contract. Costs shall be itemized in the report and shall include direct personnel costs, materials and supplies, facility and equipment maintenance and repairs, equipment, rent, utilities, insurance, travel, operations overhead, transition costs associated with shifting the service delivery from the government agency to a private vendor and general administrative overhead associated with privatization of a function.

(2) A feasibility study determining whether another state agency could assume the function, program, service, unit, or division proposed to be privatized.

(3) An analysis of the cost savings and quality enhancements expected to be gained by privatizing.

(4) The availability of multiple qualified and competitive private vendors.

(B) **Cost analysis report review.** The State Purchasing Director shall review the contents of the cost analysis report and determine whether it meets the requirements of the Oklahoma Privatization of State Functions Act [Reference 74 O.S., Section 588 et seq] and this section. The State Purchasing Director shall send written notice to the agency of the results of the review. If the contents of the report are found deficient, the notice shall contain instructions to correct the deficiencies and the cost analysis report shall be returned to the agency along with the notice.

(C) **Privatization request for proposal.** The OAB shall include the following requirements with any request for proposal for a privatization contract:

(1) Financial stability of the vendor, past and present litigation and references related to past government contract performance information; and

(2) Detail of how the vendor will perform the contract, including staffing and equipment information.

(D) **Agency certification statement.** The OAB shall submit to the State Purchasing Director for approval, a privatization contract together with a written statement, signed by the agency Executive Director or designee, certifying that:

(1) The provisions of the Oklahoma Privatization of State Functions Act and all other applicable laws regarding the privatization of the respective state functions have been complied with;

(2) The quality and cost of the services to be provided by the selected bidder are likely to exceed the quality and cost benefit standards for the state function as formerly delivered by agency employees; and

(3) The proposed privatization contract is in the best interest of the public. [74 O.S., Section 589.1]

(E) **Create Request for Proposal and Purchase Order:**

Before an acquisition is made, the Executive Director and/or designee verifies that sufficient funding is available. The OAB Purchasing Policy provides that the Executive Director and/or designee shall make recommendations of purchases within this dollar threshold to be approved by vote of the OAB.

Upon receipt of the Department of Central Service's approval of the Cost Analysis Report, Privatization Request for Proposal, and Agency Certification Statement, the Oklahoma Accountancy Board will seek guidance from the Department of Central

Services to proceed with drafting the Request for Proposal, vendor selection, and drafting of the final purchase order.

**To Purchase any Good or Service Using the P-card, the OAB procedure shall be:**

Only the CPO and the backup CPO(s) will be issued P-cards. As per Central Purchasing, P-cards will be issued in their names along with the agency name. *The State of Oklahoma Purchase Card Employee Agreement* is signed by the CPO and the backup CPO(s) for authorization of use. For security purposes, P-cards will be maintained in a locked, secure location in the OAB office. No other staff members will have authorization to use the P-cards. All transactions must be made by either the CPO or the backup CPO(s).

The Executive Director shall have the authority to set limits on the number of transactions per month and the amount per transaction in addition to what items can be purchased using the P-card.

Purchases are limited strictly to items needed for the operation of the OAB office. Internally, the single purchase limit is set at \$500 within the State's electronic P-card administrative system. This is done in order to mitigate the risk of a lost or stolen P-card to a maximum loss of \$500. If it is determined there is a need to purchase an item over \$500, upon receiving approval from the Executive Director or the designee, the CPO can change this spending limit in real time to a maximum level of \$5,000. Immediately following the purchase of that good or service over \$5,000, the CPO shall adjust the single purchase limit back to \$500.

The OAB is prohibited from using the agency P-card to purchase goods and services including, but not limited to the following:

- travel, including but not limited, to transportation, entertainment, travel agencies and lodging
- per diem food and beverages
- cash, cash advances, or ATM transactions
- any transaction exceeding a total of \$2500 (except for items available on Statewide Contracts)
- any transaction or series of transactions, which exceed the limits established on an individual P-Card
- motor fuel, fluids or general automotive maintenance
- luxury items
- automatic drafts
- postage and post office box rental
- gift certificates
- personal items

Purchasing limit per CPO per monthly billing cycle: \$7,500

The CPO and the backup CPO(s) (Cardholders) shall maintain a log of all P-card transactions, returns, credits, and disputed transactions. A separate log shall be

maintained for each P-card and for each cycle. Cardholders shall keep all receipts. If a receipt is not furnished (such as in the case of a phone or internet order), an order confirmation or order confirmation number should be obtained. If neither a receipt or confirmation information is available, the transaction log shall serve as a receipt.

Each month the Executive Director will review the memo statements and supporting documentation (receipts and transaction logs) for accuracy, completeness and appropriateness of each purchase. The Executive Director shall sign off on the memo statements before the billings are paid.

All transactions will be subject to all audit procedures placed into effect by the Department of Central Purchasing, OSF and the Office of the State Auditor and Inspector.

Records Retention: Records shall be maintained for seven (7) fiscal years, provided all audits have been completed and all applicable audit reports have been accepted and resolved by all federal and state agencies and no legal actions are pending.

**To Purchase any Lodging or Airfare Service Using the Travel P-card, the OAB procedure shall be:**

Only the CPO and the backup CPO(s) will be issued Travel P-cards. As per Central Purchasing, Travel P-cards will be issued in their names along with the agency name. *The State of Oklahoma Purchase Card Employee Agreement* is signed by the CPO and the backup CPO(s) for authorization of use. For security purposes, Travel P-cards will be maintained in a locked, secure location in the OAB office. Travel P-cards. All transactions must be made by either the CPO or the backup CPO(s). The Travel P-Card shall only be used to purchase airfare or lodging.

The Executive Director shall have the authority to set limits on the number of transactions per month and the amount per transaction in addition to what items can be purchased using the Travel P-card.

Purchases are limited strictly to airfare and lodging needed for the operation of the OAB. Internally, the single purchase limit is set at \$500 within the State's electronic Travel P-card administrative system. This is done in order to mitigate the risk of a lost or stolen Travel P-card to a maximum loss of \$500. If it is determined there is a need to purchase an item over \$500, pending approval from the Executive Director or the designee, the CPO can change this spending limit in real time to a maximum level of \$5,000. Immediately following the single purchase over \$5,000, the CPO shall adjust the single purchase limit back to \$500.

The OAB is prohibited from using the agency Travel P-card to purchase goods and services including, but not limited to the following:

- cash, cash advances, or ATM transactions;
- any transaction exceeding the limit set by the Executive Director
- motor fuel or fluids

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- luxury items
- personal items

Single purchasing limit per CPO per monthly billing cycle: \$5,000

The CPO and the backup CPO(s) (Cardholders) shall maintain a log of all Travel P-card transactions, returns, credits, and disputed transactions. A separate log shall be maintained for each Travel P-card and for each cycle. Cardholders shall keep all receipts. If a receipt is not furnished (such as in the case of a phone or internet order for airfare or lodging), an order confirmation or order confirmation number should be obtained. If neither a receipt or confirmation information is available, the State of Oklahoma Web-Based Transaction Log shall serve as a receipt.

Each month the Executive Director will review the memo statements and supporting documentation (receipts and transaction logs) for accuracy, completeness and appropriateness of each purchase. The Executive Director shall sign off on the memo statements before the billings are paid.

All transactions will be subject to all audit procedures placed into effect by the Department of Central Purchasing, OSF, and the Office of the State Auditor and Inspector.

Records Retention: Records shall be maintained for seven (7) fiscal years, provided all audits have been completed and all applicable audit reports have been accepted and resolved by all federal and state agencies and no legal actions are pending.