



OKLAHOMA ACCOUNTANCY BOARD BULLETIN

Volume 41, Number 1

Winter 2013

STOP and READ!

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Part of our job here at the Oklahoma Accountancy Board (Board) is to provide information and assist CPAs and PAs in maintaining compliance with the Oklahoma Accountancy Act and Board rules. During the process of implementing a new registration system and birth month registration, we discovered a number of issues impacting registrants. **One area of concern is the failure of a number of registrants to complete required continuing professional education (CPE).** The majority of these reporting issues fall into one of two main categories. First, there are CPAs and PAs who perform accounting-related services for their employers, but are not reporting CPE. Second, there are CPAs and PAs who are performing compilations yet fail to earn their required compilation CPE or fail to enroll in a Board-approved peer review program.

Let's take the first issue. In 2005 and 2006, notifications were sent out by the Board, the Oklahoma Society of Certified Public Accountants and the Oklahoma Society of Accountants, notifying CPAs/PAs of the change in Oklahoma law regarding CPE reporting. The new law, which took effect on Jan. 1, 2006, requires all CPAs and PAs to complete 120 hours of CPE in each rolling three-year reporting period unless they qualify to claim a valid exemption. The exemption applies to retired or disabled registrants, or to inactive CPAs/PAs who perform no accounting-related services. We find a number of CPAs/PAs who work in various professions who do not hold permits but perform accounting-related work, claiming an exemption when they are required to report CPE. Others use the CPA designation while claiming an exemption and failing to acquire continuing professional education. Most of the registrants say they assumed that since they never had to do CPE in the past (prior to 2006) or they performed accounting-related work in industry, government or education, that they were exempt. This is incorrect. **Regardless of employer, if you are doing any type of accounting related work, or hold a permit to practice, you must earn and report CPE.**

The second issue deals with a change in Oklahoma law that became effective Jan. 1, 2011. The change requires any CPA/PA performing compilations to obtain four hours of compilation specific CPE or enroll in a board-approved peer review program. For clarification, this means a four-hour compilation course, not a combined four hour compilation and review course. Some registrants are reporting that they are performing compilations and are either (1) Not completing any compilation CPE, or (2) Taking a compilation and review course rather than a compilation-specific course.

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OAB Makes Facebook Debut



The OAB joined the world of social networking in September, 2012, when the agency launched its official Facebook page. Facebook gives potential exposure to OAB content to more than one billion users. (In September, Facebook reached the one billion member mark...Nearly one in every seven humans on the planet has a Facebook account.) By mid-November, several hundred registrants had already “Liked” articles posted by the Board to help distribute information on critical accounting issues.

“Facebook is the ideal vehicle to connect with our registrants and candidates. We now have the ability to alert Oklahoma’s CPAs to important updates in regulations and procedures affecting their practices. News can be delivered in real time, and will update registrants’ Facebook pages immediately upon being published by the Board. In addition to email, mail, the OAB website, and OAB Bulletins, Facebook allows the Board to push important information to its registrants and candidates”, said OAB Executive Director Randy Ross, CPA.

The Oklahoma Accountancy Board Facebook page can be accessed via the OAB website, found at <http://www.ok.gov/oab>. By simply clicking on the Facebook icon on the OAB home page, the OAB’s Facebook page will open. To take full advantage of this valuable resource, registrants need to have their own Facebook account, then like the OAB’s Facebook page. This will provide an easily-accessible link to important Board news and happenings.

As always, registrants and candidates with questions or suggestions are encouraged to contact the OAB at (405)521-2397.



Board Meeting Held on Local Campus

In September 2012, the OAB hosted its monthly meeting on the campus of Oklahoma Christian University in Edmond. The meeting was well attended by students and faculty. The board wishes to thank Elaine Kelly, CPA, Associate Professor of Accounting, for helping facilitate the meeting. Her assistance in making the meeting a success was invaluable.

As a continuing commitment to outreach, the board holds two meetings per year at various Oklahoma universities. This not only affords students access to resources to help them start their accounting careers, but also acquaints them with the board and the processes which govern the profession in the State of Oklahoma.

Important Policy Update

Amended in 2011, Section 15.30 of the Oklahoma Accountancy Act states in part that as a condition to issue or renew a permit, the Oklahoma Accountancy Board (Board) now requires peer review for the performance of all attestation engagements. Such engagements may include, but are not limited to, the performance of audits, reviews and agreed upon procedures.

To administer this change, effective July 1, 2013, all firms and sole proprietors that perform any attestation engagement, will be required to participate in a board approved sponsoring organization’s peer review program. This requirement does not apply to the performance of compilations. Firms and registrants that perform compilations as the highest degree of service may opt to earn four (4) hours of continuing professional education annually in the area of compilation only in lieu of undergoing a peer review.

Firms currently engaged to perform attestation engagements may continue to do so without the requirement to undergo peer review until the July 1, 2013, deadline. If your firm is already participating in an approved peer review program, you will not be affected by this change.

Online Registration Update

In January 2012, OAB registrants began registering online during their birth months. During a registrant's birth month, he or she is required to log on at www.ok.gov/oab and complete the Individual Online Renewal. The OAB will continue to issue renewal reminders. Registrants will log in with the usernames and passwords they created when completing their registrations last year. Instructions for renewing can be found on the OAB home page, directly above the link to the registration.

A few items to remember when registering:

- CPAs/PAs must register no later than midnight on the last day of their birth month. Those who don't will incur late fees and may be subject to additional requirements.
- Permits expire after the last day of a registrant's birth month. Renewing a lapsed permit requires copies of CPE certificates and proof of the completion of the AICPA's Comprehensive Ethics Course with a score of 90 percent or better. It is important that registrants do not let permits lapse.
- Regardless of the month in 2013 during which registration is completed, only CPE earned during calendar year 2012 should be reported.
- When registering, the renewal update should be completed. This will register the certificate or license, collect CPE reporting information and allow for an initial or renewed permit in one application.
- Registration is not complete until all information is provided and applicable fees have been paid.

Explanation of CPE Exemptions

The board has noticed a number of individuals who are claiming exemptions to CPE reporting, even though they are not eligible for the exemption. Unless entitled to a legitimate CPE exemption, all registrants must meet the CPE reporting requirements. Failure to do so will result in possible enforcement action. In order to qualify for one of the CPE exemption types, the following conditions must apply:

Inactive Exemption:

This exemption applies to CPAs/PAs who are not providing any accounting-related services for any employer. This includes public accounting firms, sole

proprietors, or positions in industry, government or academia. Accounting work includes, but is not limited to: performing or supervising work performed in the areas of financial accounting and reporting, tax preparation or compliance, financial planning or advice, management advisory services, accounting information systems, treasury, finance, audit or bookkeeping.

No individual holding a permit to practice may claim an inactive exemption. Likewise, no individual who holds out as a CPA/PA may claim an inactive exemption. This would include using the CPA designation on letterhead, business cards, websites or any other electronic media.

Retired Exemption:

CPAs/PAs who no longer work in any form of employment may claim a Retired Exemption. Registrants who have retired from public accounting but now work in another capacity may not claim the Retired Exemption, but may be eligible for an Inactive Exemption, provided they perform no work associated with accounting.

Military Exemption:

Registrants on active military duty are exempt from CPE reporting. As with other exemption types, they must complete the Return to Active Status process when they no longer qualify for the exemption.

Disabled Exemption:

Individuals disabled beyond all gainful employment may be exempt from CPE reporting. Disabled individuals must submit the Disabled Exemption Affidavit and a statement from a medical professional attesting that their disability prohibits them from working. Upon returning to active status, they must meet the Return to Active Status requirements outlined in the Oklahoma Administrative Code.

Permit Status

Holding a permit is not the determining factor in whether a registrant must earn/report CPE. While all permit holders are required to report CPE, many registrants who do not hold permits are still required by law to report CPE. CPAs/PAs must take the time to determine their individual CPE reporting status and adhere to the appropriate guidelines.

Questions on CPE Reporting and exemption rules may be directed to the Board's CPE Coordinator at 405-522-3092.



I am Retired. What Next?

Many CPAs/PAs inquire about the status of their certificates or licenses and their responsibilities upon their retirement from all forms of employment. Some of the common questions received by the board include the following:

Q. I have retired from all forms of employment, but wish to maintain my certificate. Do I have to complete CPE each year to maintain my active status?

A. No. After retiring from all forms of employment, registrants may claim a retired exemption from CPE reporting each year. The retired registrant is required to submit a “Retired Exemption Affidavit” attesting to their retired status and indicating the date of their retirement.

Q. How do I put my certificate/license in retired status?

A. There is no retired status for a certificate or license. When registrants retire, they may maintain their certificates in active status or choose to cancel their certificates. Upon cancelling certificates, they may no longer use the CPA designation.

Q. I have retired and wish to maintain my certificate. Do I have to pay fees and register each year?

A. Yes. It is important that retired registrants register their certificates each year and pay applicable fees. Failure to do so could result in the board revoking the certificate/license. The annual registration fee is reduced to \$25.00 after a registrant’s 65th birthday.

Board Utilizes NASBA ALD/CPA Verify

The board participates in the Accountancy Licensee Database (ALD) and CPAVerify services of the National Association of State Boards of Accountancy (NASBA). These services assist the board in gathering information on CPAs and afford the public access to information on Oklahoma’s registrants.

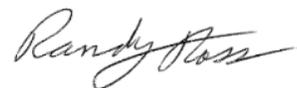
ALD is a database shared by the various states and jurisdictions served by NASBA. This system allows the Board to find information on CPAs from other states and shares data on Oklahoma’s CPAs to assist other states in processing mobility and reciprocity requests.

CPAVerify (a public website) shares information on Oklahoma CPAs with the public to help them make more informed decisions when choosing accounting professionals. According to NASBA President Ken Bishop, “This [CPAVerify] is not to put people in harm’s way...It is for the public to make sure the people they are about to use are properly registered.”

Using these systems allows the Oklahoma Accountancy Board and staff to leverage the very latest in the profession’s ever-evolving technology and affords Oklahoma’s citizens an additional measure of confidence when selecting a CPA.

Stop (Continued from page 1)

In both examples we have asked registrants if they received information about the subject, and it has been said, “Yes, but I just opened the letter, bulletin, etc. and did not bother to read it.” Given the emphasis on CPE by our profession and the potential consequences of not complying with the Oklahoma Accountancy Act, please take the time to stop and read all information provided by the board and trade associations affecting our profession.



Randall A. Ross, CPA
Executive Director



Important 2013 OAB Dates

Offices Closed

Tuesday, January 1	New Year's Day
Monday, January 21	Martin Luther King Jr. Day
Monday, February 18	President's Day
Monday, May 27	Memorial Day
Thursday, July 4	Independence Day
Monday, September 2	Labor Day
Monday, November 11	Veterans' Day
Thursday, November 28	Thanksgiving
Friday, November 29	Thanksgiving
Tuesday, December 24	Christmas
Wednesday, December 25	Christmas

Board Meetings

February 15	July 19
March 22	August 16
April 26	September 20
May 17	October 18
June 21	November 15
	December 13

Help Wanted!

The OAB needs your help! We are looking for CPAs with auditing experience to investigate disciplinary cases for the agency. If interested, please contact LaLisa Semrad, Enforcement Coordinator, at (405) 521-2660.

OAB Staff

Randall A. Ross, CPA Executive Director	Michael Mount CPE Coordinator
Colin Autin Deputy Director	Matthew Sinclair Administrative Programs Officer
Linda Ruckman Licensing Coordinator	Chloe Watson Accountant
Lalisa Semrad Enforcement Coordinator	Heather Smith Administrative Assistant
Sharon Wells Examination Coordinator	Rebekah Flanagan Administrative Assistant



Board Members

Vicky Petete, CPA Chair	Mike Sanner, CPA Member
Janice Gray, CPA Vice Chair	Karen Cunningham Public Member
Jay Engelbach, CPA Secretary	Jody Manning Member
Barbara Ley, CPA Member	

Fall Recognition Ceremony

On Nov. 17, 2012, the Oklahoma Accountancy Board (Board) convened in the House Chambers of the State Capitol to recognize and award certificates to Oklahoma's newest CPAs. Family and friends joined members of the Board and Board staff to congratulate the accomplishments of the day's honorees.

Board Chair Vicky Petete delivered an address to attendees, encouraging them to adhere to the profession's strict ethical standards and to become active and engaged participants in the accounting community. Before presenting the CPA certificates, Chair Petete led the recipients in the Oklahoma Accountancy Pledge, which reinforces the core values of Oklahoma's CPAs.

The Oklahoma Society of Certified Public Accountants (OSCPA) presented special awards to those candidates who achieved the highest scores on the various test sections for their respective windows. President Elect of the OSCPAs, Ted Blodgett, CPA, honored Tyler Nicholas Jones (not present) of Tulsa with a gold medal, and silver medals to Spencer Cody Lucas and Hieu V. Tran, both from Oklahoma City.



Reception attendees mingle in the 4th floor Rotunda at the Oklahoma Capitol.



Incoming CPAs take the CPA pledge during the Accountancy Board's bi-annual Recognition Ceremony, held in the Oklahoma Capitol House Chambers.



Board Chair Vicky Petete, CPA, gives a speech to the new CPAs.



OSCPAs Silver Medal winner Hieu V. Tran; Ted Blodgett, CPA and OSCPAs Silver Medal winner Spencer Cody Lucas pause after the ceremony for a picture.

Enforcement Actions

(Copies of the individual Orders in these cases are available in the Board office upon request and can be viewed on the OAB website. This Bulletin includes only those enforcement cases from January 2012 – December 2012.)

RESPONDENT: Christy L. Tharp, CPA – OKC, OK
CASE # 1901 DATE OF BOARD ACTION: 8/3/2012

Respondent violated the Board's Rules by failing to comply with the AICPA Code of Professional Conduct, Sections 54 and 56. The Respondent was given a private reprimand and must complete Professional Ethics: The AICPA's Comprehensive Course, with a score of 90% or better within 90 days.

RESPONDENT: Ora Harrison, CPA – Tulsa, OK
CASE # 1918 DATE OF BOARD ACTION: 8/3/2012

Respondent violated the Board's Rules by failing to timely file the 2011 Individual Registrant Reporting Form to report 2010 activity. Respondent agreed to a Consent Order which provides for the following: Respondent is assessed costs of \$511.46.

RESPONDENT: Julia A. Moler, CPA – MWC, OK
CASE # 1926 DATE OF BOARD ACTION: 8/3/2012

Respondent violated the Act and the Board's Rules by failing to timely complete CPE and file the Individual Registrant Reporting Form for compliance year 2010. Respondent agreed to a Consent Order which provides for the following: Respondent is assessed a fine of \$1,000, plus costs of \$781.10.

RESPONDENT: Cynthia L. Kuck, CPA – Poteau, OK
CASE # 1931 DATE OF BOARD ACTION: 8/3/2012

Respondent violated the Act and the Board's Rules by failing to timely apply for a reciprocal Oklahoma certificate for approximately a year. Respondent agreed to an Administrative Consent Order which provides for the following: Respondent is assessed a fine of \$1,000, plus costs of \$229.50.

RESPONDENT: Nathan Willsey, CPA, PLLC, CPA Firm – Geary, OK
CASE # 1932 DATE OF BOARD ACTION: 8/3/2012

Respondent violated the Act and Board's Rules by failing to enroll in a required peer review program. Respondent agreed to an Administrative Consent Order which provides for the following: Respondent is assessed a fine of \$2,500, plus costs of \$171, and must complete the peer review process within 90 days.

RESPONDENT: Gary Wayne Gibson, Revoked CPA – OKC, OK
CASE # 1924 DATE OF BOARD ACTION: 9/21/2012

Respondent violated the Act and Board's Rules by failing to obtain a permit to practice, and failing to timely complete CPE and file the Individual Registrant Reporting Form for compliance year 2010. Respondent agreed to a Consent Order which provides for the following: Respondent is assessed a fine of \$1,000, plus costs of \$1,271.60. In the event Respondent should apply for reinstatement of his certificate, he must show proof he has completed Professional Ethics: The AICPA's Comprehensive Course with a score of 90% or better, and meet the burden of proof at a show cause hearing as to why his certificate should be reinstated. In addition, upon reinstatement the Respondent will be placed on probation for three years.

RESPONDENT: James B. Tate, Non-registrant
CASE # 1934 DATE OF BOARD ACTION: 11/16/2012

Respondent violated the Act by signing an audit report on behalf of a revoked firm. Respondent agreed to an Administrative Consent Order which provides for the following: Respondent is assessed a fine of \$500, plus costs of \$256.

RESPONDENT: Walter Bethune, CPA – McAlester, OK
CASE # 1936 DATE OF BOARD ACTION: 11/16/2012

Respondent violated the Act and Board's Rules by failing to follow professional standards in the performance of an audit. Respondent agreed to an Administrative Consent Order which provides for the following: Respondent is assessed a fine of \$5,000, plus costs of \$327.50. If the registrant continues to perform audits, he must complete a peer review within 90 days, must submit to pre-issuance reviews of all audits, including work papers, for a year, and must complete 16 extra hours of CPE in the area of audits.

RESPONDENT: Barbara Jean Henry, CPA – OKC, OK
CASE # 1937 DATE OF BOARD ACTION: 11/16/2012

Respondent violated the Act and Board's Rules by failing to follow professional standards in the performance of an audit. Respondent agreed to an Administrative Consent Order which provides for the following: Respondent is assessed a fine of \$1,000, plus costs of \$3,000, and will be placed on probation for three years.

RESPONDENT: Michael Lyons, CPA – Edmond, OK
CASE # 1938 DATE OF BOARD ACTION: 11/16/2012

Respondent violated the Act and the Board's Rules by failing to timely apply for a reciprocal Oklahoma certificate for approximately a year and a half. Respondent agreed to an Administrative Consent Order which provides for the following: Respondent is assessed a fine of \$1,500, plus costs of \$194.25.

RESPONDENT: Timothy Barton, CPA – Edmond, OK
CASE # 1939 DATE OF BOARD ACTION: 11/16/2012

Respondent violated the Act and the Board's Rules by failing to timely apply for a reciprocal Oklahoma certificate for approximately two years. Respondent agreed to an Administrative Consent Order which provides for the following: Respondent is assessed a fine of \$2,000, plus costs of \$215.

RESPONDENT: James D. Krause, CPA – Okeene, OK
CASE # 1941 DATE OF BOARD ACTION: 12/14/2012

Respondent violated the Board's Rules by practicing under an unregistered firm. Respondent agreed to an Administrative Consent Order which provides for the following: Respondent is assessed a fine of \$1,000, costs of \$206.75, and must pay a filing fee of \$150.

RESPONDENT: Steven Milam, CPA – Tulsa, OK
CASE # 1942 DATE OF BOARD ACTION: 12/14/2012

Respondent violated the Act and Board's Rules by practicing without a permit. Respondent agreed to an Administrative Consent Order which provides for the following: Respondent is assessed a fine of \$1,000, plus costs of \$194.25.

RESPONDENT: David Mayfield, CPA – Edmond, OK
CASE # 1945 DATE OF BOARD ACTION: 12/14/2012

Respondent violated the Board's Rules by failing to follow review standards. Respondent agreed to an Administrative Consent Order which provides for the following: Respondent is assessed a fine of \$1,000, plus costs of \$211, and agrees to cease doing SEC audit work. Should Respondent wish to do future SEC audit work, he must appear before the Board for a show cause hearing.

RESPONDENT: Curtis Cannedy, Non-registrant – TX
CASE # 1802 DATE OF BOARD ACTION: 12/14/2012

Respondent violated the Act and Board's Rules in effect at that time by holding out as a CPA in Oklahoma without first notifying the Board. Respondent agreed to an Ad-

ministrative Consent Order which provides for the following: Respondent is assessed a fine of \$500, plus costs of \$2,500.

Individuals Revoked

Pursuant to Section 15.14.(F)(2) of the Oklahoma Accountancy Act, the following individuals were automatically revoked for failure to complete the 2012 registration renewal.

CPAs:

Douglas Keith Ahrens; Robert Allen Ahrens; William Allen; Michael Leroy Baller; Dora S. Bearden; Rand Curtis Berney; Richard Louis Boerger; Jo J. Forbes Boevers; Janelle Haraughty Brooks; Bernard W. Bunning; Leland Burnett; Marc Howard Chastain; James Kyrel Clay; James Challacombe Collins; Michael David Collier; Donna L. Couch; Laurie Beth Damron; Patrick Dorr; William Tod Eastlake; Elizabeth England; Steven Andrew Ewing; Angela Z. Flynn; Phil J. Ford; Sarah Elizabeth Gordon; Brooklyn Hope Gorton; Edward L. Handlin; Jeffrey Scott Haner; Kimberley Rene' Hatzfeld; Lisa A Herren; Joseph David Honerkamp; Maxie Eugene Hoskins; Frederick Joseph Hoyt; Shelley Dawn Hughes; Shari Humphrey; Richard K. Hunt; Bill V. Inman; Mary Ip; Deanna D. Ivey; Sean Jones; Alicia Walker Kemper; Mary Ellen Kushnir; Walter R. Long; Susanne Elkins Major; Bill Max McQuain; Debra Sue Meyer; Charles Moore; Robert S. Morgan; Sharie Leigh Nelson; Charles Randall Olmstead; Janis Osborn; Michael Allen Parker; Jonathan Proctor; Helen Rambo; Francis Eugene Ray; Christopher B. Rogers; Shawn J. Rooker; Kimberly Ann Schwend; Dawn Rene Scribner; Gary Seger; Steven R. Smith; Darold R. Stagner; Kenneth Lance Steckler; Thomas Gordon Suess; Li-Uei Tsai; Laurie M. Turner; Tami L. Van Meter; John Stephen Williams; Kenneth P. Young.



CANDIDATES' CORNER

Successful Candidates

Window 3/2012 = 44

Kyle Vest Allen
Ethan James Blain
James Lee Bryan
Jeffrey Leighton Campbell
Gabrielle Marie Conchola
Robin Dawn Davis
Huy Do
Caitlin Nicole Esparza
Stefanie Gayle Hatch
Justin Keith Hatcher
Stephen D. Haynes
Trevor Wayne Hudgeons
Tyler Nicholas Jones
Eric Kannard
Stephanie Kay Kitts
Charles Houston Lee

Vinay Manda
Sean Marley
Andrew Maryadi
Cody Douglas Maynard
Ross Andrew Mclaughlin
Kenneth Cade Meadors
Ryan Martin Moore
Joshua David Morphew
Casey Hull Morris
Jacqueline Patterson
Aaron Carter Paxton
Blake Stephen Postelwait
Lauren Patricia Pratt
Benedicta Omowunmi Reis
Christopher J. Rivers
Kyle L. Roberson

Shawn Bryan Schaumburg
Bobbi Jean Shaw
Daniel J. Shearer
Caleb Martin Shough
Christine Ann Stunkart
Nicole Marie Thatcher
Hieu V. Tran
Rachel D Withrow
Jeremy Scott Wood
Nacole Dawn Woods
Tao Yang
Kelsey Zybach

Bold = Each Section Passed on First Sitting

Masters Class Explanation

ATTENTION: It has come to the board's attention that some universities are offering managerial and financial masters level courses. These do not count toward the required 30 accounting hours above principles.

Direct all questions to Examination Coordinator Sharon Wells, at 405-522-0322 or swells@oab.ok.gov.

Oklahoma Based Prometric Sites

Oklahoma City

2224 NW 50th Ste. 196
Oklahoma City, OK
405-843-8378

Tulsa

3015 E. Skelly Dr., Ste. 254
Tulsa, OK
918-747-9333