

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

September 30, 2011

The Oklahoma Accountancy Board (OAB) convened in regular session on Friday, September 30, 2011, in the Estep Room of the Bill S. Cole University Center, East Central University, 1100 East 14th Street, Ada, Oklahoma 74820. A recording of the meeting is on file in the OAB office. Members present at the meeting:

Barbara Ley, CPA, Chair
Janice L. Gray, CPA, Vice Chair
E. B., St. John, PA, Member
Vicky Petete, CPA Member
Jay Engelbach, CPA, Member
Karen Cunningham, Representing the Public, Member

Board staff present at the meeting: Randy Ross, Executive Director; Colin Autin, Deputy Director; Rebekah Flanagan, Administrative Assistant; Linda Ruckman, Licensing Coordinator; and LaLisa Semrad, Enforcement Coordinator. Assistant Attorney General John Crittenden was also present.

Agenda Item #1a – Call To Order: At approximately 8:35 a.m. Chair Ley called the meeting to order.

Agenda Item #1b – Declaration of Quorum: Chair Ley declared a quorum.

Agenda Item #1c – Announcement of Legal Meeting Notice: Executive Director Ross 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 Ley noted that Member Sanner was absent and that his absence was excused.

Agenda Item #2 – Announcement of Visitors: The following visitors were present: Patty Hurley and Holly Stewart, representing the Oklahoma Society of Certified Public Accountants (OSCPA); Dean Taylor, representing the Oklahoma Society of Accountants (OSA); Bill Chapman and Ed Hobbs, Professors at East Central University (ECU); Tom Volturo, Former Board Member; Ian Adams, Vision Bank. Also in attendance were the following ECU students: Natalie Isaacs; Valarie Studabaker; Kristie Wallace; Ross Mymhier; Phillip Woods; Linda Choate; Dustin Warren; Jesse Stewart; Christopher Dalley; Robyn Cape; Kaitlyn Fallin; Monica Jacobi; Tracy Mullins; Sharon Marrs; Meghann Martinez; Safire Reynolds; Kirg Neugin; Deependra Thakuri; Ganesh Shrestha; Pratesh Gartaula; Logan Dillon; Janesha Bundy; Lindi Thompson; Joshua Hattan; Amber Keith; Alicia Martinez; Fabrice Dogbo; Barinda Barrett; Milan Khadka;

Nabin Bharah; Sanip Shrestha; Demola Peterkin; Nadeca Malaughlin; Aaron Chandler; Charles Novela; Christie Nadar; Ashisn Patsak; Nicole Reed; Jaime Worden; Janey Brooks; Nick Flowers; Noelle Cope; Kendra Hackler; Dakota Phillips; Autumn Huddleston; Timmi Rickert; Melissa Perez; Kendra Whitehead; Zack Patteson; Jordon Brooks; Jason Tidmore; Daniel Rowe; Fior Martinez; Amanda Frye; Charly Wade; Erin Carroll; and Tara Heldermon.

Agenda Item #3 – Public Comment Period: Executive Director Ross advised the Board that he had received a request from Member St. John to speak before the Board. Member St. John regrestfully informed the Board of his decision to submit his resignation effective at the end of the current Board meeting. Board members expressed their gratitude for Member St. John’s service.

NOTE: Throughout the remainder of the meeting Board members and the Executive Director explained the proceedings to the students present.

Agenda Item #4 – Consent Agenda: The Consent Agenda contained five items for the OAB’s consideration; (1) Approve the Minutes of the August 19, 2011, Regular Meeting of the OAB; (2) Take official notice of the preliminary OAB financial statements for FY 2012, for the month ended August 31, 2011; (3) Take official notice of the experience verification applications which have been approved by the Executive Director; (4) Approve the actions taken by the Executive Director on applications and registrations filed since the previous meeting; and (5) Approve the verification of the administrative posting to the OAB’s records and certification of scores for Window 3/2011 Examination, July and August 2011. (Appendix I)

Motion by Gray that the Consent Agenda be approved.
Second by Petete.

Affirmative Votes: Cunningham, Engelbach, Gray, Ley, St. John, and Petete. Absent: Sanner.

Agenda Item #5 – Discussion and possible action on Administrative Actions and recommendations and report from the Enforcement Committee: Vice Chair Gray addressed this item. Vice Chair Gray presented a written summary of investigative files and administrative actions taken, with recommendations for the disposition of each.

ADMINSTRATIVE CONSENT ORDERS:

Case No. 1831 – James Royce Splawn, Jr., CPA

This case is a result of a referral by the CPE Coordinator. Respondent failed to timely file the Individual Registrant Reporting Form for the 2007 compliance period. An Administrative Consent Order was offered by the Enforcement Committee and accepted by the Respondent whereby Respondent is assessed a fine of \$500 plus costs and attorney’s fees in the amount of \$1,461.96, which must be paid within 30 days of the effective date of this Order. Any failure by the Respondent to comply with any of the terms of this Order shall result in an immediate hearing before the Board. In addition, a

proven violation of the ACO, the Act or the Board's Rules authorizes the Board to take such other and further action as the Board may deem appropriate under the Act. The Enforcement Committee recommends the Administrative Consent Order in this case be approved by the Board.

OAB Records Summary

CPE Status: Registrant is in compliance with return to active status requirements.
Peer Review Status: Not applicable.

Case No. 1891 – David Ford Johnson, CPA & Johnson Consulting, PC, CPA Firm

While revoked, Individual Respondent practiced under revoked Firm Respondent's name. An Administrative Consent Order was offered by the Enforcement Committee and accepted by the Respondents whereby Respondents are collectively assessed a fine of \$1,000 plus costs and attorney's fees in the amount of \$415.29, which must be paid within 30 days of the effective date of this Order. Any failure by the Respondents 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: Individual Registrant is in compliance with return to active status requirements.
Peer Review Status: Firm is in compliance.

Case No. 1894 – Jill Diane Bennett, CPA

This case is a result of a referral by the OSCPA. Respondent entered into a settlement agreement with that organization, which resulted in expulsion from the OSCPA, after a complaint was made alleging Respondent embezzled funds from Respondent's employer. An Administrative Consent Order was offered by the Enforcement Committee and accepted by the Respondent whereby Respondent is assessed costs and attorney fees in the amount of \$355.50. Respondent's certificate is revoked for "cause". 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% or better, 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.

5941.

OAB Records Summary

CPE Status: Registrant is in compliance. Registrant reported 39.5 hours of CPE for 2008 (includes 2 hours of ethics); 33 hours of CPE for 2009 (includes 2 hours of ethics); and 48 hours of CPE for 2010 (includes 2 hours of ethics).

Peer Review Status: Not applicable.

Case No. 1897 – Timothy Alan Lucas, CPA

After being selected for a random CPE audit, Respondent could not provide certificates of completion for twenty hours of CPE claimed in 2006. An Administrative Consent Order was offered by the Enforcement Committee and accepted by the Respondent whereby Respondent must complete twenty hours of CPE within 120 days from the effective date of this Order. In addition, Respondent is assessed costs and attorney's fees in the amount of \$280.00, which must be paid within 30 days of the effective date of this Order. Any failure by the Respondent to comply with any of the terms of this Order shall result in an immediate hearing before the Board. In addition, a proven violation of the ACO, the Act or the Board's Rules authorizes the Board to take such other and further action as the Board may deem appropriate under the Act. The Enforcement Committee recommends the Administrative Consent Order in this case be approved by the Board.

OAB Records Summary

CPE Status: Registrant is in compliance with return to active status requirements.

Peer Review Status: Not applicable.

Case No. 1898 – Janice Elaine McKee, CPA

This case is a result of a referral by the Licensing Coordinator. For approximately five years, Respondent practiced public accounting without a permit after failing to timely file for an Oklahoma reciprocal certificate. An Administrative Consent Order was offered by the Enforcement Committee and accepted by the Respondent whereby Respondent is assessed a fine of \$2,000 plus costs and attorney fees in the amount of \$345.00, which must be paid in monthly installments of \$400.00 until paid in full. The first payment is due on or before October 30, 2011, and subsequent payments due on or before the 30th day of each succeeding month. In addition, Respondent is placed on probation for one year from the effective date of this Order. Any failure by the Respondent to comply with any of the terms of this Order shall result in an immediate hearing before the Board. In addition, a proven violation of the ACO, the Act or the Board's Rules authorizes the Board to take such other and further action as the Board may deem appropriate under the Act. The Enforcement Committee recommends the Administrative Consent Order in this case be approved by the Board.

OAB Records Summary

CPE Status: Registrant is in compliance – certified in 2010.
Peer Review Status: Not applicable.

Motion by Gray to accept the Administrative Consent Orders in Case Nos. 1831, 1891, 1894, 1897, and 1898. Second by Cunningham.

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

FILES TO CLOSE:

File No. 1799 – CPA

Registrant was selected for the CPE audit after reporting a deficiency in hours for two rolling three-year periods. When CPE documentation was requested, Registrant claimed an exemption from the CPE requirement for those years. The exemption was denied based upon Registrant's position of CFO. Registrant has completed all owed CPE and therefore, the Enforcement Committee recommends that the file be closed.

OAB Records Summary

CPE Status: Registrant is in compliance. Registrant reported 68 hours of CPE for 2008 (includes 4 hours of ethics); 34 hours of CPE for 2009 (includes 4 hours of ethics); and 50 hours of CPE for 2010 (includes 2 hours of ethics).
Peer Review Status: Not applicable.

File No. 1815 – CPA Firm

The out-of-state Registrant Firm practiced under a new firm name for approximately three months before registering that name with the Board. The Enforcement Committee recommends that the file be closed with a letter of reprimand to the firm.

OAB Records Summary

CPE Status: Not applicable.
Peer Review Status: Registrant is in compliance.

File No. 1835 – CPA Firm

Registrant Firm failed to timely file its initial firm registration for approximately six months. The Enforcement Committee recommends that the file be closed with a letter of reprimand sent to the firm.

OAB Records Summary

CPE Status: Not applicable.
Peer Review Status: Not applicable.

5943.

File No. 1850 – CPA

Complainant alleged Registrant breached client confidentiality when Registrant prepared a joint return for complainant and complainant's soon to be ex-spouse. Registrant provided a document signed by complainant agreeing to a joint return preparation; therefore, the Enforcement Committee recommends that the file be closed.

OAB Records Summary

CPE Status: Registrant is in compliance. Registrant reported 40 hours of CPE for 2008 (includes 2 hours of ethics); 40 hours of CPE for 2009 (includes 2 hours of ethics); and 42 hours of CPE for 2010 (includes 2 hours of ethics).

Peer Review Status: Not applicable.

File No. 1851 – CPA

Complainant alleged Registrant failed to complete work in a timely fashion. Registrant subsequently completed sufficient work that Complainant has withdrawn the complaint; therefore, the Enforcement Committee recommends that the file be closed.

OAB Records Summary

CPE Status: Registrant is in compliance. Registrant reported 45 hours of CPE for 2008 (includes 8 hours of ethics); 32 hours of CPE for 2009 (includes 8 hours of ethics); and 46 hours of CPE for 2010 (includes 4 hours of ethics).

Peer Review Status: Not applicable.

File No. 1852 – CPA

This file was opened as a result of a referral by the Licensing Coordinator after noticing that the Registrant used the CPA designation in Registrant's email address before certification. Upon questioning, Registrant responded that the CPA stood for Registrant's initials and not Certified Public Accountant. The Enforcement Committee recommends the file be closed.

OAB Records Summary

CPE Status: Registrant is in compliance – certified in 2011.

Peer Review Status: Not applicable.

Motion by Gray to close File Nos. 1799, 1815, 1835, 1850, 1851 and 1852. Second by Cunningham.

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

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): (1) By the Board; (2) By any member of the Board or a designee of the Board acting as a hearing examiner or Administrative Law Judge; or (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 files be heard before the Administrative Law Judge unless settled prior to the hearing: None

Agenda Item #6 – Discussion and possible action on report from the Outreach Committee:

Agenda Item #6a – Presentation on Uniform CPA Examination Process: Chair Ley and Executive Director Ross narrated a PowerPoint presentation on the Uniform CPA Examination Process.

NOTE: Following the presentation, the meeting was recessed for approximately 20 minutes.

Agenda Item #6b – Presentation from Thomas Volturo, Vice President Rogers State University, on AICPA Professional Ethics Executive Committee: Chair Ley introduced former Board Member Volturo. Mr. Volturo reported on the activities of the AICPA Professional Ethics Executive Committee (PEEC). He stated PEEC is currently addressing the codification project related to the AICPA Code of Professional Conduct (AICPA Code). He also stated PEEC is constantly issuing revisions which will be presented for public comment in the next calendar year. Mr. Volturo noted that pursuant to OAC 15:39-1, all registrants must conform to the AICPA Code. Therefore, when the OAB Enforcement Committee considers complaints related to an ethical issue, the Committee not only refers to the rules and statutes, but to the AICPA Code as well. Mr. Volturo reported that the newest version of the AICPA Code will be issued within 30 days.

Mr. Volturo explained the effort that the OAB and AICPA go through to ensure consistent outcomes in the event that a complaint is filed against a registrant for an ethics violation. He also reported on some of the sanctions the AICPA imposes for such violations. Mr. Volturo provided the Board with copies of the updated AICPA Code and discussed some of the revisions. He also provided a copy of an Exposure Draft on Proposed New and Revised Interpretations and Proposed Deletions of Ethics Rulings.

Chair Ley expressed appreciation to Mr. Volturo for the update and for his service on behalf of the State of Oklahoma. Chair Ley noted comments regarding the Exposure Draft are to be submitted by November 23; therefore, the matter will need to be discussed at the November Board meeting. Chair Ley requested Board members' comments be submitted to Executive Director Ross and Vice Chair Gray, Chair of the Rules Committee. Vice Chair Gray requested the comments be submitted by October 31, 2011.

Agenda Item #6c – Possible change of starting time for May ceremony: Member Petete addressed this issue. She expressed her support of a staff proposal to change the start time for the May 19, 2012, Recognition Ceremony. Board staff has proposed the May 2012 reception and ceremony be held in the morning as opposed to the historical afternoon schedule. Vice Chair Gray indicated the ceremony had been held in the afternoon in the past to allow honorees and their family members ample time for travel. After considerable discussion, it was the consensus the May 2012 ceremony could be held in the morning with the reception to begin at 10:30 a.m. and the ceremony to begin at 11:00 a.m. Vice Chair Gray requested that a questionnaire be sent after the ceremony to determine if the change in time adversely affected attendance or created travel burdens for honorees and their families.

Member Petete then addressed the Applicant and Candidate Handbook which was recently revised. She stated that the handbook is an ongoing process and would undergo further revisions once AMANDA is in place.

Member Petete also expressed a desire to revisit, in committee, the possibility of instituting an oath for successful candidates who are receiving their CPA certificates. This action may require a rule change and must be researched further. Assistant Attorney General Crittenden stated the source of authority for requiring an oath would in fact need to be researched. Further discussion took place and it was determined if an oath were in place there would need to be a method created for those who could not attend a ceremony and recite the oath upon receiving their certificate. Chair Ley advised Member Petete to collaborate with Assistant Attorney General Crittenden on this matter and provide a report to the Board on a latter date.

Agenda Item #7 – Discussion and possible action to affirm adoption of proposed emergency rules on non-CPA ownership: Vice Chair Gray addressed this matter. She reviewed with the Board the revisions to the proposed rules that have been made as a result of the discussion last month.

Chair Gray noted the Rules Committee is recommending that non-CPA owners be required to "maintain continuing education applicable to the professional organization the non-CPA owner belongs to; and if applicable CPE as required by regulatory bodies; or if no other CPE requirement exists, then CPE applicable to certificate holders." It is also proposed that all non-CPA owners be required to take at least four hours of ethics every rolling three year period.

A lengthy discussion took place regarding CPE required by regulatory bodies and the amount of CPE an owner would have to acquire to be in compliance. Assistant Attorney General Crittenden expressed concern over the clarity of the proposed rule.

There was considerable discussion as to whether the individual or firm would be liable if CPE requirements were not met and as to the authority the Board could exercise over a non-CPA owner. There was discussion about the need to ensure that a non-CPA owner is aware of, and acknowledges their understanding of the CPE requirements. It was also indicated that a non-CPA owner should be required to acknowledge in writing that they agree to be under the jurisdiction of the Oklahoma Accountancy Board.

Assistant Attorney General Crittenden inquired as to whether the non-CPA owner will have to file a CPE reporting form annually. Vice Chair Gray and Chair Ley affirmed they would be required to report their CPE in the same way as a registrant. Significant discussion took place over the proposed rule's clarity with regard to the requirement to register annually and the need for specific instructions in the new rule.

OSA Representative Taylor pointed out that the CPE requirements of professional organizations varies significantly and noted for example the difference in the CPE requirements for attorneys, enrolled agents, and tax preparers registered with the IRS. Chair Ley believed that requiring the non-CPA to have the same amount of CPE as the CPA owner would eliminate the problems regarding CPE required by regulatory bodies and other professional organizations, and issues related to identifying and tracking such requirements. The content of acceptable CPE was also discussed. It was agreed the CPE content requirement for current registrants, being anything that maintains or advances professional competence, would also apply to the non-CPA owner.

Member Cunningham expressed the issue of the original intent in the change of legislation. She felt it was put into place to establish a more business friendly atmosphere and expressed concern over the proposed rules possibly becoming more prohibitive.

Additional discussion took place regarding the proposed CPE requirement and whether or not the requirement should be the same as that for CPAs. Other states that allow non-CPA owners in a CPA firm and their CPE requirements were discussed.

Chair Ley inquired as to whether the proposed rules should be amended to clarify the requirement that a non-CPA register and report CPE annually. Executive Director Ross stated the proposed rules could be amended to indicate that non-CPA owners would register in the same manner as a CPA under Section 15.14 of the Act. Chair Ley asked whether that Section refers to CPE as well, and Executive Director Ross responded in the negative. He suggested the proposed rules be amended to require non-CPA owners maintain CPE in accordance with Section 10:15-32-1 of the Code. Member Cunningham asked that it be clarified that credit would be given for CPE the non-CPA owner might earn as a requirement of other professional organizations or regulatory bodies.

Chair Ley requested the proposed rule requiring completion of the AICPA ethics exam be amended to require that the exam must have been successfully completed within the 365 days preceding the initial registration in order to avoid confusion that it is required yearly. She also suggested the non-CPA owner be required to submit to a national criminal history check because that is what is required of all new registrants.

Motion by Gray that the Board approve the changes as discussed in 10:15-23-2-1 and 10:15-25-4 of the Code, and that the changes be provided back to the Rules Committee so that they can be verified prior to the rules being submitted to the Governor. The motion failed due to lack of a second.

Assistant Attorney General Crittenden advised that the proposed rules must currently be in correct form to entertain a vote. Member Cunningham expressed she was not comfortable with voting on the rule changes without seeing the changes discussed in written form. Chair Gray expressed concern over the time constraints and stated that this matter cannot be deferred to the next Board meeting.

Assistant Attorney General Crittenden advised the Board that any motion would also need to include the Board's declaration of an emergency. Vice Chair Gray stated the basis of the rules being declared an emergency is the legislation allowing non-CPA ownership, which went into effect August 26, 2011, and there have already been firms inquiring about the requirements. The Board discussed the process of emergency rules becoming permanent rules.

After considerable discussion, it was the consensus of the Board that this matter be continued for consideration later in the Board meeting to give staff time to incorporate the changes discussed into the draft of the proposed emergency rules.

Note: Throughout the remainder of the meeting, the order of Agenda Items was changed to accommodate staff making the changes as discussed to the proposed emergency rules.

Agenda Item #9 – Discussion and possible action on National Association of State Boards of Accountancy Regional Directors' Focus Questions: Chair Ley addressed this item. She suggested a few changes in verbiage of the responses as follows:

- Question one –a period be placed after the word "committee" and a new sentence to follow indicating Member Petete will be attending the breakfast.
- Question four –the word "compliance" be changed to "enforcement."
- Question five –verbiage be added at the beginning to indicate the enforcement committee is planning an investigation of Oklahoma based SEC filers of 10Ks, that these companies will be reviewed and additional follow up will be made as needed, and that any violations of this nature will be referred to the enforcement committee for appropriate action.

Motion by Cunningham that the focus questions be approved with the changes discussed. Second by Petete.

Affirmative Votes: Cunningham, Petete, Engelbach, Gray, Ley and St. John. Absent: Sanner

Agenda Item #10 – Discussion and possible action on report from Continuing Professional Education Committee: Member Engelbach addressed this item. He stated the rationale behind the proposed administrative policies for non-compliant registrants and their CPE reporting. Under "Process" it states that AMANDA will generate a report "immediately preceding their annual CPE reporting"; however, it should read "immediately following their annual CPE reporting." Member Engelbach

informed the Board that the CPE committee has read the proposed policies and is in agreement that it is a good process for monitoring non-compliance. The proposed policies also prevent the staff from having to bring each individual issue to the committee for action. Chair Ley inquired as to whether the OAB will continue the practice of including those registrants who are in violation in the following year's annual CPE audit. Member Engelbach confirmed that this policy will still be in effect.

Vice Chair Gray expressed she preferred staff begin sending letters to registrants informing them of the last two years total CPE hours reported, and the number of hours they will need to complete by December 31, 2011. She stated this had been done in the past and was very helpful. Deputy Director Autin informed the Board that the OAB does have the capacity to send the letters; but, due to personnel changes, the letters were not sent in 2010 and have not been sent this year. He also explained the registrants will have the ability to view their CPE reporting in the new AMANDA system, which is set to launch in the first quarter of 2012. Deputy Director Autin confirmed the OAB will send out the letter this year which will hopefully decrease the number of registrants out of compliance with the CPE requirement. Member Cunningham inquired as to the timeline Vice Chair Gray had in mind for the letters to be distributed because the CPE Coordinator is currently working on letters informing registrants of non-compliance from 2010. Chair Ley asked whether the letter helped to decrease the number of registrants who were out of compliance in the past. Deputy Director Autin stated the OAB received positive feedback from registrants regarding the letter, but he was not certain of the impact it had in decreasing out of compliance registrants.

Vice Chair Gray expressed concern over the second paragraph under "1st Offense." Her concern was in the verbiage and whether it was clear that an individual can use CPE hours earned in 2011 to compensate for a short fall of CPE in 2010. She felt there might be confusion as to whether such CPE would count in the three year rolling period. It was confirmed that the CPE hours would count for the rolling three year period. Chair Ley stated a slight rewording could eliminate any confusion.

Vice Chair Gray addressed the last sentence under "Exceptions." She was concerned about the 90 day window for the registrant to come back into compliance. She did not feel it was a sufficient amount of time for some situations and inquired as to whether the Board could grant an extension. Executive Director Ross responded that a situation warranting an extension would come before the Board.

Chair Ley commented on the 1st and 2nd Offense outcomes of referral to the special prosecutor for disciplinary action. She clarified those cases which fit that criterion would not be sent through Enforcement, but would go straight to the special prosecutor. Board members expressed their approval for use of the proposed policy for internal purposes only.

Motion by Engelbach that the Proposed Policies for Non-Compliant Registrants / CPE Reporting be approved for staff to use as guidance in handling CPE reporting issues contingent on the change in the first paragraph of "Process" from "immediately preceding" to "immediately following." Second by Cunningham.

Affirmative Votes: Cunningham, Petete, Engelbach, Gray, Ley, and St. John. Absent: Sanner.

Agenda Item #7 – Discussion and possible action to affirm adoption of proposed emergency rules on non-CPA ownership [REVISITED]: The Board was provided a draft of the proposed emergency rules which contained the changes previously discussed. Assistant Attorney General Crittenden suggested the reference to CLE in 10:15-23-2.1(b)(6) be changed to CPE.

Motion by Cunningham that the Board declare an emergency due to the enactment of the law allowing non-CPA ownership effective August 26, 2011, and to approve the proposed emergency rules with the change to 10:15-23-2-1(b)(6) as discussed. Second by Engelbach.

Affirmative Votes: Cunningham, Petete, Engelbach, Gray, Ley and St. John. Absent: Sanner.

Agenda Item #8 – Discussion and possible action on submission of FY 2013 Budget Request Program: Executive Director Ross addressed this item. He explained that in State government a budget request must be submitted to the Governor to prepare the budget which is released in January. Executive Director Ross stated he had made a few changes from last years budget including:

- Removing \$500,000 budgeted for AMANDA
- Adding monies to personnel services to allow for a 5% adjustment in staff salaries.

Vice Chair Gray inquired as to whether the OAB is bound by the incremental salary increase freeze or is exempt because it is a non appropriated agency. Executive Director Ross confirmed that the OAB is not bound by that limitation at this time. He also stated the actual budget is a work in progress and will be submitted later this fiscal year. Therefore, a more detailed report will be provided at a future date. Vice Chair Gray inquired as to whether the budget request program has been reviewed and approved by the Budget Committee. Member Engelbach confirmed the committee has reviewed and recommends approval of the proposed budget request program.

Motion by Engelbach that the Board approve the submission of the 2013 Budget Request Program as presented. Second by Gray.

Affirmative Votes: Cunningham, Petete, Engelbach, Gray, Ley. Absent: Sanner and St. John.

Note: Member St. John left the room during the discussion on this agenda item, at approximately 12:22 p.m., and returned at 12:23 p.m. He did not participate in the vote.

Agenda Item #11 – Discussion and possible action for the selection of the OAB voting representative and alternate at the NASBA Annual meeting: Chair Ley addressed this item. The Board has historically appointed a voting representative as well as an alternate in case votes are taken.

Motion by Petete that Chair Ley serve as the voting representative at the NASBA Annual meeting and that Member Engelbach serve as alternate. Second by Cunningham.

Affirmative Votes: Cunningham, Petete, Engelbach, Gray, Ley and St. John. Absent: Sanner.

Agenda Item #12 – Discussion and possible action on progress invoice regarding FY 2011 Oklahoma Accountancy Board annual financial audit performed by the State Auditor & Inspector: Executive Director Ross addressed this item. He stated that he hopes the field work of the audit will be wrapped up by the next Board meeting. He presented the audit invoice through August 30, 2011, and stated Board approval is required to pay the invoice.

Motion by Gray that the invoice be approved for payment. Second by Petete.

Affirmative Votes: Cunningham, Petete, Engelbach, Gray, Ley and St. John. Absent: Sanner.

Agenda Item #13 – New Business: There was no new business discussed.

Agenda Item #14 – Executive Director's Report: Executive Director Ross reported on the following:

- Moving forward with Enterprise Licensing System – AMANDA. Staff is continuing to work with CSDC (the enterprise system vendor) entering final review of structure phase of development.
- Staff attended AMANDA training the week of 9-11-11.
- Budget Request Program for 2013 to be submitted to the Office of State Finance.
- Currently working with auditor for FY-11 audit.

5951.

- Opening performance appraisal for 2011 completed for 100% of staff. Will have remaining completed by next Board meeting.
- Made presentations for Ada Chapter of OSCP and University of Oklahoma Master in Accounting (CPA prep) class.

Expenditures made by the Executive Director between \$2,500 and \$5,000 since the preceding Board meeting:

- Bank of America; July 2011 credit card charges - \$3,926.54
- Attorney General; September 2011 Legal services - \$2,715.03
- BEP One; September 2011 rent - \$4,392.00

Expenditures made by the Executive Director with approval of the Chair between \$5,000 and \$10,000 since the preceding Board meeting:

- NASBA annual membership dues - \$6,600.00
- Calvert Law Firm; July 2011 legal services - \$6,209.83

Agenda Item #15a – Chair’s Announcements: Chair Ley expressed gratitude to East Central University and the students for extending such great accommodations and hospitality.

Agenda Item #15b – Announce date and location of the next meeting: It was noted that the next meeting is scheduled to be held on Thursday November 10, 2011, at the Oklahoma Accountancy Board, 201 N.W. 63rd St., Suite 210, Oklahoma City, Oklahoma 73116.

Agenda Item #16 – Adjourn: There being no further business to come before the Board, Chair Ley entertained a motion to adjourn.

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

Affirmative Votes: Cunningham, Petete, Engelbach, Gray, Ley, and St. John. Absent: Sanner.

The meeting was adjourned at approximately 12:30 p.m.

Barbara A. Ley, Chair Date

ATTEST:

Mike Sanner, Secretary Date

APPENDIX I

GRADES CERTIFIED: The OAB took official notice of the administrative posting of scores to the OAB's records for the Window 3/2011 Examination which were certified by the Interim Executive Director.

The following candidates successfully passed the Certified Public Accountant Examination Window 3/2011:

Name**CATHERINE ELIZABETH ANDERSON**

JOHN PHILLIP CORNWELL

JOSEPH ROY COWAN

JOEL STEPHEN DASH

KYLA J DINWIDDIE**ANDREW EUGENE DUFFLE**

JOSHUA LON ELDER

JENNIFER DAWN FRAZIER

VANESSA MARIE GILLINGHAM

KELLY HARRIS

CHRISTOPHER DOUGLASS HEIM

JACOB STEPHEN HENDRICKSON

KELSEY HENRY

WHITNEY NICOLE HILL

MADISON LYNN HOPKINS

MATTHEW ROKKE HOVEN

JEFFREY DANIEL JACQUES

LYNSIE JO JOHNSON

SARA RENEE JONES**JONATHAN LEE JORDAN****BRIAN ALAVERDI KOUHDARI**

JOHN FRANCIS KRAMER

TOSHA LACKEY**ANDREW JOSEPH LOPEZ**

ALFREDA MICHELLE MCINTOSH

AMBER NICOLE MOLER

PRASHAMSA NEUPANE

LUKE THOMAS PANTER

JULIE ANN PIERCE

FRANCIS SANTAN PINTO

VENJAMIN WILLIAM PRZYWOJSKI**AARON DAVID PUISZIS****TARA DAWN RILEY****TRENT LEE ROBERTS****JONATHAN BROCK SHAHAN**

KYLE DEAN SIDES

JOHN DAVID SIMS

HILEA JANE SMITH

RAFELA SOUZA

GRAHAM EDLEY STEEN

STEPHEN TODD VINCENT

**CHARLES BURTON WALWORTH
 ANDREA LOUISE WELSH
 BRYAN CHRISTOPHER WEST
 AHIMSA DEVA NEVILLE WILDEROM
 CURTIS ALLEN WOODS**

BOLD = Each section passed on first sitting

CERTIFICATES SURRENDERED BY REGISTRANTS:

CPAs:

No Longer Practicing in Oklahoma:

Gregory M. O'Donnel	Certificate No. 3800	Issued July 19, 1976
Marsha G. DeWitt McElroy	Certificate No. 7997	Issued Jan. 31, 1985
David A. Robinson, Jr.	Certificate No. 15011	Issued Jan. 29, 2001
Mark E. Vaughan	Certificate No. 15027	Issued Jan. 29, 2001
Donna D. Kaplin	Certificate No. 15113	Issued July 30, 2001
Richard A. Shell II	Certificate No. 5140	Issued Jan. 28, 1980

No Longer Residing in Oklahoma:

Tony A. Pohl	Certificate No. 12583	Issued Jan. 21, 1994
Andrew Thomas Hunzicker	Certificate No. 13322	Issued Jan. 29, 1996
Allison Dale Schoening	Certificate No. 8246	Issued July 26, 1985

Retired:

Stanford S. Brassfield	Certificate No. 697	Issued Aug. 7, 1950
Earl David Goldsmith	Certificate No. 1016	Issued Jan. 22, 1955
Alan Porter	Certificate No. 3122	Issued Jan. 28, 1974
Debra Ann Reynolds	Certificate No. 4999	Issued Nov. 30, 1979
Bobby A. Sheets	Certificate No. 4339	Issued Jan. 23, 1978
Donna Lynn Franklin	Certificate No. 5187-R	Issued Jan. 28, 1980
Wm. R. Baldwin	Certificate No. 7520	Issued July 26, 1984
George A. Moore	Certificate No. 14091	Issued Feb. 2, 1998

DECEASED REGISTRANTS:

CPAs:

Gus J. Karey	Certificate No. 906	Issued July 24, 1953
John Francis Brophy	Certificate No. 1143	Issued July 23, 1956
Robert W. Price	Certificate No. 2384	Issued July 27, 1970
Clifford C. Craig	Certificate No. 3615	Issued Jan. 27, 1976
Jimmy D. Tiff	Certificate No. 4717	Issued Jan. 29, 1979

RESCINDMENT OF AUTOMATIC REVOCATION OF CPA CERTIFICATE PURSUANT TO OAC 10:15-23-3(b):

Charles Glen Meckfessel Certificate No. 2372 Issued July 27, 1970

DISSOLVED FIRMS:

CPA Corporations:

Owen & Thorp, Inc.

CPA Limited Liability Companies:

Green Country Advisory Services, PLC

Out of State CPA Sole Proprietorships:

Melissa Peterson, CPA

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

Jordan Brown
 Randall Owen Cannon
 Tiffany April Cornwell
 Andrew D. Hoffman
 Matthew David Holland
 Stephanie Lynette Metts
 Sharada Ramani Saladi
 David Joseph Stiles
 Jeffie Laura Thomas

APPLICATIONS FOR CERTIFICATION (Successful Candidates):

16863	Richard Allan Magann Jr.
17094	Kenneth Alan Hemm
17095	Christie Joy Tabor
17114	Kaley Elizabeth Nivens
17115	Dawn Katherine Kruckeberg
17116	Andrew D. Hoffman
17117	David Joseph Stiles
17122	Matthew David Holland
17124	Tiffany April Cornwell

APPLICATIONS FOR RECIPROCAL CPA CERTIFICATES:

17022-R	Cynthia L. Kuck (Arkansas)
17121-R	Ryan Lee Smith (Arkansas)

5955.

APPLICATIONS FOR REINSTATEMENT OF CPA CERTIFICATES:

6096	Steven Ray Wise
10277	William C. Pritchard
10780	George Bryan Skidmore
11042-R	Mark Alan Caldwell

INITIAL FIRM REGISTRATIONS OF PROFESSIONAL LIMITED LIABILITY COMPANIES:

Melissa B Petersen, CPA LLC (Michigan)

INITIAL FIRM REGISTRATIONS OF PROFESSIONAL CORPORATIONS:

AM Accounting PC

INITIAL FIRM REGISTRATIONS OF PROFESSIONAL LIMITED LIABILITY COMPANIES:

D. Brad Pumphrey, CPA, PLLC
Dauby O'Connor & Zaleski, A Limited Liability Company (Indiana)
Dossier Jackson Consulting, PLLC
Epic Litigation Support, PLLC
Janice Walkup, CPA, PLLC